

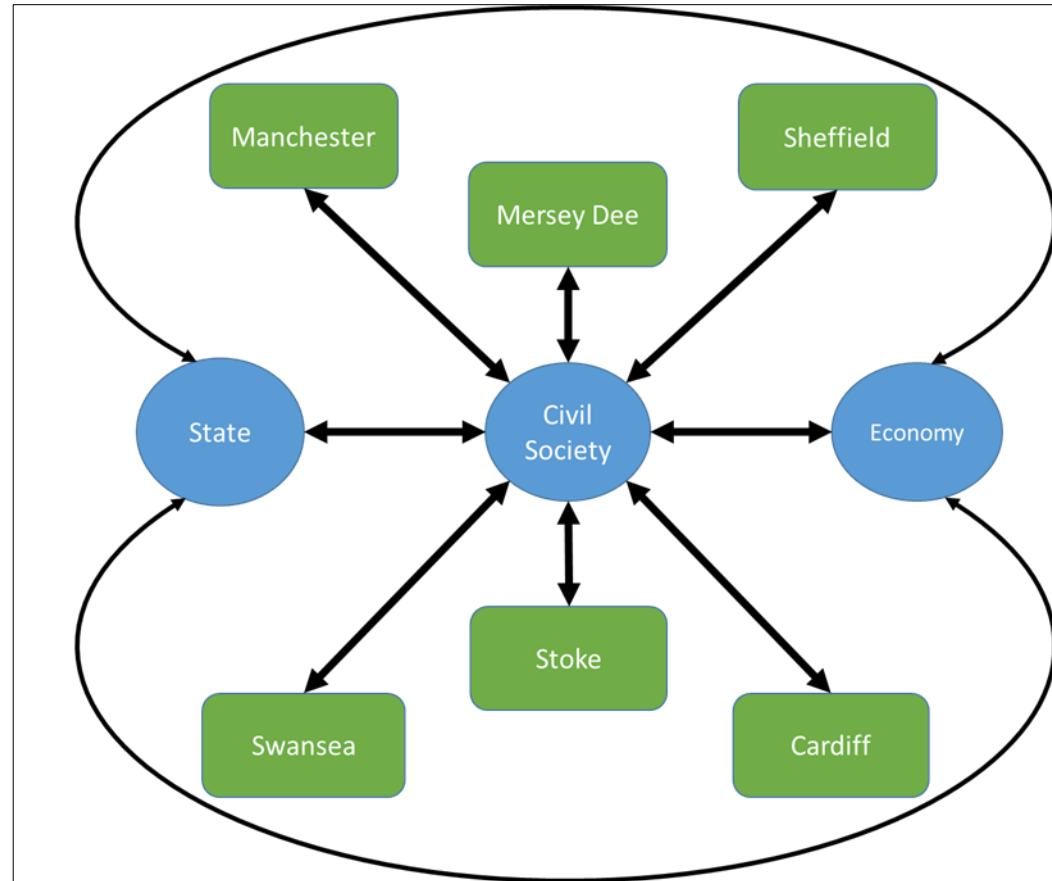
City-Region Limits: questioning local growth narratives in medium-sized UK cities

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**Delivering City Deals in Wales: Morgan Academy/WISERD,
Swansea University, 18th September 2019**

Spaces of New Localism - Stakeholder Engagement and Economic Development in Wales and England

- Six case study city-regions
- Changing dynamics of city-regionalism
- Positioning civil society within this
- Interviews with urban elites and civil society members



Outline

- The City Region World
- The City-Deal Approach
- Challenges facing the Swansea Bay economy
- The Swansea Bay City Deal
- Emerging Complexities
- Conclusions

The City Region World

- Dominant discourse in global urban development policy (see Storper, 2014)
- Rise of 'New Regionalism' (Brenner et al. 2003; Keating et al. 2003) and 'New Economic Geography' (Mackinnon, 2016)
- Globalizations challenge to macro economic nation state answer focused on City-Regions (Scott and Storper 2003)
- Neoliberal growth model, a geo-political scale on which economic development policy has been based (Jonas & Moisio, 2016)
- Agglomeration Theory (Overman et al. 2007; Overman, 2013; cf. Haughton et al. 2014)

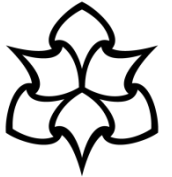
Agglomeration Proximity at Scale

“The policy implications of theories of agglomeration is that enabling people and firms to benefit from proximity to centres of activity, bring beneficial economic outcomes ... This implies empowering and incentivising local government, firms and people across economic centres and **natural economic geographies [Cities] to promote growth and correct the market and government failures** which are acting as barriers to economic development” (BIS 2010: 25).

Creeping Metrophilia and Polycentric Realities

Our critique of metro-led policymaking in this paper is certainly not to claim, however, that all city or city-region policies are flawed or ill-conceived, nor do we necessarily object to the notion that cities be placed in the “very centre” of agendas for “economic prosperity” [Florida, 2017: 204]. Rather, we simply point to the more sweeping tendency to posit cities as panaceas for a broad suite of economic and social challenges, and to seek to prioritise urban contexts through an optimistic veneer that may risk looking past the needs of marginalised strata within the city and of non-metropolitan places beyond the city. (Waite and Morgan 2018:2)

- Metrophilia struggles with the polycentric nature of city-regions and regions
- This includes city-regions with medium sized urban centres
- Medium-sized cities, weak economic areas, city-region best model?



Smaller and Non-Metropolitan Spaces in a City Region World

Normative nature in which this casts the relationships between urban and rural via city regional policy Harrison and Heley (2015):

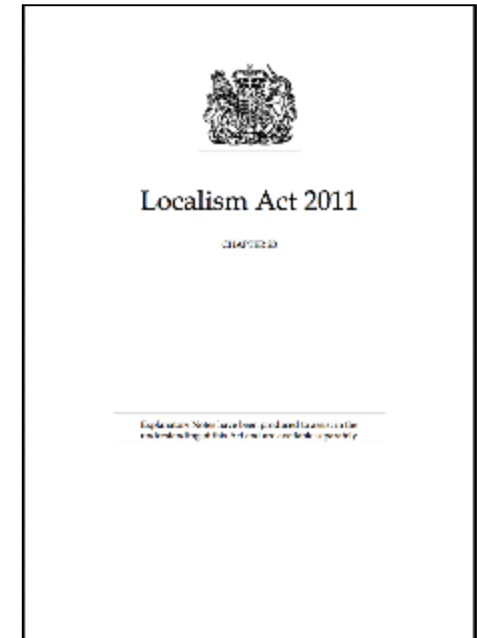
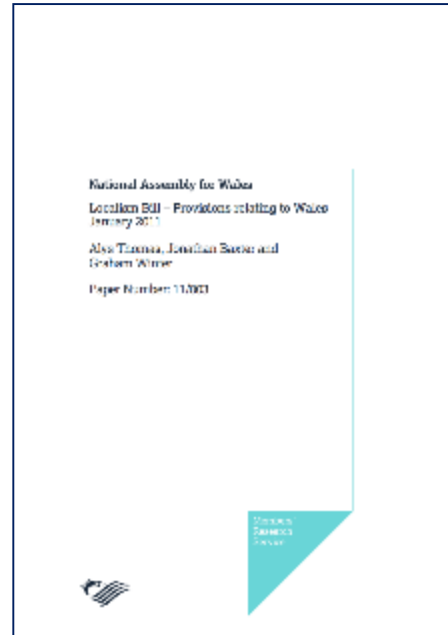
- As periphery, or
- Adjunct to existing city region growth strategies

*The city region approach **reproduces a rural development problem**. It establishes and rein- forces out-of-date notions of **geographical centrality and hierarchies**, and it actively marginalises places, **consigning them to the periphery, dividing and polarising**. City regions are taking root in regional economic development and spatial planning across the UK, and **they are raising profound challenges for those involved in the economic development of rural areas**. (Ward, 2006: 52)*

- Approach (potentially) marginalises the rural due to the dominance of metropolitan centres, creating further uneven growth for rural areas (Shucksmith, 2008).
- Fails to consider the ways in which areas external to the city region are capable of creating different models of economic growth which do not rely on urban agglomeration (Harrison & Heley, 2015; Haughton, Deas, Hincks, & Ward, 2016).

The City Deal Approach

- Change in spatial emphasis since Coalition Government, 2010
- Post-crisis reaction
- Need to ‘rebalance the economy’ in England
- End of RDAs introduction of LEPs (in England) and city-region focus
- City-region seen as the ‘natural’ and ‘functional’ scale for economic development and governance
- Shift towards ‘localism’ – although riddled with complexities



For too long communities have not had a big enough say in what happens in their local area – whether it be about what happens to local amenities, how local services are delivered, or how new development is planned (gov.uk, 2014).

Governing Economic Development: *Moving Things Around*



**1800s to 1920s:
Municipal
Localism**

**1930s to 1970s:
One Nation Consensus
Regionalisms**

**1979 to 1997:
Thatcher–Major
New Localism**

**1997 to 2010:
Blair–Prescott–Brown
New Regionalism**

**2010—:
Cameron–Osborne–May
New New Localism**

City-Regions

Localism

Regionalism

City and Growth Deals

“We’re in a deal-making world now”

(Sir Bob Kerslake,, Regen 2014 Conference, Liverpool, 25 June 2014).

The unfolding waves of City Deals illustrate the emergent political and cultural context in which central government and a **small, selected band of UK cities and city-regions have been chosen or ‘encouraged’ by ministers to develop sub-national and local growth** and public service delivery strategy and policy against a background of declining direct national state capital investment and tentative macroeconomic recovery. In question is whether the deal-making approach is either open or able to take hold and grow sufficient roots within civil society to enable devolution to cities and localities (O’Brien and Pike, 2015:R21)

Accountability and the Post-Political / Depoliticisation (Rhys-Jones, 2007; Swyngedouw, 2010, 2011; Purcell, 2007; Haughton *et.al*, 2013)

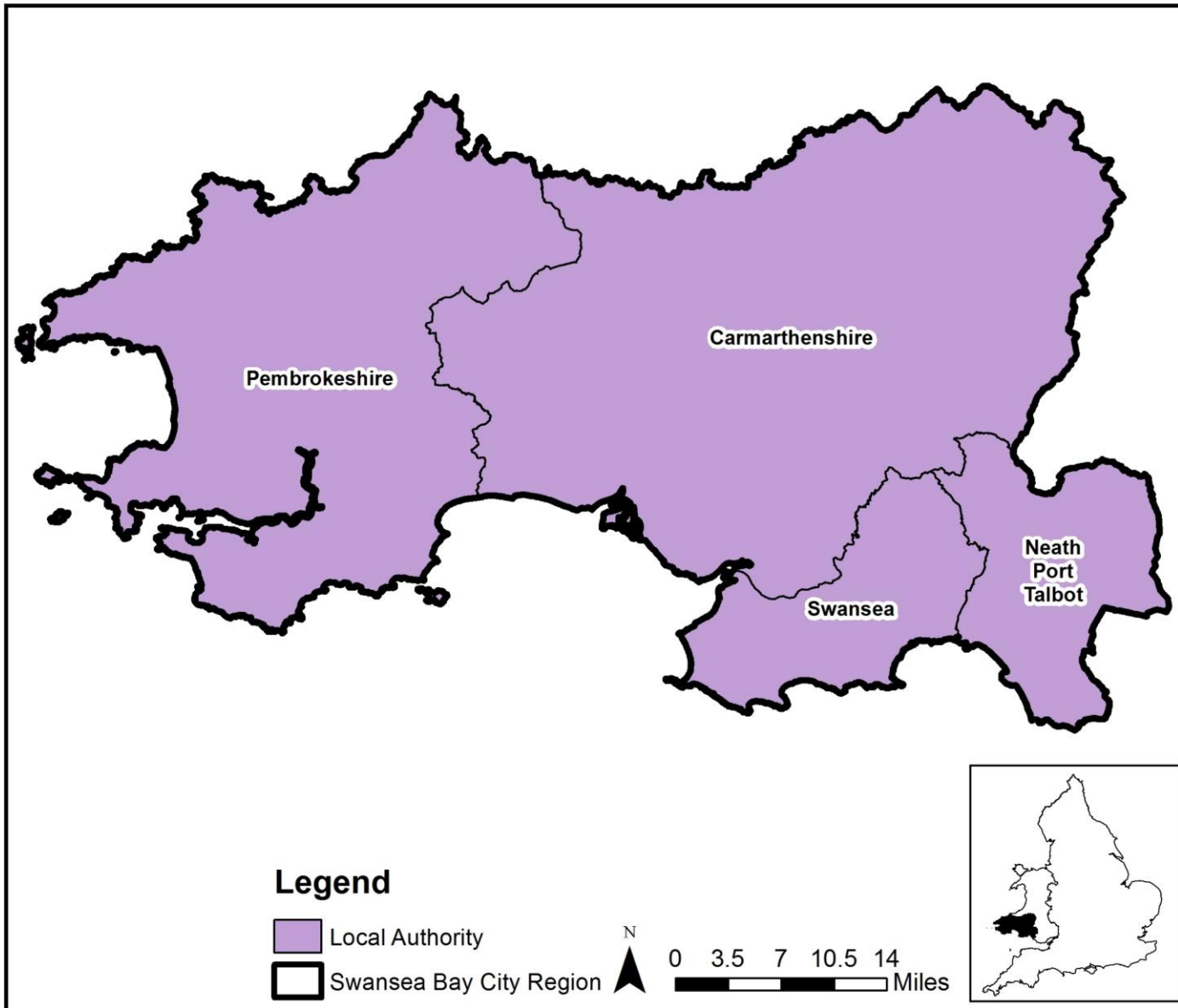
➤ People in the state, who is doing this, what access do citizens have to city region institution building – production of soft spaces

City-Region Developments - Wales

- Increased powers for Welsh Government
- Movement away from WSP - new 'territorial fix' (Jones *et al.* 2016)
- Change in Local Government Structure towards combined authorities/regional focus?
- Two city regions:
 - Swansea Bay
 - South East Wales (Cardiff Capital) Region
- Two Pipelines:
 - North Wales
 - Mid-Wales
- Plus
 - East Wales / Mersey-Dee
 - Cardiff, Newport, Bristol (Western Powerhouse)



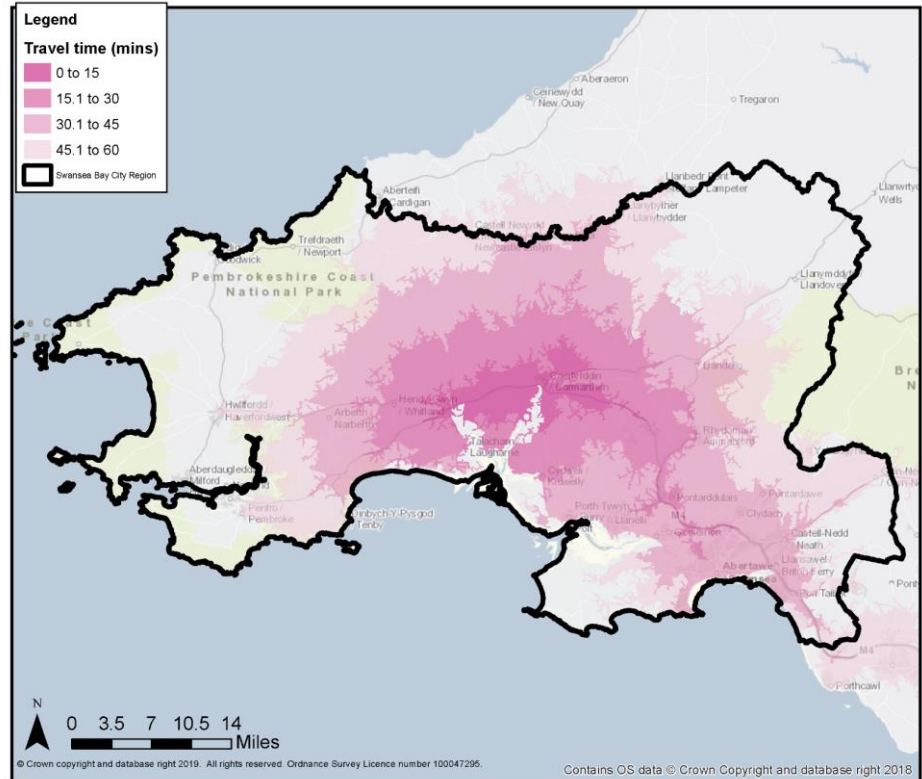
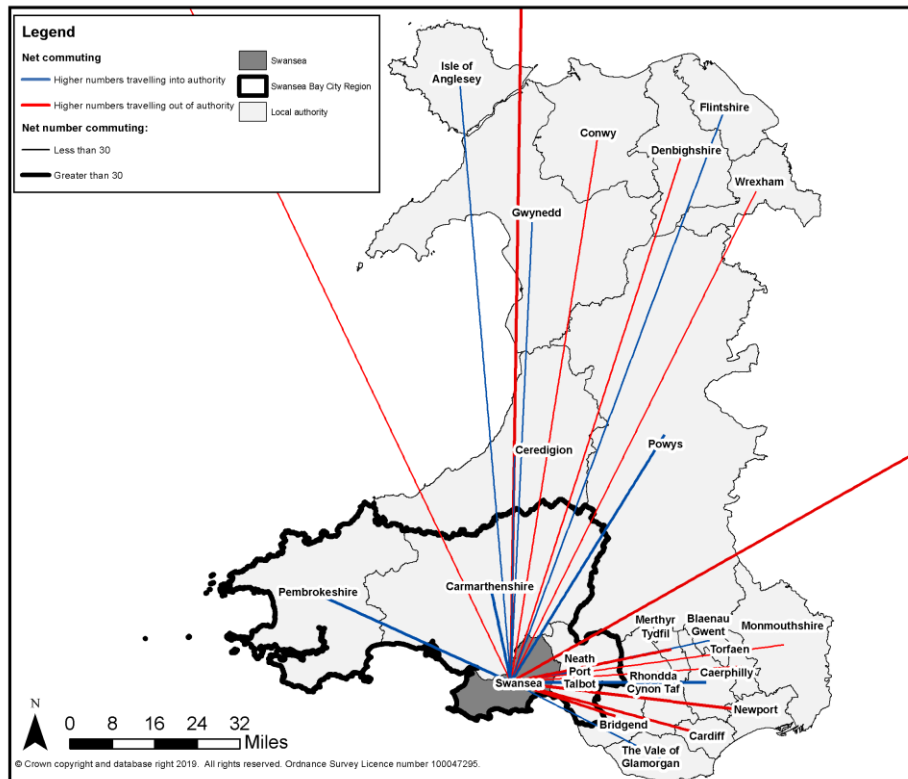
*City region boundaries **must reflect economic reality and not political or administrative boundaries.** Genuine engagement and meaningful collaboration across many local authorities will be needed. This will certainly involve ceding power, funding and decision making to a more regional level (Elizabeth Haywood, City Regions Task and Finish Group, Welsh Government, 2012: 7).*



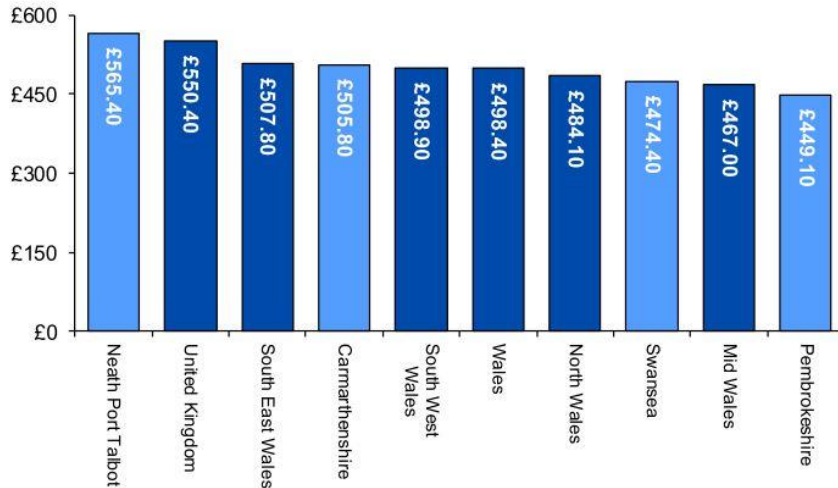
Swansea Bay Travel to Work Areas – Full Time Employment



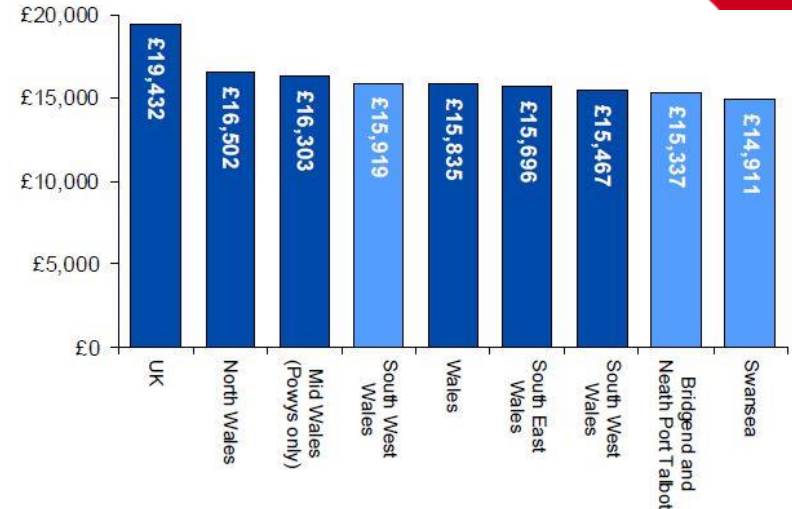
Swansea Bay Travel to Work Areas



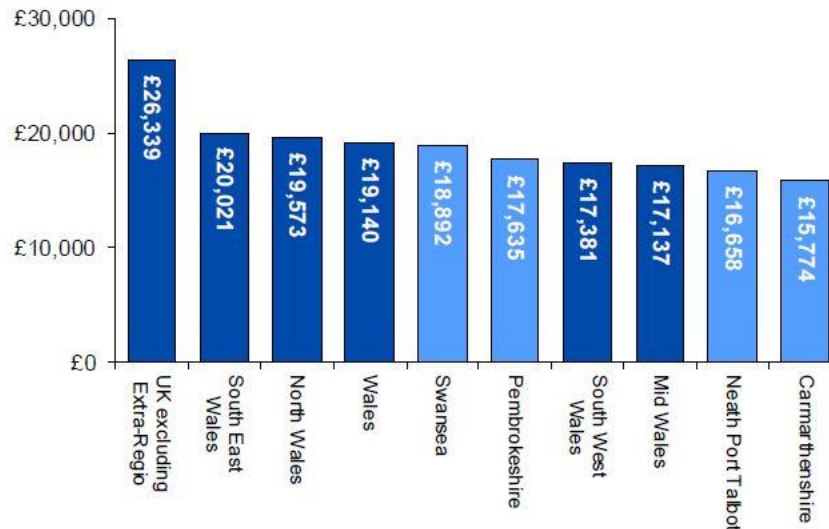
Placing Swansea Bay – Wages/Earnings



Annual (Median) full-time weekly earnings, 2018 (Welsh Government, 2018)



Gross Disposable Household Income (GDHI) NUTS3 level, 2017 (Welsh Government, 2018)



GVA per head, 2017 (Welsh Government, 2018)

Placing Swansea Bay - Employment

Table 1: Employment levels, year to June 2018 (a)

(levels in thousands)							
	Year to Jun 2018	Compared to previous year			Compared to earliest available		
		Year to Jun 2017	Level Change	Percentage Change	2001	Level Change	Percentage Change
South West Wales	306.1	309.0	-2.9	-0.9 ↓	261.9	44.3	16.9 ↑
Pembrokeshire	55.3	55.2	0.1	0.2 ↑	45.4	10.0	22.0 ↑
Carmarthenshire	83.8	82.7	1.1	1.4 ↑	69.0	14.8	21.5 ↑
Swansea	107.6	107.5	0.2	0.2 ↑	96.8	10.8	11.1 ↑
Neath Port Talbot	59.3	63.6	-4.3	-6.7 ↓	50.7	8.7	17.1 ↑
Wales	1,435.1	1,415.5	19.6	1.4 ↑	1,238.6	196.6	15.9 ↑
United Kingdom	32,053.3	31,663.0	390.3	1.2 ↑	27,433.1	4,620.2	16.8 ↑

Employment levels, year to
June 2018 (Welsh
Government, 2018)

Source: Welsh Government analysis of Labour Force Survey (LFS)/Annual Population Survey (APS), ONS

(a) Employment levels for those aged 16 and over.

Table 2: Unemployment levels, year to June 2018 (a)

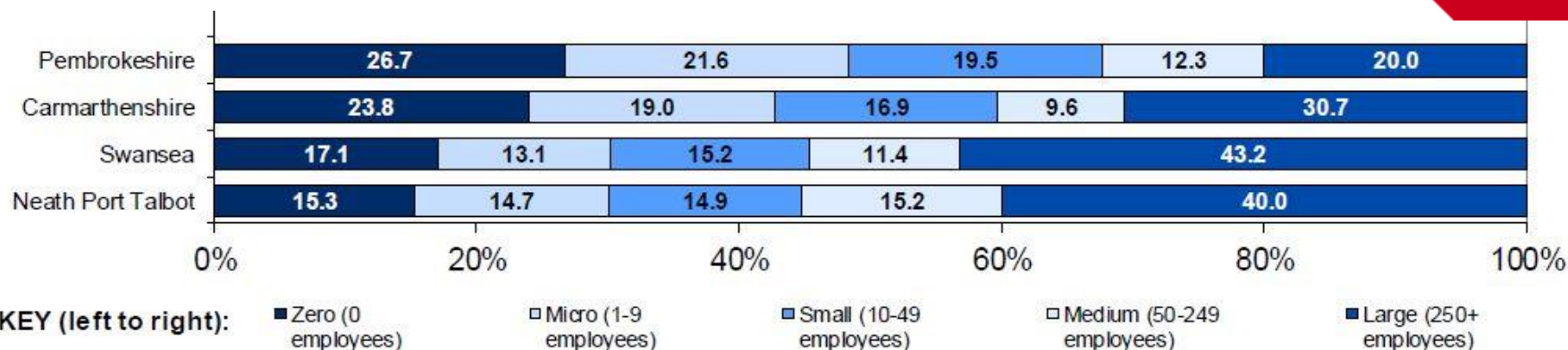
(levels in thousands)							
	Year to Jun 2018	Compared to previous year			Compared to earliest available		
		Year to Jun 2017	Level Change	Percentage Change	2001	Level Change	Percentage Change
South West Wales	15.6	16.6	-1.0	-6.1 ↓	17.5	-2.0	-11.2 ↓
Pembrokeshire	1.9	2.7	-0.8	-29.2 ↓	3.2	-1.3	-39.8 ↓
Carmarthenshire	3.6	4.1	-0.6	-14.1 ↓	4.6	-1.1	-23.0 ↓
Swansea	6.6	6.0	0.6	9.5 ↑	6.4	0.1	2.1 ↑
Neath Port Talbot	3.5	3.7	-0.2	-5.7 ↓	3.3	0.2	7.1 ↑
Wales	72.1	70.3	1.8	2.5 ↑	71.0	1.1	1.5 ↑
United Kingdom	1,412.9	1,524.2	-111.3	-7.3 ↓	1,450.3	-37.4	-2.6 ↓

Source: Welsh Government analysis of Labour Force Survey (LFS)/Annual Population Survey (APS), ONS

(a) Unemployment levels for those aged 16 and over (ILO definition of unemployment).

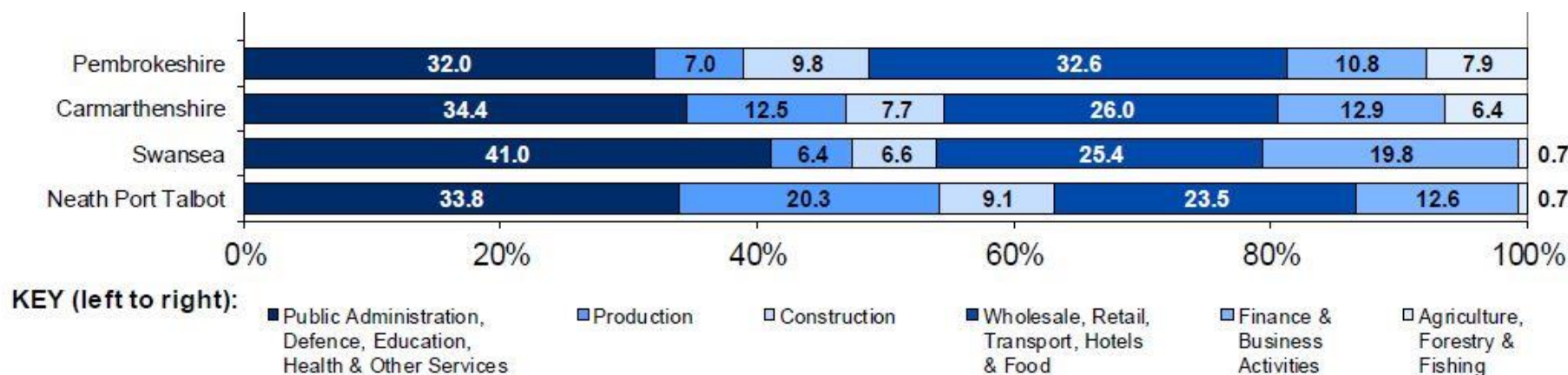
Unemployment
levels, year to June
2018 (Welsh
Government, 2018)

Placing Swansea Bay – Industry



(a) The size band is based upon the size of the UK enterprises and includes all enterprises that are active in Wales.

Percentage of employment by enterprise size-band, 2017 (Welsh Government, 2018)



Percentage of workplace employment by industry, 2016 (Welsh Government, 2018)

The Swansea Bay City Deal: Outline

*‘The City Deal provides clarity of purpose, **consistency of approach and absolute focus on collective action over the next two decades**. We aim to tackle the structural challenges holding back our economy and reduce the gap between our performance and the rest of the UK in terms of wealth creation to the benefit of both.’ Swansea Bay City Region (2017).*

- City Deal is used to create a bounded ‘spatial imaginary’ for Swansea Bay, to create necessary ‘scale’ for deal but in doing this, raises a series of complexities
- City Deal
 - £1.3bn City Deal, that includes projected leverage finance of £637m from the private sector. The Welsh and UK governments have committed in principle only £241m of that total.
 - Over the next 15 years, the City Deal will boost the regional economy by £1.8bn and generate almost 10,000 new, high-quality jobs.
- Key themes:
 - Internet of Economic Acceleration
 - Internet of Life Science & Well-being
 - Internet of Energy
 - Smart Manufacturing

Bargen Ddinesig Bae Abertawe Swansea Bay City Deal

-  Rhyngrwyd Cyflymu'r Economi
Internet of Economic Acceleration
-  Y Rhyngrwyd Gwyddorau Bywyd a Llesiant
Internet of Life Science & Well-being
-  Y Rhyngrwyd Ynni
Internet of Energy
-  Gweithgynhyrchu Clyfar
Smart Manufacturing



Sir Gaerfyrddin © Carmarthenshire



The Swansea Bay City Deal: Brand Importance

*The Deal provides an opportunity to continue tackling the area's barriers to economic growth through: developing higher value sectors and higher value employment opportunities to match; **increasing the number of businesses** within these sectors to **widen the economic base**; and **improving the region's GVA level** against the UK average. As well as taking forward programmes to drive economic growth the City Deal commits local leaders and partners to implementing effective leadership across the City Region. (Swansea Bay City Region – City Deal, 2017:3)*

*You've got an opportunity here as a region, Swansea is known globally now because of the football, you've got to use that brand to reach out to the world to attract people to come here.' He said, I think that was accepted. And on top of that then, if you accept Swansea is '**As much as we would like to describe Carmarthenshire and Pembrokeshire and all the other great areas within the region, Swansea is your brand. That's why it's Swansea Bay..**' the engine of the region, **the major urban centre, the major economic centre of the region**, then if you get the engine running well you are going to disperse that wealth out into the other parts of the region. (Interview 13 – Local Authority Leader, 2018)*

Challenges facing the Swansea Bay City Deal

- A series of differing aspirations – regionally and nationally (Welsh and UK Governments)
 - Differing political expectations with regards what city deal is
- Continuing austerity and related political tensions
 - A trickle-out model?
- Dealing with Metrophilia - an urban/rural split – city/local/region split;
 - Relatively small TTWA
 - lack of infrastructure across the region;
- The impact of Brexit;
- Governance Problems... (see Internal Review, 2019 and Actica Review, 2019).

Conflicting Aspirations: Metagovernance Dynamics

*It is clear that Deals and the investment that follows them have given the UK Government a role in economic development that (as a devolved area) would normally be the preserve of the Welsh Government. If this joint working is harmonious, then there is strong potential for it to benefit all parties. However, **there is a history of fractiousness and finger-pointing between the two governments**, particularly when it comes to economic development and infrastructure projects in areas where devolved responsibilities are not 100% clear. (Economy, Infrastructure and Skills Committee, 2017:18-19)*

*I guess strategically where we were and in the four months of negotiations strategically **we had to fulfil the ambitions of both governments and as you say you've got a Labour Government here, a Conservative Government in Westminster**, so we had to have the capability really of knowing what both governments' agendas were and how to marry those two agendas and **we're still doing it post-negotiation**. We still have to marry two strategic ambitions together but I guess it helps that officials from Welsh Government and UK Government can come to an agreement themselves and have one path forwards (Interview 6 Local Government Leader, 2018)*

Austerity and Financialisation

*We were going into a time of...well we're in a period of austerity, we cannot afford extra expenditure on things that are not known. This was, to me, was opening the doors – could be a series of unknowns, so I was very, very, very cautious, yes...I go back to my point at the beginning; in these days of austerity we've not got the funds. **We are being cut back, cut back, cut back for the last five, six years.** And we shouldn't, councils should not be relied upon **as a charity for business expansion.** There are programmes that are grants, if your business plan stacks up, there are banks that will lend you money. What I'm saying is, I think, that the Assembly and the English Government could be...forming their own bank, if you like, just allowing businesses to borrow cheaper money. That's the only reason that these schemes want in on **this because it's borrowing cheap money, they can't get it the same rates from the banks or the private sector so of course they want a part of it.** (Interview 8 – Local Authority Leader, 2018)*

*And then there's the issue around what is the **nature of the funding in the City Deal**, if you read it, it says two different things; on one page it says that it's 'funding', so that could be capital or revenue, over the page it says it's capital. Now I need revenue for one or two of the projects so I'm asking them to clarify, essentially. They started off saying it's all capital and I said, 'oh dear.' And now they are starting to back-track a bit, so it's all part of the negotiation. **But of the – we've got a revenue requirement of thirty-four million quid, on two main projects**, one of which is here and the other one is the regional skills programme and a few bits and pieces elsewhere, **but basically there's a deliverability issue around the projects if we can't get the clarity.** (Interview – Local Authority Official, 2017)*

Trickle Out...

*I think the investment from both governments is just **giving us the profile that private sector want to invest** and it's the catalyst. Because both governments want to invest in the region. We're already seeing global investors wanting to talk to us...**there are companies talking to us now that we've never seen in Carmarthenshire** but they're here now because of the City Deal and what that offers and that's great to see. Interview 6 – Local Government Leader, 2018).*

*I had probably three or four objectives the biggest one being **fair procurement**. Probably the second one a voice for construction and hopefully probably lining up with yours localism as well. **I wanted to get the local point across** that construction is the first rung on the ladder when it comes to investment and so on...Obviously a lot of people didn't agree with my views. I did bang on all the time about procurement and it needed to start with Smart Fair Procurement but I've written there that was totally lost to be honest with you. **I couldn't get it written into the City Region Deal and I think that's the most important**. The enabler for the whole of the City Region Deal is the construction so whether or not the project is on infrastructure or it's on life science, wellness centre as one is or it's on the city centre regeneration it starts with construction. (Interview 12 – Former SBCR Board Member, 2018).*

Dealing with Metrophilia

*Well we're very, very concerned about it. Whilst the City Deal will concentrate on health and life science as a major investment, **rural health is not being taken care of...** It's also got the issue of attractiveness, **we've got this shift from rural areas into urban areas which leaves a vacuum then in terms of skills** and the linguistic skills in that rural area so health is a growing issue... That's where I believe an English City Region has got the advantage in that it is an urban area, good communication links, high volume of people, good learning resources distributed. **We haven't got that; we've got this rural aspect, which is difficult.***
(Interview 7, Former SBCR Board Member, 2018)

*Now Pembrokeshire was not keen on the City Region approach I think because of our experience of City Regions. **When we're sitting on the periphery of it the Region looks very different sitting in West Wales than it does sitting in Swansea.** So if you're sitting in Swansea the City Region Deal looks like a pretty good thing but we're a long way from Swansea.* (Interview 14 – Civil Society Leader, 2018).

*You could call it **the hegemony of a laissez faire – the neoliberal hegemony.**
To use that phraseology: it's the dominant philosophy, isn't it? And I don't think that has been challenged. You've got Jeremy Corbyn and John MacDonald coming in but even there I suspect that's more about macro economic policy and it really strikes me again that, in my experience of politicians, they know very little about this area so **they tend to assume what (hacks it) in terms of economic development is big buildings and roads, something tangible.** I come back to my point, in economic development terms in Wales there's too much development and not enough economics. (Interview 20, Health Board Chair)*

- The city region concept is a complex fit for Swansea Bay and more broadly medium sized cities within polycentric regional settings
- The attempt to create an agglomerative economy across Swansea Bay / South West Wales struggles due to weak economic links
- City deal extenuates this as there is a lack of city region-wide policy – danger of reverting to trend with too many geographically discreet projects
- This raises questions with regards to what an appropriate 'growth' strategy would be...

Underpinning Published Research

- Beel D, Jones M, Plows A (2019, forthcoming) “Urban growth strategies in rural regions: building the North Wales Growth Deal” *Regional Studies*
- Jones M (2019) *Cities and Regions in Crisis: The Political Economy of Subnational Economic Development* (Elgar, Cheltenham) copies
- Beel D, Jones M, Jones IR (2018) “Elite city-deals for economic growth? Problematizing the complexities of devolution, city-region building, and the (re)positioning of civil society” *Space and Polity* <https://www.tandfonline.com/doi/full/10.1080/13562576.2018.1532788>
- Beel D, Jones M, Jones IR and Escadale W (2017) “Connected Growth: developing a framework to drive inclusive growth across a city-region” *Local Economy* 32, 565-575
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- Jones M, Orford S, and Macfarlane V (eds) (2016) *People/Places/Policy: Knowing Contemporary Wales through New Localities* (Routledge, London)

