



After Coal – rethinking the development of the UK’s (post)industrial regions

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Prof John Tomaney MNEIMME has principally researched the development of cities and regions as socioeconomic, political and cultural phenomena and the role of public policy in the management of these. Prof Andy Pike has research interests in the geographical political economy of local, regional and urban development, governance and policy; including the economic, structural and adaptative change in British cities and the potential of advanced manufacturing for sectoral and spatial rebalancing. Together they write on the problems facing Britain’s former industrial regions, and how regions must design and implement their own programmes to address their locally unique capabilities and challenges.

The problems facing Britain’s former industrial regions have been well-documented. They are characterised, in contrast to national averages, by low growth; a lack of white-collar and graduate level jobs; lower than average pay and employment rates; high numbers of working-age adults in unemployment or on incapacity benefits, and high rates of poverty.

Currently, a powerful orthodoxy suggests that cities offer productivity and growth premiums because they generate agglomeration economies through their scale, density and diversity. Thus, London acts as the dynamo that powers the UK economy, through its financial, digital and knowledge-intensive business services. Meanwhile the recent growth of Manchester, based on the expansion of services and property development, has been presented as the standard for other city-regions.

City centre regeneration has acted as a proxy for industrial strategy. The Northern Powerhouse operates primarily as a brand for the marketing of northern England for investment, in residential and commercial real estate, infrastructure, and, to a lesser extent, advanced manufacturing, R&D, and culture. The push to create ‘metro-mayors’ is based upon matching decision-making with ‘functional urban areas’.

The implications of this strategy for former mill towns, mining villages, coastal and rural settlements are ambiguous at best. Widening inequalities between and within places are the accepted consequence of this development model. Crucially, this model neglects middle- and low-paid workers in the low-productivity, non-traded sectors, and the civic infrastructure required to develop research and innovation across the whole economy. It also overlooks rural areas and towns. The pursuit of major inward investments and the development of knowledge-intensive business services or advanced manufacturing are unlikely to create inclusive growth in left-behind places.





There is little evidence, for example, that London's growth benefits other regions. Instead, fortuitously capturing the benefits of globalisation through its specialisation in financial services, the attraction of multinational companies, foreign investment and international migrants, London has 'de-coupled' itself from the UK economy.

Similarly, there is little evidence that faster growing cities in the north are contributing to the growth of neighbouring places. The economic performance of cities is crucially determined by region. Cities in northern England have grown slower than counterparts in southern England and Scotland. Even in success stories such as Manchester, much of the growth has been in low productivity, low wage sectors.

Policy-makers' continued faith in agglomeration and densely developed cities as the route to economic development is being challenged by research suggesting that large cities are not always the most dynamic engines of growth.

In the UK, the productivity growth of southern service-based cities has been modest. Some smaller and medium-sized cities have outperformed larger cities. The pull of larger cities has been reduced by worsening 'agglomeration costs', such as pollution, congestion, and housing shortages. Well-connected regions with rural areas and a network of smaller, well-connected cities, can provide agglomeration benefits – like extended labour markets – while limiting such costs.

Given this geographical differentiation of economic conditions, place-based approaches point towards a new approach to local industrial strategy. Such approaches aim to release untapped potential in lagging regions by empowering local stakeholders to maximise their existing skills, talent and capabilities, tailoring their mix of policies to local conditions.

Regions must design and implement their own programmes to address their locally unique capabilities and challenges. This will require, as a World Bank report put it, 'more intensive, on-the-ground support, including technical assistance and capacity building at the regional and the local level'.

In a new Fabian Society pamphlet, *Everyday Socialism*, edited by Rachel Reeves MP, we and a number of other contributors make the case for a political-economic agenda that focuses on what is sometimes called 'the foundational economy' – sectors that are immobile and relatively protected from competition, but which provide the social and material infrastructure of civilised life, including utilities, housing, health, care and education. Low-paid and precarious forms of work in mundane sectors of the economy like these exist everywhere, but are disproportionately important in left-behind places. Rather than competing for the next big thing against stronger, larger urban economies, left-behind places would be better served by policies aimed at securing the foundational economy. Strategies might invest in local civic infrastructure and asset-based forms of community development, that aim to increase local asset ownership and anchor jobs locally.

Place-based forms of economic development require strengthened institutional frameworks. Tackling the entrenched problems of 'left-behind' places will require more imaginative and flexible geographies than the current top-down approach to devolution. New theories of urban and regional development suggest the importance of the regional scale in addressing links between dynamic, large cities and the left behind within urban hinterlands, smaller cities, towns and coastal and rural areas. Questions of democratic and political legitimacy loom large. Sustainable solutions for left-behind places are likely to come from the bottom-up, involve a range of political and civic actors and foster a sense of belonging that provides communities with cultural identity, respect and resilience.

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