The Functioning Economic Geography of the West Midlands Regional Economy: Structure, Process, Policy and Path Dependency
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Outline: Functionality as a consideration for economic areas

- Reconfiguration of scales for administrative governance and promotion of local growth: GOR → LEP

- Functionality as a concept of organisation for ‘localism’
  - City as a nodal driver of growth through relational networks and connections?
  - Intra- and extra-regional firm relationships as significant influencers on the performance of the economy?
  - Trade links as a ‘black box’ of functionality for regional policy makers

- Contextual understanding of trading patterns through empirical research
  - Identify interdependence of sub-economies and locales
  - Expand beyond relationships within or proximate to regions - dislocations
West Midlands Administrative Region (GOR) (2010)
Regional Transitions

Regional transitions and the role of policy frameworks

Longitudinal analysis:
- Secondary data sources
- Policy-driven quantitative studies
Transitions in the Spatial Structure of the West Midlands Region

- Concentration of labour and employment in core → Overspill projects to ‘relieve’ the city and core
  - Peripheral expansion
  - Satellites within commuter range
  - Long range sites outside commuter distance with redistribution of employment

BUT Decline of key industries:
  “The West Midlands offers an even more striking example of an area turning quickly from a prosperous region to one in deep trouble. The relative job shortfall was significantly negative in the 1950s (indicating a serious labour shortage), was negligible in the 1960s but deteriorated sharply in the 1970s to reach 4.1% of its labour force. This was higher than in any other assisted region except Northern Ireland.” (Moore et al., 1986: 79)

- Overtime, led to an ‘open textured conurbation’ (Rodgers, 1980) but a strong city-region expansion (with infilling of urban mass) and service growth: an axis joining metropolitan England to North
Transitions in the Spatial Structure of the West Midlands Region

Figure 3: BFPS Employment Proportion by District, West Midlands

Source: BRES (2011)

Figure 22: Localisation of innovative industries by Employment Concentration (LQ), West Midlands, 2011

Source: BRES (2011)
Functionality and the Regional Space

- Dislocation in the West Midlands economy: a complex city-region?
- Overall effectiveness of infrastructure and spatial planning approaches, but doesn’t tell us about the performance of firms
- Explore both functional and spatial integration over the region – look at specialisms and operations of economic agents
Approach to Understanding Functionality: Case study evidence base

West Midlands
Migrant start-ups in retail and professional services

Warwickshire and E3i belt
BPS – Marketing and PR

South Staffordshire
Manufacturing Sector

West Midlands GOR
Intermediate Metal Processing industry

Regional Studies Association Winter Conference, London
22nd November 2013
Case Study 1: Intermediate Metal Processing (IMP) Industry

- Manufacture intermediate metal components
- Supplies range of global industries in automotive, aerospace and engineering
- Historical centre is Birmingham-Black Country conurbation
- Institutional and relational proximity important

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Trading Patterns of IMP Firms: Inputs and outputs are not locally orientated

Key

Agreement type:
- Common ownership of product with customer
- Long term contract (more than 1 yr)
- Short term contract (less than 1 yr)
- Purchase order (discrete order)
- Informal agreement

Significance of agreement by proportion of turnover customer represents:
- 0-25%
- 26-50%
- 51-75%
- 76-100%

Customer type:
- Main customer by value
- Predominate type of top 5 customers by value
- FM Further manufacturer
- EU End user
Case Study 2 & 3: Entrepreneurship
Business and Professional Service (BPS) and Polish Migrants

<table>
<thead>
<tr>
<th>BPS firms</th>
<th>Migrant start-ups</th>
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<tbody>
<tr>
<td><strong>PR and Marketing</strong></td>
<td><strong>BPS and Retail</strong></td>
</tr>
<tr>
<td>Home Based Businesses</td>
<td>Locally orientated retail and BPS</td>
</tr>
<tr>
<td></td>
<td>businesses – serving the WM</td>
</tr>
<tr>
<td></td>
<td>Polish migrant community</td>
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</tbody>
</table>

- Intra-regional and inter-regional linkages

- Financial and knowledge linkages with location of residence and firm in region and location of origin
Entrepreneurship in BPS

Three output relationships:
1. Local – local specialist markets
2. Non-local – firm specialist skills
3. Mix – relocated professionals (geographically or employment)

Table 4.13 Business turnover: home-based and office-based

<table>
<thead>
<tr>
<th>Location of clients</th>
<th>Home-based businesses (a)</th>
<th>Office-based businesses (b+c)</th>
<th>Leased space (b)</th>
<th>Owner occupied office (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>West</td>
<td>2,169,723</td>
<td>68,857,932</td>
<td>11,258,437</td>
<td>57,599,494</td>
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<tr>
<td>Midlands</td>
<td>1,115,688</td>
<td>23,158,400</td>
<td>2,852,138</td>
<td>20,306,263</td>
</tr>
<tr>
<td>London &amp; South East</td>
<td>1,154,814</td>
<td>21,169,467</td>
<td>5,354,013</td>
<td>15,815,455</td>
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<tr>
<td>Rest of UK</td>
<td>183,774</td>
<td>3,479,200</td>
<td>550,413</td>
<td>2,928,788</td>
</tr>
<tr>
<td>UK</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4,624,000</td>
<td>116,665,000</td>
<td>20,015,000</td>
<td>96,650,000</td>
</tr>
</tbody>
</table>

Note: 64 business provided turnover details out of a potential 79
Source: Telephone survey, January 2007

Case Study 4: South Staffordshire Manufacturing Sector

Figure 1: Key Manufacturing Location by Subsector

Case Study 4: South Staffordshire Manufacturing Sector

Table 5: District-level industrial synergies and linkages

<table>
<thead>
<tr>
<th>District</th>
<th>Synergy type</th>
<th>Peers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cannock Chase</td>
<td>Nodal</td>
<td>Redditch, South Derbyshire, North Warwickshire, Telford &amp; Wrekin, Sandwell, Erewash, Amber Valley</td>
</tr>
<tr>
<td>East Staffordshire</td>
<td>Contiguous</td>
<td>NW Leicestershire, South Derbyshire, Staffordshire Moorlands, Telford &amp; Wrekin, Sandwell, Amber Valley, Rugby</td>
</tr>
<tr>
<td>Lichfield</td>
<td>Contiguous</td>
<td>Telford &amp; Wrekin, Sandwell, Cannock Chase, East Staffordshire, North Warwickshire, Staffordshire Moorlands, Dudley, Redditch</td>
</tr>
<tr>
<td>South Staffordshire</td>
<td>Nodal</td>
<td>Telford, Stoke, East Staffordshire, Amber Valley, Staffordshire Moorlands, Hinkley &amp; Bosworth</td>
</tr>
<tr>
<td>Tamworth</td>
<td>Contiguous/Nodal</td>
<td>Cannock Chase, South Derbyshire, North Warwickshire, Redditch, Sandwell, Telford, Amber Valley</td>
</tr>
</tbody>
</table>

Three types of linkages:
1. **Regional spread**
   (both bound to urban core, at least temporarily)
2. **Sub-regional concentration**
   (dispersed sub-region concentrations – set of flows outside core, at least temporarily, that bypass proximity)

Functioning Economic Geography: Spatial Patterns

- Networks and flows show spatial attachment outside the region

- Dislocation of some relationships and key relationships outside the region
  - Dispersed economic activities linking locality to locality in pattern of complexity and fragmentation

- Functionality is not static or hierarchical
  - Multiple spaces – extra-regional links more significant than ties to the core or region
  - Shift of firms and industries into diversified markets and economies increases the dynamism of the functionality of the region
Translocal Relationships

- **Locality-locality** relationships: economic agents are tied to specific places.

- Region has a plurality of spaces with different functionality and patterns of economic exchange.

- Flows are not necessarily enabled through the nodal city or urban core but instead **dislocated** from it.

- Firm’s base may remain fixed in the locality, reflecting processes of **path dependency**, while products and services are provided to customers and clients located beyond the region.
Policy Implications of Dislocated Functionalities

- Functional trade links shown to be far more complex, disintegrated and distinct between locales within and outside the region.

- Regional planning has played a central role in the overall effectiveness of infrastructure but has had less influence on the performance of firms, which are more closely related to localities.

- Genesis of industries has a historical factor in their positioning in the West Midlands economy and development of skilled, local labour force.

- City as a node to regional performance?
Concluding Comments

- Functionality as an **under-focussed** element of regional economy understandings for front-end analysis
- Case studies have illustrated how **activities have adapted** to capitalist pressures and global networks rather than locations
- Different spatial scales of economic functionality in the region but these are **not necessarily nested**
- What does functionality mean for regional understandings?
  - **Linkages between localities** rather than the region for the performance of firms
  - City-region model doesn’t encase all functionality and raises questions about the nodal role of the **urban core in an understanding of economic performance**
Thank you

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