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# The Uneven Governance of Regional Economic Development in Scotland

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**WORLD  
CHANGING  
GLASGOW**

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# Introduction

- Shift towards city-region as the focus of sub-national economic development policy
- Major changes in England - abolition of RDAs, LEPs, combined authorities, metro mayors, City, Growth and Devolution Deals
- In Scotland - similar moves towards a city-region approach, refracted through different institutional, historical and political context
- What does this mean for economic development within Scotland? - significant regional variations in GDP, earnings, employment growth
- What can this tell us about processes of rescaling?

# Historical Context

- 1995/96: local government reorganisation
  - From two tier (9 regions plus islands) to 32 unitary local authorities
  - reconstruction of strategic regional governance (Docherty and Begg, 2003) through partnerships
- 1999 - Scottish Parliament with responsibility for economic development and local government
- 2007: Reform of Scottish/Highlands and Islands Enterprise
  - Abolition of 22 Local Enterprise Companies, centralisation of (most) functions
  - Hollowing out of regional scale and loss of local capacity
- An emerging cities agenda - “new conventional wisdom” (Turok, 2007)
  - 2002: Review of Cities and Cities Growth Fund
  - 2008: Strategic Development Planning Authorities for four city regions
  - 2011: Scottish Cities Alliance
  - “*renewed focus on cities and their regions*” (Scottish Government, 2011)

# City Region Deals in Scotland

- Glasgow City Region deal announced July 2014
  - Return of the UK Government as a direct actor in Scottish local economic development - motivated by independence referendum?
  - 8 local authorities - seeking resources and parity with English cities?
  - Scottish Government not initially included - but aligns with narratives on cities/city regions
- Further deals with partnerships of local authorities around Aberdeen, Edinburgh, Stirling, Inverness (single LA); now Dundee/Perth
- City regions and Deal-based approaches in the UK subject to extensive critique, e.g.
  - Transactional and lacking transparency (Pike and O'Brien, 2015)
  - a 'chimera' (Etherington and Jones, 2016)
  - 'Metrophilia' (Waite and Morgan, 2018)
  - Based on realpolitik rather than economic logic (Rees and Lord, 2013)

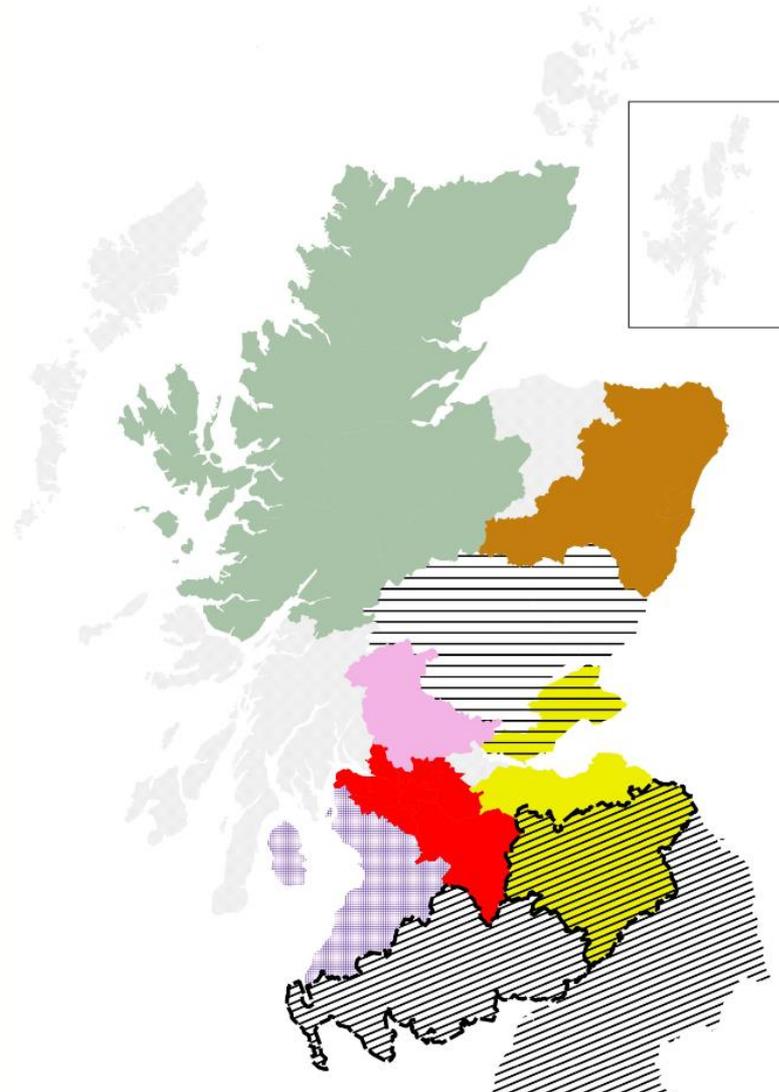
## City Region Deals in Scotland (cont.)

- High profile of CRDs making increasingly explicit focus on cities:
  - “*Scotland's cities and their regions are home to two-thirds of the Scottish economy and over half of Scotland's population, and have a disproportionate impact on the national economy.*” (Scottish Government, 2015)
  - “*our cities and their regions power Scotland's economy for the benefit of all*” (Scottish Government, 2016)
- Intersections/tensions with:
  - Commitment to pursuit of ‘regional equity’ - aim of “*ensuring all parts of Scotland benefit from sustainable economic growth and contribute to it*” (Scottish Government, 2015) - in the context of greater emphasis on inclusive growth
  - Debates about sub-national autonomy (or ‘double devolution’)
  - Perception of SNP Government's centralising tendencies (e.g. Scottish Enterprise, police and fire services)

# Filling in the gaps?

- Support for non-city deals - “committed to a growth deal in every part of Scotland”
  - Ayrshire and others at earlier stages
  - Borderlands - partnership between LAs in South of Scotland/North of England
- Encouraging ‘Regional Economic Partnerships’ in all areas
  - ‘regions’ matching deal areas where they exist
  - Mechanism for engagement of national bodies with regional needs
  - But also for setting conditions and expectations for regions
- South of Scotland Enterprise Agency
  - Ability to ‘do things differently’ in response to region’s ‘unique challenges’ (Scottish Government, 2017).
  - Resources, capacity, and relationship to existing agencies not yet clear

## City Region and Growth Deals in Scotland (November 2018)



-  Glasgow (2014)
-  Aberdeen (2016)
-  Inverness and Highland (2017)
-  Stirling and Clackmannanshire (2018)
-  Edinburgh and South East (2018)
-  Tay Cities (2018)
-  Borderlands (Submitted)
-  Ayrshire (in development)
-  Other
-  South of Scotland Enterprise Agency

# Features of rescaling economic governance in Scotland

- In the context of multi-level governance, alignment of:
  - UK Government's own projects and desire for greater visibility in Scotland
  - Local authorities seeking control over resources
  - Scottish Government's city-region agenda
  - ... although not without conflict
- Why these areas?
  - As in England, nominal concern with functional economic areas
  - Existing local authority boundaries (except Fife)
  - 'Bottom-up' partnerships of local authorities
  - Mapping on to historical institutional arrangements
- Soft spaces - 'growth' not 'devolution' deals, no combined authorities, elected mayors
  - South of Scotland - institutional 'filling in' with creation of new public body
  - Recognition of need for different model in rural areas?

# Reflections and questions

- Competitive, deal-making, bidding approach to regional policy > asymmetric capacities > reinforcing uneven development?
- Risks for places still outside this system?
- Risks for hinterlands within city regions - 'city-region' or 'city-first'? (Harrison and Heley, 2015)
- Logic of privileging 'cities' in the Scottish context? (e.g. Stirling, pop. 36,500)
- Reconstructing regional layer, but through complex and opaque partnership arrangements. Questions of democratic accountability?

## Reflections and Questions (cont.)

- *“The more investment that happens in or close to the centre of Glasgow, the more likely it is to suck up demand in the Scottish economy. That will make it even harder for areas such as Ayrshire to achieve their potential, and that is one of our concerns”* (Director, Ayrshire Growth Deal)
- *“We are not bound - we do not want to be - by any particular structure, such as city deals, nor do we want to be aligned to any particular city. We see ourselves as playing a national role”* (Head of Economic Development, Falkirk Council)

(Evidence to Scottish Parliament Local Government and Communities Committee City Region Deals Inquiry, November 2017)

# What can Scotland tell us about processes of rescaling governance?

- Manifestation of search for ‘missing middle’ (Harding, 2000; Shaw and Greenhalgh, 2010) - a regional layer of strategic governance between fragmented local government and ‘national’
- Reflecting dominant understandings of economic development
  - Cities seen as drivers of growth
  - Emerging interest in inclusive growth and some degree of regional equity
- Alignment and tensions between actors at different scales - top down and bottom up processes
- Evolutionary - importance of existing institutional arrangement and boundaries



## Conclusions

- Creation of City Region Deals and other soft ‘regional’ spaces is latest episode of rescaling economic governance in Scotland
- In tandem with austerity squeezing local capacity to exercise agency
- Points of similarity with developments in England - ad hoc, opaque dealmaking
- But also differences - tripartite relationships (Waite and Morgan, 2018)
- Can only be understood in historical and political context:
  - Loss of (city) regional capacity through local government and enterprise agency reforms
  - Inherited partnerships shaping deal areas
  - Multiple political pressures arising from independence referendum
- Piecemeal emergence of a geographically uneven system of governance -
- Overall aims? City region growth, growth in every region, regional equity?

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