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LOCALISM IS AN ILLUSION (OF POWER)

Divergence and tensions in the UK multi-level governance system

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Broader project

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Left behind: can anyone save the towns the economy forgot?

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How to Help 'Left Behind' Places

Monday 18th December 2017

by DAVID BURCH



Growing up in a Crap Town

lasmine Andersson 4th December 2017

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Hull was declared the crappiest town in England in a book named Idler's Guides to Crappiest Towns in the UK in 2003. Although the authors didn't seem to think about what their words would mean to the people the Very Worst Town, there wasn't a fold of the city not in the know about its new, bastardised title.



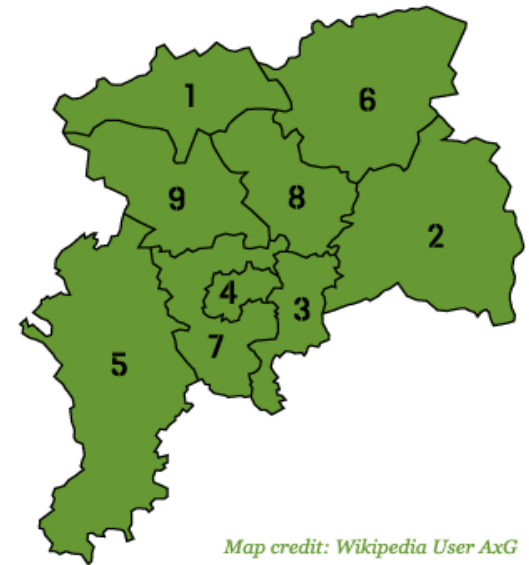
Doncaster (Sheffield City Region, UK)

- among the UK cities with the lowest economic growth rate recorded between 1981 and 2011 (Martin et al., 2014)
- among the 15% most deprived UK local authority districts and among the 40 least competitive cities in the UK (Huggins & Thompson, 2013).

SCR LEP targets

- 70,000 jobs
- 6,000 new businesses
- Enterprise policy delivered through the Growth Hub

| | |
|-----------------------|---|
| Barnsley | 1 |
| Bassetlaw | 2 |
| Bolsover | 3 |
| Chesterfield | 4 |
| Derbyshire Dales | 5 |
| Doncaster | 6 |
| North East Derbyshire | 7 |
| Rotherham | 8 |
| Sheffield | 9 |



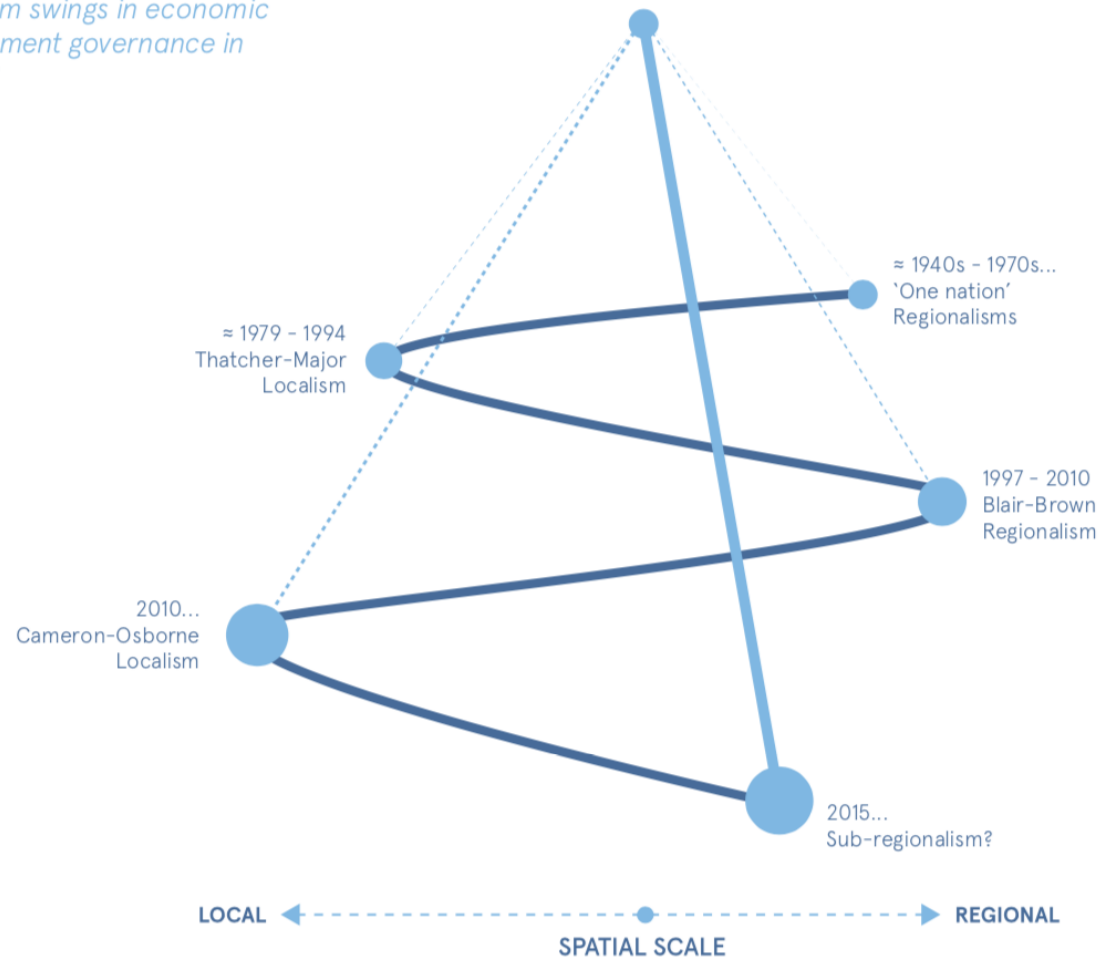
Source: <http://sheffieldcityregion.org.uk/about/overview/>



From localism to regionalism and back

FIGURE 1

Pendulum swings in economic development governance in England



Localism and devolution

- Place-based development: ‘realising every place’s potential’ (HMG, 2010)
- Promises: the empowerment of localities to shape their economic strategies and **deliver local solutions to local problems** (HMG, 2010; Harrison, 2014; Pike et al., 2015)
- A stepping stone in **shifting power to local communities** and businesses and ending the ‘Whitehall knows best’ culture (HMG, 2010; Harrison, 2014; Pike et al., 2015)
- LEPs are expected to give localities a voice and **empower local actors** in shaping strategy and policy



The potential of devolution

“The empowerment of subnational governments represents an opportunity for localities to assume greater control over their development ... [as] it affords them latitude to tailor expenditures, policies, and strategies to both the opportunities that arise from, and the challenges imposed by, local socioeconomic and institutional conditions and realities”

(Rodríguez-Pose and Wilkie, 2017, p.152)



- Lack of democratic accountability, engagement with SMEs and entrepreneurs and fiscal conditioning (Ayres and Stafford, 2014; Lowndes and Gardner, 2016; Bailey and Wood, 2017)
- “LEPs are ‘free’ to intervene in the economy as they see fit – so long as they can resource it” Pugalis and Shutt (2012, p.24)
- **“‘localism’ is an illusion since the LEPs will not have the necessary power or resources to carry out the tasks set for them” Bentley et al. (2010, p.536)**



Research question

To what extent have actors at the subnational level been empowered (to deliver local solutions to local problems)?



Lens: enterprise policy

- **Key objective of localism:** economic rebalancing through private sector-led growth
- LEPs entrusted to “provide the clear vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area” (HMG, 2010, p.13)
- Expected to deliver more than “‘lifestyle’ businesses that have no aspiration to grow” (HMG, 2010, p.41)
- Reoriented towards ‘**ambitious**’ entrepreneurship and businesses with **high growth potential to scale-up**



In-depth semi-structured interviews with key stakeholders (14)

| | | | |
|---|---------------------------|---|-------------|
| Doncaster Metropolitan Borough Council (4) | Business Doncaster (4) | Doncaster Chamber of Commerce (3) | SCR LEP (3) |
|---|---------------------------|---|-------------|

In-depth semi-structured interviews with entrepreneurs operating in Doncaster (36)

Document analysis

Sources: official Government documents, SCR LEP reports, Doncaster Metropolitan Borough Council & other local reports



National priorities vs local realities

‘Generally, money is less easy to come by. Going forward, the policies are developing in the City Region based around maximising that public sector investment.’ (LEP representative)

‘We won’t be able to support everything, but support the things that are going to give us the biggest impact.’ (LEP representative)

- **Rhetoric:** ‘every business matters’ vs **Reality:** focus on high-growth businesses to support job creation and economic growth
- **Uniformity** in approach to business support: ‘sniffy’ about the type of growth; **‘cherry picking’** (or just taking what they can?)
- **Heterogeneity** of local economies: high-growth businesses are ‘few and far between’; local economy is ‘weighted towards micro-enterprise’ (DMBC, 2013)

‘Although we absolutely understand and know that growth has to be a priority, because of the make-up of our economy we can’t just ignore the small to medium enterprises from a point of view of “If they don’t wish to tick a growth box we just ignore them; let them get on with it”, because all that will happen is there’ll be more dropping out the bottom than we’ll be putting back in the top.’ (Local Stakeholder)

Constrained local agency

- **‘Team Doncaster’ Local Strategic Partnership:** “to set the strategic direction to effectively meet local needs and priorities for the further improvement of Doncaster”
- **Divergences** between the Strategic Economic Plan and Local Economic Growth Plan: **struggle** between doing what is right for the locality and doing what is right for the SCR
- Entrepreneurship is “**tolerated** only within a highly restricted range of parameters” (Tomaney, 2016, p.5)

“Because of the devolution and the funding going through to the LEPs, we’ve got a situation where the LEPs have got targets and they’ve got priorities in terms of where they feel the agendas moving, but then we also have a responsibility locally to the business community and the politicians that we serve.” (LS)

‘We’ve got to work very closely with [the LEP] and demonstrate that if you invest in us we’re able to turn that into jobs and economic growth’ (Local Stakeholder)



Centralisation by stealth

- **Devolution/austerity paradox:** filtering initiatives and policies through the lens of national priorities
- **Democratic accountability** issues; **criticism** from local business communities on business needs not being addressed
- **Intrascalar tensions:** passing responsibility upwards
- Governance as a '**multi-scalar game of relationship jockeying**' (Jones, 2013)

'[Support] has been stripped away from central government but it's something that I think the Sheffield City Region needs to step up and do that [i.e. plug the gap in support provision] because it's not going to be able to come from local authorities'
(Local Stakeholder)

'There is a constant shift in government requirements from Growth Hubs, which get pulled in every direction and are constantly asked to get involved in new initiatives. There is a need for clear focus and greater clarity on government's behalf as to the role of Growth Hubs.'
(LEP representative)



Reflections

- **'Rhetoric-reality gap'** (Ayres et al., 2017)
- **Illusion of power:** governance has become a game of negotiating power and resources between and within scales, and within the confinements of centrally prescribed objectives
- What does this mean for the future of devolution? 'One Yorkshire' - back to regionalism?
- Is another rescaling the solution?
- Achieving multi-level governance: less of an issue of scale





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Thank you!

