Traditional approaches to local and regional development

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Traditionally, and certainly until the 1980s, regional policy was understood in terms that started from the identification of ‘distressed’ or otherwise economically disadvantaged regions, and local economic development has similarly been framed within a discourse of economic decline or decay (Moon and Atkinson 1994). Policy tended to focus on the attempt to attract new industries, even (admittedly for what now seems to have been a brief interlude) to encourage relocation from more prosperous to less prosperous regions. Since the mid 1990s, however, emphasis has been placed on self-help, looking for ways in which regions might be able to generate growth and prosperity through the initiative of locally based actors, businesses and public agencies. Similarly, a more positive interpretation of the potential role of cities has become more noticeable as a policy driver in recent years (Cochrane 2007).

In this context, over the last couple of decades, local and regional development has increasingly been framed in terms of ‘competitiveness’, in what has persuasively been described as the ‘new conventional wisdom’ (Buck et al 2005). Successful cities and regions are understood to be those which are competitive, in the sense that they are able to respond effectively to the opportunities generated by the workings of the global economy. Competitive places are generally said to have entrepreneurial political leadership, as well as a flexible and educated or creative labour force, able to support the requirements of a (new) knowledge economy. This vision of development somehow manages to incorporate a belief in the ability of government and partnership agencies to shape development while at the same time leaving them with little policy...
option. They are required to find some way of fitting in with the inexorable requirements of global markets.

Within this understanding or redefinition of the problem, instead of simply being victims of wider structural forces, regions and city-regions are defined as being more or less active participants in shaping their futures. Within what is seen to be an increasingly globalised world, they are given the responsibility to carve out their own economic and social spaces. And all this seems to have been reinforced by the shift of public policy emphasis to city-regions (see, e.g., Begg 2002, Charbit et al 2005, DTLR/Cabinet Office 2002, Harrison 2007, Marvin et al 2006, Ward and Jonas 2004).

Moving beyond competitiveness

However, competitiveness is ultimately an unconvincing way of capturing the process by which different forms of local and regional development are generated. At best the labelling of places as ‘competitive’ is a retrospective one – in other words, instead of explaining what is happening, it starts from outcomes and labels ‘successful’ places ‘competitive’. Because they are successful, the argument runs, they must have been competitive. In other words, the ‘new conventional wisdom’ identified by Buck et al (2005) must, as they note, be seen as a political or ideological project, as much as a realistic assessment of development processes.

One critique of these approaches emphasises its location within a wider neoliberal paradigm, highlighting the inherent contradictions within such a system (see, e.g.,
Harvey 2003). With others (e.g. Smith 2008), Harvey offers quite a different way of understanding local and regional development by highlighting the implications of uneven development. The importance here is that he presents the process as a relational one, rather than one whose outcomes can be simply determined by voluntaristic decisions – choosing to become competitive. However, arguments like these may also lead to what seems to be a fatalistic position, suggesting that there is little or no scope for independent action, by local and regional actors. If today’s conventional wisdom is unconvincing in suggesting that such actors are in a position to shape and determine outcomes (as long as the market based rules of the game are understood and accepted), there may also be a danger of underestimating their potential.

Recognising the fundamental weaknesses of the ‘new conventional wisdom’ is only a first step in terms of thinking about what alternative approaches might be. But, even within a competitiveness paradigm, there has been some significant variation, so that, for example, Florida (2002) calls on rather a different vision in setting out the context within which he believes creative industries will flourish. His identification of a creative class even appeared to open up the possibility of progressive engagement by implying that bohemianism might be an attractive feature in encouraging development. In principle it might even be argued that Florida’s approach has little to do with competitiveness – in a sense it simply records some (more or less convincing) correlations between creativity and a range of population characteristics. But, in practice it has generated its own still sharper emphasis on competitiveness, ranking cities by the extent to which they exhibited the features needed for success (see Peck 2005 for a critique).
Even where it appears that there might be some distinctively transgressive departure or the promise of a different set of economic relations associated with creativity, the possibilities may be more limited. So, for example, Louise Crewe, Nicky Gregson and Kate Brooks (2003) explore the practices of what they call retro retailing – the selling of previously commodified goods, particularly clothing, as style items - and conclude that its very success may undermine the challenges it implies: ‘When creativity sells, its incorporation into the mainstream becomes seemingly inevitable, and in doing so it loses its creative potential, its alternative distinctiveness, its symbolic power’ (Crewe et al 2003, p. 102).

*Developing alternative models I – the new urban left*

The competitiveness logic has taken such a hold on contemporary policy discourse, that it is sometimes hard to remember the relatively recent history of radical initiatives which quite explicitly sought to develop alternative approaches. It has almost become a forgotten history, and certainly one on which no public policy professional with an interest in promotion is likely to draw explicitly. The first half of the 1980s was the time of the ‘new urban left’ or the ‘new municipal socialism’ in the UK, with its promise of more progressive approaches to economic regeneration, in the context of a wider belief in the possibility of what was labelled an alternative economic strategy (see, e.g., Boddy and Fudge 1984, Cochrane 1986, 1988, Gyford 1985, Lansley et al 1989). Several councils set up enterprise boards (most notably London and the West Midlands), while others created larger employment or economic development departments (most notably in Sheffield).
The arguments underpinning these developments were clear: if local government limited itself to providing social services, acting as a ‘safety net’ in the context of economic decline and rising unemployment, then it would never be able meet the needs of local residents. Instead it was important to move actively into trying to generate welfare by seeking to manage or reshape the local economy. The enterprise boards (and particularly the Greater London Enterprise Board) sought to do this through developing planning agreements with enterprises (including a range of worker co-operatives) in which it invested or otherwise supported. The wider vision was encapsulated a series of major plans and strategies for the London economy prepared by the GLC – these included not only the London Industrial Strategy, but strategies for the labour market and the finance sector (GLC 1985, GLC 1986a and b).

In Sheffield the Employment Department was given the task of trying to work with businesses and trade unions to deliver employment in ways that would deliver security for city residents and encourage investment in training. A plan was developed for the reclaiming and reuse of the Lower Don Valley, previously a major centre of large scale steel production and heavy engineering (see, e.g., Blunkett and Green 1983 and Lawless and Ramsden 1990 for discussions of Sheffield’s approach to public policy).

At the core of these initiatives was an understanding that attempts to defend existing (declining) industry in the face of restructuring were ultimately likely to be hopeless. Instead what was needed was longer term investment that would enable older industrial communities to survive, through a process of reinvention based around new ways of working and new industries. They were a direct response to the ‘new right’
(or neo liberal) policies of Thatcherism which were seen to lead to the closure of industry and the destruction of communities, without offering any prospect of revival or rebuilding. Eisenschitz and Gough (1996) have argued that, despite mitigating some of the worst effects of neo-liberalism, in practice these initiatives were also consistent with a wider neo-liberal agenda, because of the way in which they encouraged flexibility, sponsoring the creation of new ‘competitive’ enterprises and fostering training programmes that fitted workers for the new regime.

In retrospect, these criticisms may have some force, but this was not how it was seen at the time. On the contrary, the local authorities taking the lead in promoting the new economic policies became the target of government attention, which not only led to the abolition of the metropolitan counties (such as GLC and West Midlands) but also to the launch of a series of economic regeneration initiatives (such as the urban development corporations) which deliberately bypassed local government (see, e.g., Imrie and Thomas 1999). By the end of the 1980s, the challenge of the new urban left had faded and locally based economic development had lost its high political profile. The enterprise boards that survived become more narrowly focused and begin to redefine themselves as regional investment banks working closely with other financial institutions (see, e.g., Cochrane and Clarke 1990).

The economic initiatives of the new urban left were rooted in a particular political moment – the dominance of Thatcherism, the failure of the Labour Party leadership in the face of economic crisis and political challenge, community and trade union resistance to cuts, the changing membership of local Labour Parties. Despite the search for new ways forward, however, they were also still rooted in a strong
municipal tradition: this was a movement that saw the capturing of the local state and its mobilisation to achieve radical ends as opening up new opportunities (see Boddy and Fudge 1986). With the partial exception of London under the mayoralty of Ken Livingstone in the early years of the twenty-first century, little remains of this vision, as the Labour Party has not only lost its hegemony in urban local government, but also any interest in pursuing a radical localist agenda.

Developing alternative models II – the politics of localisation

But this does not mean that there are no alternatives to the new conventional wisdom emerging in more informal – yet potentially powerful – ways. If the new urban left still saw its role as finding ways of challenging capitalist development through state intervention and forms of planning, contemporary social movements seem to draw more on an understanding of the world in which it is possible to build non-capitalist practices even within a broadly capitalist economy. Although they do not explicitly draw on the work of J.K. Gibson-Graham (1996) the underlying assumptions about the possibilities associated with the existence of multiple economic spaces are similar.

At their most generalised these approaches come together in the identification of the social economy as somehow distinct from the formal economy, or – at any rate – the commodified economy, the space of the market. In a sense, therefore, the social economy is defined by what it is not (that is, not traded in the market or provided by the state) but it seems to carry a greater promise - of community action, collective working, self-help, charitable activity, conviviality. In some versions, it is identified
as the ‘third sector’ to distinguish it from the private and public sectors. Jamie Gough and Aram Eisenschitz (2006) describe it as ‘associationalism’.

Ash Amin, Angus Cameron and Ray Hudson (2002) identify three distinct justifications for involvement in the social economy. The first (namely the opportunity for third sector organisations to be funded to undertake work in areas from which the state has withdrawn) is of little concern in the context of this chapter, but the other two are directly relevant to forms of economic development. One suggests that it is in the social economy that community building and the development of social capital takes place, while the other suggests that it is within the social economy and through engagement with it, particularly at local level, that social justice from below might be delivered through forms of empowerment (Amin et al 2002, p. 7). Although they remain generally sceptical of some of bigger claims made for the social economy, these justifications help to underpin many of the arguments that are used to support different ways of approaching local and regional development.

Alongside this broad discovery of and engagement with the social economy, a series of movements have developed in recent years. New ways of thinking about local economies and their linkages have been opened up, emphasising and celebrating localness and the features associated with it. They have drawn attention the benefits of building trust and confidence at community level and have deliberately focused on the small scale and local as offering a way forward. Some have even called for a process of ‘relocalisation’ (Hopkins 2008). The important point here is that these are social movements, not government initiatives (even if they are sometimes taken up by governments looking for easy and cost-free solutions to apparently intractable
problems). They have tended to combine a commitment to self-help with a strong desire to identify alternatives to dominant economic practices.

Perhaps the best known of these in the UK are LETS (Local Exchange Trading Schemes), but similar or related initiatives are to be found in other countries, including Argentina, France, Germany, Italy, Holland, Belgium, Canada, Australia, the US, Hungary and New Zealand (see, e.g. Aldridge and Patterson 2002, North 2005, 2006 a and b, 2008, Williams et al 2003, pp 157-8). These schemes basically involve the creation of local associations whose members are prepared to exchange goods and services with each other in return for payment in a locally based currency. According to one survey conducted at the end of the 1990s, the average membership of LETS in the UK was just over 71 members and the average turnover was the equivalent of £4,664 (Williams et al 2003, p.158). This suggests that their economic impact is likely to be relatively small, but Williams et al (2003) conclude that modest impact can be identified, particularly in giving some people a base on which to build in developing more secure employment but – more important – in providing additional work for some of those in more precarious forms of employment or self employment. From this perspective, they can be seen as a form of collective self-help, not a potential alternative to what is provided through the formal economy but nevertheless good ‘at providing alternative forms of livelihood’ (Williams et al 2003, p. 152).

The extent to which LETS can be maintained over time or generalised more widely remains questionable, however, precisely because of their localisation within quite specific networks of trust and reciprocity. They tend to rely on what Roger Lee has
called moral geographies of localism (Lee 1996). In some cases, too, as Williams et al (2003) note, the very success of LETS in opening up opportunities for members may undermine their grander ambitions, because of the way in which some of those members are enabled more fully to move into commercial exploitation of the goods and services they offer. LETS are particularly attractive for those who are self-employed in managing their working lives, but the balance between working in the social economy and the formal economy may change over time as (or if) their livelihoods become more secure.

However, the underlying principles of LETS also point to more radical (non or anti-capitalist) possibilities. As Peter North argues, one of the justifications for the schemes is that:

‘Users of local currencies, irrespective of their values, will find they are structured into localized relations as the economic signals produced by a local currency steer rational economic agents towards more readily available locally or ethically produced goods and services, organic or environmentally benign food and the like, that has been produced under a local surveillance that ensures only sustainable practices are used. Structuration occurs as users find that while there will always be people willing to spend local currencies with them, to pass these local units on they will need to develop a local supply chain that meets their needs and which also accepts the local currency. They will have to pay close attention to the needs of and the quality of their relationships with these other local traders, as
there are few pressures to compel anyone to accept relatively
unlimited local currencies from someone who is not seen as a ‘good
community member’ (perhaps as they are perceived to be polluting,
exploiting others or unfriendly). Local money is attractive as it is
relatively unlimited, but the result of its relative accessibility is that
there is less pressure to force people into an exchange relationship
with which they are unhappy – they can easily access local currency
from a more convivial source. Thus, it is argued, local currencies
actively create local-scale, humane economies by rewarding those
who build these localized networks’ (North 2005, pp225-6).

In this context, they can be seen as examples of new forms of political mobilisation,
and many of the members do identify political commitment as a reason for
involvement (Williams et al, 2003, p. 158). The core promise is that (localised) trust
can be translated into action. The building of relatively discrete local economies is
seen as a means of challenging the power of global economic processes, through
practices of localisation. From this perspective, local currencies can be seen as
working to localise social relations, containing markets by limiting their spatial
extent.

Here, the overlap with the transition towns movement highlights the extent to which a
wider vision of local and regional development may incorporate initiatives such as
these. The transition towns movement, which has sprung up over the last decade or
so, was born out of the belief that globally the moment of peak oil production was
approaching or had already been reached. The implication of this is that the time has
come for people collectively to plan for the lives that they would have to lead without cheap oil. Although intertwined with concerns about climate change, the main driver is rather a different one – not focused on the attempt to reduce carbon emissions to maintain existing economic and social relations, but rather looking for ways of changing those relations to build an improved life in a low oil, low carbon, economy. It is argued that what is needed is a vision focused on the local and the small scale as a means of enabling people to work together and live well together. Building resilience means rebuilding trust through local social relations and local economies. The politics of the movement is one that eschews any top down campaigning or political structures, instead favouring a network approach, and celebrating the ‘viral spread’ of the idea community by community, ‘town’ by ‘town’ (Hopkins 2008, Ch.13).

In this context a LETS might be re-imagined still more strongly in political terms. Totnes was the first transition town in England and has a well developed local currency, the Totnes pound. The role of the scheme is spelled out as follows:

‘Economic localisation is considered to be a key aspect of the transition process, and local currency systems provide the opportunity to strengthen the local economy whilst preventing money from leaking out.

The benefits of the Totnes Pound are:

- To build resilience in the local economy by keeping money circulating in the community and building new relationships
• To get people thinking and talking about how they spend their money
• To encourage more local trade and thus reduce food and trade miles
• To encourage tourists to use local businesses

We hope that at a later stage additional benefits could include supporting the start up of new social, ethical and environmental businesses (Transition Towns Totness 2009).

A narrow focus on the local, however, even in the context of these wider ambitions, still raises questions about what is possible and what the constraints set by the wider political, social and economic context might be. Amin et al (2002) conclude that (with a few exceptions) little direct employment is created through initiatives promoted through the social economy, although more indirect help is provided (e.g. through training programmes). Success, they suggest, should be seen as the exception rather than the expectation (Amin et al 2002, p. 116). They also point out that the more successful initiatives are those that access resources beyond the local (Amin et al 2002, p. 49). In the case of Tower Hamlets, for example, they note that, ‘what is interesting …is that while all the projects…are ‘local’ in that the serve the needs of specific areas within the borough, they rely on inputs from activists, networks, and other resources from outside the immediate area’ (Amin et al 2002, p 113) They talk about the importance of ‘non local localness’, of initiatives that are ‘place based but not place bound’ (Amin et al 2002, p.115).
Thad Williamson, David Imbroscio and Gar Alperowitz (2002) take a similarly strong line in the US context, seeking actively to build forms of local dependency like those explored by Kevin Cox in many of his writings (see, e.g., Cox 1997, Cox and Mair 1989, 1991). They outline and explore a whole series of specific initiatives, drawing on federal, state and local government, as well as community based and third sector agencies, to develop what they describe as a new agenda aimed at delivering what they call a ‘place respecting political-economy in the face of the triple threat of sprawl, internal capital mobility, and globalization’ (Williamson et al 2002, p. 310). Like Amin et al (2002) they stress that it is only by calling on resources from a range of agencies, formally identified with a range of government levels and spatial scales, that it is possible to deliver ‘community centred, place stabilizing policies’ (Williamson et al, p.310). In other words, for them, even the building of such places requires a set of policy interventions that are not simply local – community based self-help may be necessary, but it is not sufficient.

Possibilities and constraints

It sometimes appears as if the choices faced by regions and localities are highly restricted – either they learn to play the competitiveness game within a globalised (neo-liberal) economy or they are doomed to decline. However, it is apparent that not all of those being defined in this way accept such a limited role. There continues to be substantial variation between places and ‘success’ may be defined in a range of different ways. In their review of the international experience, reviewing a set of case studies from North America and Western Europe, Savitch and Kantor (2002) suggest that even in terms of the global market-place, those localities where a more social-
democratic and less neo-liberal agenda has been pursued tend to have better outcomes for local populations.

And there is also accumulating evidence that community based initiatives can be successful, not only in resisting change being imposed by the drive of the property development industry and government policy commitments to ‘urban renaissance’, which generally imply gentrification and the reshaping of existing communities. Libby Porter and Kate Shaw (2009) bring together a series of case studies of community initiative and community action oriented towards economic development and regeneration (often in resistance to or engagement with state policies oriented towards renaissance and gentrification) which highlight both the scope within which action is possible and some of the limits placed on it. They question approaches which suggest that urban regeneration in practice is simply an expression of neo-liberal power, highlighting the scope for local action, while acknowledging the limits placed on it. It is only by focusing on the scope for action and initiative in particular places and in particular contexts that judgements about what is possible can be made.

The extent to which local initiative can more fundamentally challenge the direction of change remains open to question. As we have seen, some (such as those associated with transition towns) believe it is only local action linked through networks that can challenge the direction of change associated with global capitalism; others, however, emphasise the need to work across levels, to construct a politics that is global and local, regional and national, reaching out to draw in other economic and political actors, at the same time as also being drawn into their spheres of influence. And, of course, there remain those who are sceptical about the overall potential of local and
regional action, if it is not set within some wider programme or agenda for change –
part of a wider movement, which goes beyond viral connections and networks.
References


Transition Towns Totnes (2009) *Totnes Pound Project,*


