### **Regional planning and urban futures**

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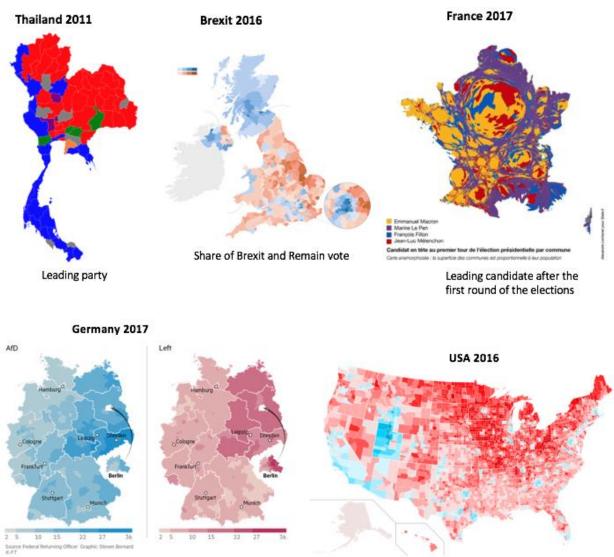
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National Economic and Social Council/Maynooth University Seminar on 'Knowledge and policy: confronting governance challenges in the new decade', Royal College of Physicians, Dublin, 7<sup>th</sup> January 2020

### Outline

- Regional inequalities, politics and governance
- (An Irish interlude)
- The English problem is a regional problem
  - Regional economic 'decoupling'?
  - Cultural and political divergence?
- Past and future policy trajectories
- Key questions

#### Electoral outcomes in "places that don't matter"



Extreme right- and left-wing populist vote in national election

County vote swing from 2012 to 2016

Rodríguez-Pose, A (2018) "The revenge of the places that don't matter (and what to do about it)", *Cambridge Journal of Regions, Economy and Society*, 11(1): 189-209



# **'Left-behind' places: in search of explanations**

- Absence of agglomeration economies that underpin growth of big cities?
- Persistence and neglect of territorial inequalities in public policy?
- Overestimation of the capacity and willingness of people to leave 'left-behind' places?
- Overlooking the economic potential of 'left-behind' places?

Rodríguez-Pose, A (2018), "The revenge of the places that don't matter (and what to do about it)", *Cambridge Journal of Regions, Economy and Society* 11(1): 189-209



### What has this got to do with Ireland?

**Table 1.** Organisation for Economic Co-operation and Development (OECD) cities as % share of national gross domestic product (2012) – top 10 ranking.

Tallinn	61.35
Dublin	47.85
Budapest	47.78
Santiago	47.46
Athens	45.81
Seoul Incheon	45.78
Copenhagen	42.23
Ljubljana	38.99
Lisbon	37.48
Helsinki	36.59

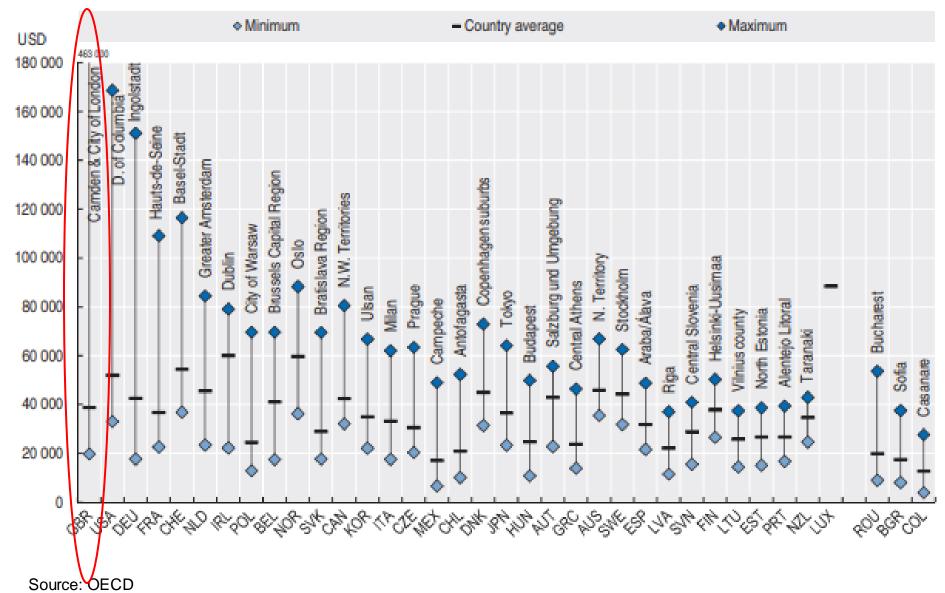
Metropolitan areas

Source: OECD Metropolitan Database.

See: Moore-Cherry, N and Tomaney, J (2019) "Spatial planning, metropolitan governance and territorial politics in Europe: Dublin as a case of metro-phobia?", *European Urban and Regional Studies*, (26): 4: 365–381

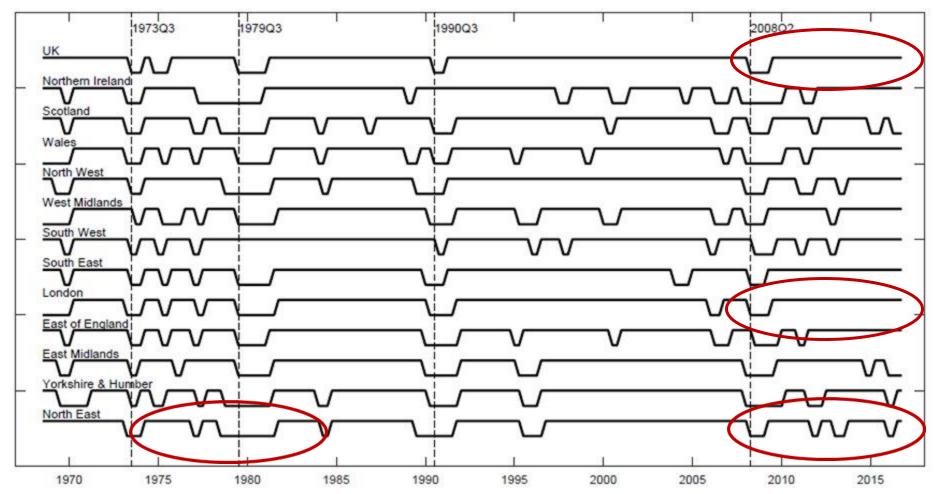
### The English case

- UK displays very high interregional productivity imbalances and inequalities, reflected in disparities of income and wealth, health (e.g. 'deaths of despair'), educational attainment, etc.
- These are longstanding, entrenched (pre-date financial crisis, austerity, etc.) and more important than other (significant) spatial axes (e.g. city vs town, urban vs rural, etc.)
- London's accumulated wealth is part of the development problem albeit London is itself unequal.
- There is little evidence that other regions benefit from London's growth: London has 'decoupled' itself from the rest of the UK economy
- Regions outside of London and the South have productivity levels akin to poor regions in Central and Eastern Europe or the US South – reflecting the collapse of a traditional (high-wage) industrial economy
- 'Left-behind places' accumulating negative externalities worsened by austerity, under-investment in infrastructure
- Limits of existing concepts, data and language (e.g. GDP, 'growth')



#### 1.3. Regional disparities in GDP per capita, 2016, TL3 regions

### Start and End Dates of Regional and UK Recessions Using Quarterly Real GVA



Source: Koop, G; McIntyre, S; Mitchell, J and Poon, A (2018) Regional Output Growth in the United Kingdom: More Timely And Higher Frequency Estimates, 1970-2017. ESCoE Discussion Paper 2018-14. London: Economic Statistics Centre of Excellence/National Institute of Economic and Social Research (<u>https://www.escoe.ac.uk/wp-content/uploads/2018/11/ESCoE-DP-2018-14.pdf</u>)

### Cartogram of Great Britain wealth per household



Sources: ONS Wealth and Assets Survey and Bank calculations. Notes: Data refer to 2014-16 for NUTS 1 regions, re-sized and coloured by median household wealth. No equivalent data available for Northern Ireland.

Cited in: Haldane, A (2019) Is All Economics Local? https://www.bankofengland.co.uk/speech/2019/andy-haldane-sheffield-political-economy-research-institute-annual-lecture-2019

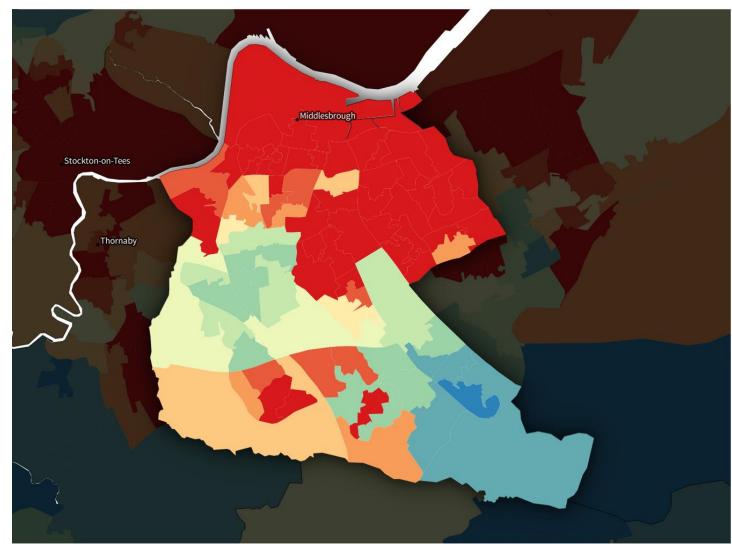
## Aggregate household total wealth by region and components, Great Britain, July 2014 to June 2016



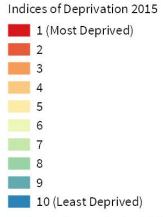
#### Source: Wealth and Assets Survey, Office for National Statistics

(https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/wealthingreatbritainwave5/2014to2016)

## Indices of Deprivation 2015 Middlesbrough

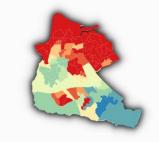


### Deprivation Decile



Mapping: Alasdair Rae, University of Sheffield

#### Indices of Deprivation 2010



Deprivation Data: DCLG, 2015

Boundary Data: ONS Geography Portal, Open Government Licence

Contains National Statistics data © Crown copyright an database right [2015]

Places: © OpenStreetMap contributors



Average annual absolute change in life expectancy at birth (years), English regions, 2001 up to 2006, 2006 up to 2011 and 2011 up to 2016\*

Males				
Region	2001 to 2006	2006 to 2011	2011 to 2016	
North East	0.34	0.34	0.01	
North West	0.30	0.33	0.09	
Yorkshire and The Humber	0.29	0.31	0.08	
East Midlands	0.28	0.32	0.06	
West Midlands	0.27	0.40	0.00	
East of England	0.30	0.30	0.05	
London	0.40	0.40	0.17	
South East	0.34	0.28	0.07	
South West	0.31	0.31 0.26		
Females				
Region	2001 to 2006	2006 to 2011	2011 to 2016	
	<b>2001 to 2006</b> 0.19	<b>2006 to 2011</b> 0.28	2011 to 2016 -0.02	
Region				
Region North East	0.19	0.28	-0.02	
Region North East North West	0.19 0.23	0.28 0.26	-0.02 -0.01	
Region North East North West Yorkshire and The Humber	0.19 0.23 0.20	0.28 0.26 0.21	-0.02 -0.01 0.06	
Region North East North West Yorkshire and The Humber East Midlands	0.19 0.23 0.20 0.22	0.28 0.26 0.21 0.29	-0.02 -0.01 0.06 0.00	
Region North East North West Yorkshire and The Humber East Midlands West Midlands	0.19 0.23 0.20 0.22 0.20	0.28 0.26 0.21 0.29 0.30	-0.02 -0.01 0.06 0.00 -0.01	
Region North East North West Yorkshire and The Humber East Midlands West Midlands East of England	0.19 0.23 0.20 0.22 0.20 0.25	0.28 0.26 0.21 0.29 0.30 0.24	-0.02 -0.01 0.06 0.00 -0.01 0.01	

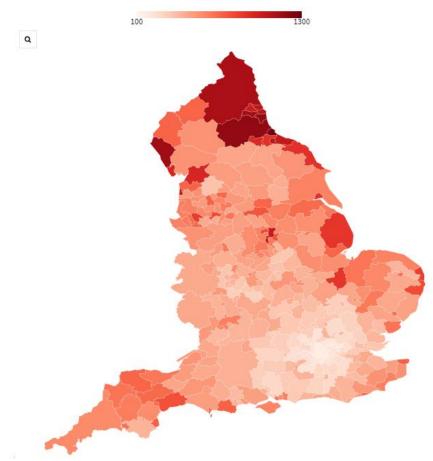
\*A positive value indicates an improvement in life expectancy within the period Source: PHE analysis of ONS mortality data and population estimates

Source: Public Health England (2019) A review of recent trends in mortality in England

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/827518/Recent\_trends\_in\_mor\_tality\_in\_England.pdf

#### Opioid prescription rates are highest in the North East

NHS England opioid prescription items per 1,000 persons, England 2017-2018



Source: NHS England and ONS data

#### North East has highest level of "excess" opioid prescriptions

Image: <u>https://members.tortoisemedia.com/2019/01/14/britains-everyday-drug-problem/content.html?sig=55F5kQ0qCdstWyODvvvPaHSN2Sntg04KKY4qRIFI1B0&utm\_source=Twitter&utm\_medium=Socia &utm\_campaign=staff\_Opioids</u>

### North East compared with the rest of England

% of population

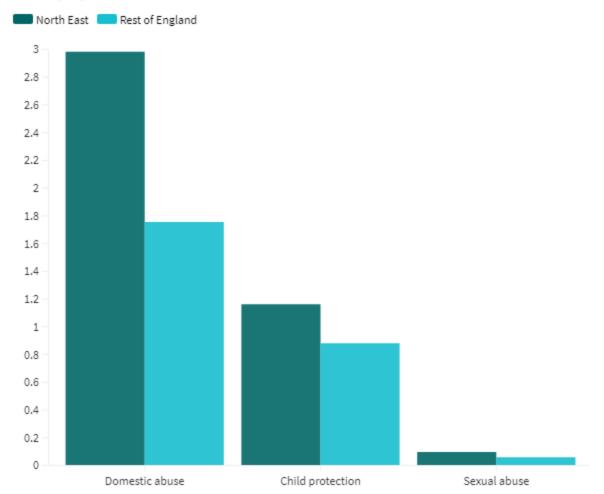


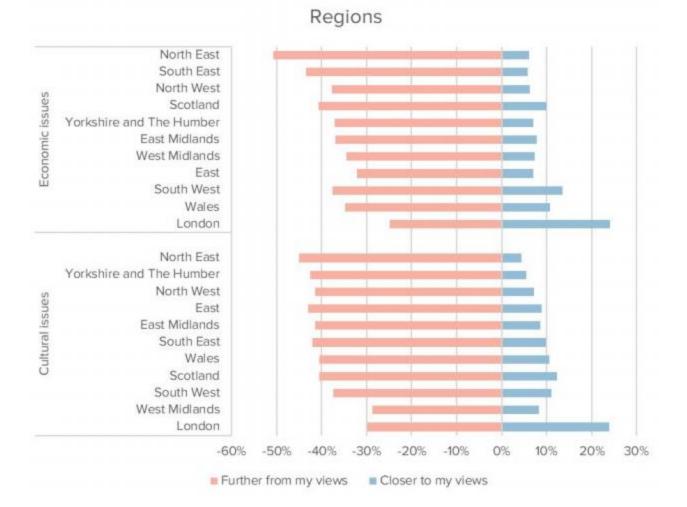
Image: <u>https://members.tortoisemedia.com/2019/01/14/britains-everyday-drug-problem/content.html?sig=55F5kQ0qCdstWyODvvvPaHSN2Sntg04KKY4qRIFI1B0&utm\_source=Twitter&utm\_medium=Social&utm\_campaign=staff\_Opioids</u>



### Cultural and political divergence?

- Complex correlations between material, social and cultural factors have been used to explain Brexit/GE2019 vote – but rest on desiccated grasp of what divides territory
- Our knowledge of what is happening in 'left-behind places' is partial and shallow – they are complex places where not everybody is leftbehind. (Mix of despair and aspiration.)
- Overblown claims about 'regeneration' are disbelieved and there is a widespread sense of the disintegration of the social fabric and community cohesion. ('Welfare reform'.)
- Weak, ineffective and unstable local and regional governance that produces unimaginative/socially regressive/unsustainable policies that compound problems
- Reshaping of local government as enabler of (financialised) real estate capitalism, alongside provision of residual services
- Place rather than (precarious) class/occupation emerges as shaper of social, cultural and political attitudes? "Anywheres/somewheres?"

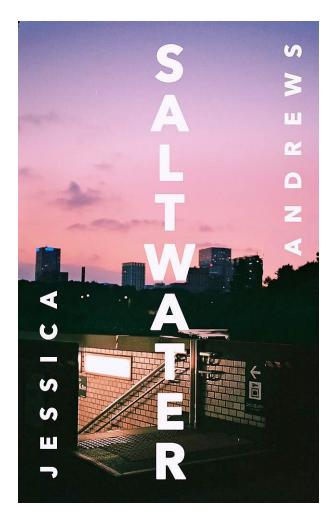
London is the only part of the country that does not feel like Britain has moved away from it culturally or economically over the last decade. People in the North East feel most alienated by the direction of the country.

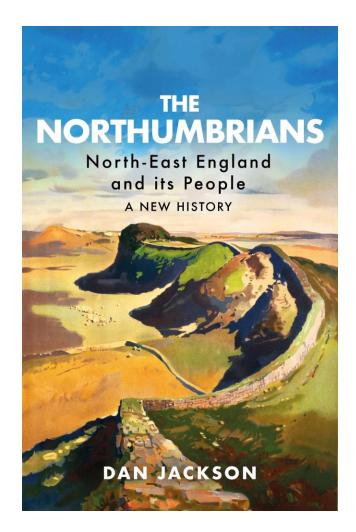


Source: James O'Shaughnessy and Will Tanner (2019) The politics of belonging. How British politics is undergoing a sea change away from freedom and towards security. Onward. (<u>https://www.ukonward.com/wp-content/uploads/2019/08/Politics-of-Belonging-Deck-v.4.pdf</u>)



Our understanding of what is happening in 'left-behind places' is partial and shallow. Literary sources offer granular insights (e.g. a crisis of masculinity? the longing for belonging? the meaning of regional identity?)







### Past and future policy trajectories

- 1945-1979: incentives to mobile (manufacturing) investors + infrastructure (+ expanding public and private services)
- 1979-1997: (reduced) incentives to mobile investors (e.g. Nissan), privatisation, deregulation + infrastructure (e.g. enterprise zones, urban development corporations)
- 1997-2010: regional development agencies, expanded public services
- 2010-?: austerity, 'city-centrism', real estate capitalism, financialised local government, 'devolution deals'
- Ahead?
  - Regionally uneven economic impacts of Brexit
  - Tory 'northern strategy': 'infrastructure', freeports?

### Thinking zonally: the foundational economy

	Form of consumption	Examples	Provider business model	Source of revenue	Organisational mobility and mortality	Post 1980s public policy
Core economy	Non-economic because "we must love one another and die"	Parenting, voluntary action etc.	Gifting: no charging or recovery of cost	Goodwill	Re-invented forms e.g. divorce and marriage in our generation	When the state retreats, try volunteers
Foundational economy	Daily essentials via infrastructure of networks and branches	Material e.g. food and utilities; Providential, health and care, education, social housing	WAS low risk, low return, long time horizon for public and private providers	Tax revenue for free at point of use or subsidized; or regulated private purchase	Low mobility and mortality as networks and branches ground firms, stable demand	Privatisation, outsourcing and shareholder value = a new business model
Overlooked economy	Occasional purchases of mundane, cultural necessities	Take away food, sofas, central heating, holidays	Financialised corporates vs SME and micro pro life style and getting by	Discretionary from market income	High mortality in small firms and structural shifts e.g. streaming not dvd	Below the policy radar if firms too small to take outside capital
Tradeable, competitive economy	(aspirational) private purchase	Cars, electronics, new kitchens and bathrooms, private housing	IS high risk, high return, short time horizon	Market income from wages (state subsidy for R and D, training etc.)	High mobility as footloose under free trade; cyclical demand	Business friendly, structural reform

Source: Foundational Economy Collective (2018) *Foundational Economy. The infrastructure of everyday life*. Manchester: Manchester University Press. See also: Heslop, J; Morgan K and Tomaney, J (2019) "Debating the Foundational Economy", *Renewal: A Journal of Social Democracy*, 27 (2): 5-12; Business Wales, The Foundational Economy (https://businesswales.gov.wales/foundational-economy?\_ga=2.149500470.1411126524.1578124780-1454909234.1578124780\_

### **Key questions**

- England as the frame of reference how does Englishness play in the divided regions of England? (London/SE versus the rest?)
- Absence of robust (regional) public realm and honest debate about the nature of the problems – replication of top-down solutions
- Failure of conventional forms of economic development policy infrastructure, innovation, hi-tech, real estate city centrism
- Lack of appropriate concepts, measures and language (e.g. 'left behind') to describe everyday realities and alternatives
- Importance of devolution so that policy decisions reflect the diverse conditions and democratic aspirations of different places
- Emerging ideas about the foundational/everyday economy speak to fraying social fabric and promise new models of bottom-up economic development but remain (so far) at the margins of political discourse
- The importance of new metrics and objectives the need for placebased analysis and policy responses – but at what spatial scales?

### **Further reading**

- L. Dijkstra, H. Poelman and A. Rodríguez-Pose (2018) The Geography of EU Discontent. European Commission Regional and Urban Policy WP 12/2018 (https://ec.europa.eu/regional\_policy/sources/docgener/work/2018\_02\_geog\_discontent.pdf)
- J. Heslop, K. Morgan and J. Tomaney (2019) 'Debating the Foundational Economy', *Renewal: A Journal of Social Democracy*, 27 (2): 5-12 (<u>http://renewal.org.uk/files/ren27.2\_01editorial.pdf</u>)
- P. McCann (2016) *The UK Regional-National Economic Problem: Geography, Globalisation and Governance*. Routledge.
  - TL: DR <u>https://blogs.lse.ac.uk/lsereviewofbooks/2016/08/23/book-review-the-uk-regional-national-economic-problem-geography-globalisation-and-governance-by-philip-mccann/</u>
- Foundational Economy Collective (2018) *Foundational Economy: The Infrastructure of Everyday Life*. Manchester University Press
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- R. Reeves (2016) The Everyday Economy (https://www.rachelreevesmp.co.uk/legacy/2018/03/22/the\_everyday\_economy2018/)
  - TL:DR <u>https://blogs.lse.ac.uk/politicsandpolicy/the-everyday-economy/</u>
- J. Tomaney and A. Pike 'The economics of belonging' in R. Reeves (Ed.) Everyday Socialism (<u>https://fabians.org.uk/wp-content/uploads/2019/09/FABJ7429-Socialism-Pamphlet-0819-WEB-002.pdf</u>)
  - TL:DR <u>https://www.prospectmagazine.co.uk/politics/economic-costs-city-regeneration-left-behind-towns-northern-powerhouse-uk-inequality</u>