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State Policies and Industrial Change:  
Reindustrialization Programmes  
in  
British steel closure areas

This thesis is submitted in fulfilment of the requirements  
for the Degree of Doctor of Philosophy  
in Department of Geography

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February 1989

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31 OCT 1990

ABSTRACT

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State policies and industrial change:

Reindustrialization programmes

in British steel closure areas

Ph.D Thesis submitted February 1989.

Efforts to establish replacement industrial employment in British steel closure areas have, at best, met with only partial success. Instead of industrial monoculture a new more vulnerable dependence has been created. Small firms, typified by poor wages, conditions and security of employment now predominate. The total employment provided by these firms is insufficient to absorb the demand generated following steel closure and increasing participation of women and school leavers in the labour market. This thesis attempts to examine how state policies have developed over time in three different steel closure areas: Hartlepool, Corby and Ebbw Vale. It attempts to rationalise the palliative aspects of recent state interventions and suggests that central government has been deliberately deconcentrating responsibility for job generation whilst retaining control of the financial means to achieve it.



PREFACE

The principal aim of this thesis is to investigate reindustrialization programmes in British steel closure areas. The programmes selected for comparative study were in Hartlepool, Corby and Blaenau Gwent. This raised the conceptual difficulty of how to interpret the various strands of state intervention that make up these programmes. The approach adopted followed the work of Offe by considering state behaviour, not in terms of a neutral arbiter, but as bound by specific sets of interests. It might have been possible to adopt a liberalistic interpretation of state intervention and draw somewhat different conclusions.

Given that the overt intention of reindustrialization programmes is that of employment generation, it is impossible to identify an official data source that adequately monitors the situation. As mentioned on several occasions in the text, the 1984 (Annual) Census of Employment (known as ACE) was not available over three years after it was taken (and even then with substantial inaccuracies- personal communication, NOMIS staff). Even if the 1984 ACE data had been made available sooner it would still have been out of date and would have provided only the baldest summary of conditions (breakdown of employment by gender and whether full- or part- time), with no qualitative element. Despite the validity of unemployment data becoming a minor

political issue in the 1987 General Election, the fact remains that it is impossible to produce a reliable time series for a recent ten year period, for consistent small areas.

The inadequacy of published sources prompted the decision to generate primary material consisting principally of questionnaires and interviews. This allowed for more up-to-date analysis of local variations in: the agencies undertaking reindustrialization, the characteristics of the associated employment (including levels of pay, types of work and working conditions), and the degree to which firms had actually altered their employment or locational practices as a result of the incentives. Thus the approach finally adopted was a combination of the intensive and extensive; see chapter 7 (2) for further references.

Problems of accessibility from Durham are evident from the interview (see appendix 2) but not questionnaire coverage that Blaenau Gwent received. It is hoped that this does not detract from the inclusion of Blaenau Gwent for comparative purposes.

All responsibility for the word processing, grammar and spelling rests with the author.

ACKNOWLEDGEMENTS

Many people have been of great assistance over the three years it has taken to produce this work, this includes all those mentioned in the list of interviewees in appendix 2 as well as the 280 company representatives who took the time to complete the questionnaire. In each area certain individuals proved exceptionally helpful; in Hartlepool Mike Kay, in Corby Tom McIntosh and Phil Sawford, in Blaenau Gwent Preston Powell and Martin Francis. The word processing of this work would have taken much longer if it were not for the kind offices of David Rhind, Vince Andrews and Caroline McKee who combined to give me access to the JANET at Birkbeck. In Durham, I have had support and encouragement (often bordering on the over zealous!) from Ray Hudson and David Sadler. I must particularly thank David Cowton, Arthur Corner and the Drawing Office Staff for the fine maps they produced. There are a host of other Durham friends who have made my time here very enjoyable but are, in that cliched expression, "too numerous to mention".

Finally, my grateful thanks go to the long suffering, patient and much loved Carolyn to whom this work is dedicated.

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List of Abbreviations

AOA	:	Amalgamated Office Area
BC(E)	:	British Coal (Enterprise)
BOS	:	Basic Oxygen Steelmaking
BSC	:	British Steel Corporation
BSC(I)	:	British Steel Corporation (Industry)
CADCAM	:	Computer Aided Design/Computer Aided Manufacture
CBI	:	Confederation of British Industry
CDTL	:	Cold Drawn Tubes Limited
CEGB	:	Central Electricity Generating Board
CNT	:	Commission for New Towns
CP	:	Community Programme
DHSS	:	Department of Health and Social Security
DIDA	:	Derwentside Industrial Development Agency
DoE	:	Department of the Environment
DTI	:	Department of Trade and Industry
EC	:	European Community
ECSC	:	European Coal and Steel Community
EEPTU	:	Engineering, Electrical and Plumbing Trades Union
EIB	:	European Investment Bank
EITB	:	Engineering Industry Training Board
ERDF	:	European Regional Development Fund
ESF	:	European Social Fund
FT	:	Financial Times
GLC	:	Greater London Council
GMBTU	:	General Municipal and Boilermakers Trades Union
HANDS	:	Hartlepool New Development Support
HBC	:	Hartlepool Borough Council
HEA	:	Hartlepool Enterprise Agency
ITEC	:	Information Technology Centre
ISTC	:	Iron and Steel Trades Confederation
JIDC	:	Joint Industrial Development Committee
MLH	:	Minimum List Heading
MSC	:	Manpower Services Commission
NAO	:	National Audit Office
NCB	:	National Coal Board
NCB(E)	:	National Coal Board (Enterprise)
NEA	:	Northamptonshire Enterprise Agency
NNC	:	National Nuclear Corporation
NOMIS	:	National Online Manpower Information System
OUP	:	Oxford University Press
PLUTO	:	Pipeline Under The Ocean
RDG	:	Regional Development Grant
ROSAC	:	Retention of Steelmaking at Corby
RSA	:	Regional Selective Assistance
SIC	:	Standard Industrial Classification
STL	:	Seamless Tubes Limited
T&GWU	:	Transport & General Workers Union
TTWA	:	Travel to Work Area
UDC	:	Urban Development Corporation
WDA	:	Welsh Development Agency
YTS	:	Youth Training Scheme

## CHAPTER ONE

### INTRODUCTION:SETTING THE SCENE

"Enterprise Zones? They're nothing but spivs' havens"

Michael Kay, Hartlepool, 1985)

#### 1.1 ANALYTICAL POSITION

It is thought preferable to introduce the analytical position to be adopted throughout this thesis from the outset. Essentially my analysis assumes the primacy of production in the economic system. In particular the qualitative aspects of production are thought worthy of examination. Whilst not adopting an overtly Marxist stance, many of the ideas incorporated in this work are decidedly Socialist in origin. The reason such an approach has been used is that it appears to me to provide a sound theoretical backdrop to the analysis of steel closure areas, including a particularly profound analysis of the state. I remain personally committed to the idea of collective provision and ownership of services, utilities and key industries by the state and the acknowledgement of full responsibility by the state for remedial action in times of crisis. I would preferred to have had more time to develop my interest in socially useful- rather than market oriented- production. The socially useful (reevaluation of the work ethic) approach accords with my personal political preferences; which also include a far more sympathetic treatment of the plight of the

victims of these closures than either of the two traditional alternatives: monetarism or Keynesianism. The theoretical approach adopted is developed more fully in chapters 2 and 7.

My rejection of the monetarist approach should be unsurprising given that it has been responsible for the majority of steel closures since the mid-1970's (under Labour and Conservative administrations). The prime aim of monetarism has been the reduction of inflation (in the UK this has been unsuccessful relative to the achievements of most other industrial countries). Recession has deliberately been engineered with mass unemployment being used to discipline workers into moderating wage demands or accepting low paid jobs. In the public sector the monetarist sanctions have been cuts in jobs and services, privatisations and attacks on local authority powers. Anti-Trade Union and Wage Council legislation affects many workers whilst the burden of taxation has fallen most heavily on those least able to pay. The economy has been internationalised to an unprecedented degree with the relaxation of exchange controls and the encouragement of foreign owned multinational firms to establish bases here. The effects of monetarism have been to polarize the nation regionally and also in terms of social class. Nowhere is this more apparent than in central London where the abject poverty of the underclass of the homeless is seen side by side with the extravagance of the hyper-wealthy. The monetarist view of the state dictates a minimalist "hands off" approach. Monetarism demands that the enterprising individual should better himself unsupported by the "nanny"

state. Monetarism offers little sympathy for those made unemployed due to circumstances beyond their control with the admonition to relocate by bicycle. Above all monetarism states that the market should be allowed to operate freely and uninhibitedly.

Keynesianism, the motive force of the post war consensus in Britain, is less fundamentally flawed than monetarism but is unable to deal with current economic conditions. Keynesianism endorses the view that corrective intervention is sometimes required to ensure that markets work well. However the principal limitation of the Keynesian view is that market intervention should be limited to the demand side of the equation. Existing, maybe inefficient, institutions may be supported and sustained instead of being restructured. Productive issues are not addressed; there is little emphasis on supply. Keynesianism also offers no riposte to the rise of multinational corporations.

## 1.2 AREA SELECTION

As there is no such thing as a typical steel closure area (interview with senior BSC(I) staff) it was decided to adopt a comparative approach to the study of steel closure area reindustrialization. The selection of a manageable number of areas to study is beset with subjective difficulties. The principal constraints were time and finances. I was limited to an eighteen month data collection period and the financial support of an ESRC award.

At the time of the study there were 18 designated steel closure areas in Britain (the closure of the historic Dowlais Works in Merthyr Tydfil added another in 1987). I had to select a number of areas that were both representative of the group as a whole and yet represented some of the variety of local experiences. By drawing up a schedule of available research time it became apparent that a maximum of three areas could be accommodated allowing approximately four months data-gathering from each and writing up time at the end. The overriding criterion for the selection of study areas was the nature of the social structure. The prime aim was to select as broad a range of social conditions as possible.

A range of readily available statistical and other material was used to assist in this process. Firstly the annual census of employment (ACE) from NOMIS was used in order to determine the relative importance of steel employment to the various local economies. Due to the restrictions of the Statistics of Trade Act I am not a liberty to disclose the exact figures for steel and steel tubes production for each area but have presented the 1971 and 1981 percentage of the workforce employed in metal manufacture in the appendix 3 to give an impression of the relative impact of steel redundancies in each of the areas. Male unemployment rates for October 1981 and 1984 were also added to bring the exercise more up to date (it was carried out early in 1985). Male rates were used because males were most affected by the steel closures. Storey's 1983 report

(provided by the European Community) on the job creation efforts of BSC(I) gave some further information on the number of assisted jobs created, projected new new jobs to March 1986, BSC(I) loans to March 1983 and cost per 1983 job. These figures were all derived from BSC(I), but it is unclear how BSC(I) collated them. The eight steel closure areas with enterprise zones were identified: West Cumbria, Hartlepool, Teesside, South Humberside, Rotherham, Corby, Dudley, Deeside and West Glamorgan. A qualitative grading (possible range 0-10) of responses to a written request for information and promotional material was also included in an attempt to determine the most helpful participants.

There were also empirical reasons for the areas selected. Those selected were reasonably discrete ie not part of large conurbations with other conflicting activities which might distort the effect of steel closures. It was felt sensible to select one area close to Durham in order to "dry run" the research methodology. Hartlepool was selected on the grounds that Consett had already received so much academic and media attention at and after the time of closure that local resentment might inhibit the research. Another significant point in Hartlepool's favour was that Eddie Morley, the Borough's Industrial Development Officer had built up close links with the University Geography Department over field trip visits. The inclusion of Corby was merited because it claimed the highest number of jobs created, it is situated outside the regions normally associated with heavy industry and was thus one of the closest assisted areas to London.



Blaenau Gwent was chosen because it came under the aegis of the Welsh Development Agency (WDA), its Labourist social conditions were not English-based and its steel works had already been resurrected by state intervention in the 1930's. Had the resources been available it would have been interesting to have included a Scottish area in order to compare the influence of the Scottish Office with that of the Welsh Office and the Scottish Development Agency (SDA) with the WDA. As it was I opted for an established English industrial area, Hartlepool; an English New Town designated for steel production, Corby; and a traditional Welsh coal and steel valley community, Blaenau Gwent (Ebbw Vale).

### 1.3 WHAT IS REINDUSTRIALIZATION ?

Pedantically it must be defined as the process of industrializing again, to give back industrial character to an area previously so characterized. It is an attempt to generate new industry in the place of old. "New jobs for old" has already been used as a title in the context of steel closure (Taylor, 1982). For the purposes of this study it is place-specific, with reference to particular sets of conditions pertaining to places where iron and steel production has ceased. The debate in the United States (epitomised by the "Business Week" June 1980 edition) uses the same terminology but with reference to the maintenance of national competitiveness (against Japan and West Germany) through a generalised change of social contract, and the initiation of state intervention. In Britain and certain

other parts of Europe the state has been intervening for over 50 years. Inextricably associated with regional policy, reindustrialization has, in the past, been linked with the notion of national economic development but more recently, and particularly with the advent of Thatcherism, has come to be seen as a social policy with little economic justification. Reindustrialization can, in some circumstances, occur unprompted, as certain forms of capital may seek to take advantage of labour market conditions in peripheral areas, as well as a degree of new business formation that could be expected to happen anyway- the deadweight effect.

Reindustrialization suggests much more than the physical erection of new factory units and their occupancy (or not) by various forms of capital, it has considerable cultural and social implications for the localities involved. It would appear that many of the problems, particularly for labour, associated with the first (18th-19th Century) phase of industrialization are currently being Today, the smaller size of plants, their diffuse locations, altered working practices and greater company instability tend to impede the organisation of labour and the attainment of comparable wages and conditions to the steelworks. This work has, perforce, to take the closure of steelworks as a "fait accompli" (following on from the work of D.Sadler on the implications of the anti-closure campaigns). It is not within the remit of this work to dwell on the quantifiable social costs of closure (eg unemployment benefit, redundancy and other social

security payments) which mean that it may be more economic for the state to keep units open, but, the considerable costs of reindustrialization should be added to the equation.

#### 1.4 WHAT ARE REINDUSTRIALIZATION PROGRAMMES?

A programme, by implication, suggests the notion of planned action to be taken, "things to be done" for specific effect. The empirical reality of reindustrialization might suggest otherwise, a less-than-strategic, goal achieving approach. It is only at the most local (and often most impotent) levels that terms such as "programme", "strategy" or even perhaps "policy" have some meaning. The conflicts, contradictions and complacency within central government and nationalised industry institutions make their integrity a matter of some doubt.

Three main interrelated elements of reindustrialization programmes have been delineated (Boulding, 1985) in Britain as :1) regeneration of the conventional economic system, 2) training and retraining, 3)"Third sector" or community ventures. The principal concern of this study is with the first of these elements but there will be reference to the other two.

#### 1.4.1 Conventional economic regeneration

The efforts for conventional economic regeneration have three main features : incentives and areal promotion to attract mobile industry, measures to support and develop existing industry and the encouragement of indigenous or local entrepreneurs. There is a plethora of industrial incentives available to British industry ,as emphasised by the 160 page "comprehensive" guide published by Arthur Young (1985), where steel closure areas exhibit the widest range of entries. Some are specific to areas affected by reductions in iron and steel employment (ECSC, Business Improvement Services and BSC(I)), some apply to areas experiencing high unemployment (regional development, regional selective assistance and enterprise zone related) and others apply anywhere (national selective assistance, loan guarantee scheme, business expansion scheme). Local Authority measures vary depending on political will, the imagination of officers and the means available. Financial assistance is the most high profile incentive, alongside site preparation, factory construction and "special deal" measures (including enterprise zone allowances and other more covert activity). The state in its various institutional and industrial forms has been responsible for reindustrialization but recent administrations have promoted the privatisation of some efforts through the development of enterprise agencies sponsored by private capital, but despite this, local authorities remain the principal supporters of these new bodies.

#### 1.4.2 Training and retraining

Privatisation is also a recent feature of the training and retraining scene with MSC Skillcentres (ex traditional government training centres) now being required to compete on a commercial basis with specialist commercial firms often attracted to steel closure areas by European grant aid (eg P.B. Whitford to Hartlepool). Information technology centres (ITEC's) are the current MSC and local authority "flavour of the month" for youth training. Certain skillcentres threatened with closure have been taken over by local authorities as demonstrations of a willingness to assist prospective employers and provide some facilities for local people (e.g. Blaenau Gwent). The training incentives are as numerous as those for employment creation and business development. YTS and Community Programmes often form the lifeline (albeit for a short time) for large numbers of people in steel closure areas. It is not proposed to dwell on the many criticisms of these schemes except for their impact on the local labour markets and the problems of finding suitable placements for trainees, let alone jobs. Training and community work maybe of value in providing temporary respite for the beleaguered unemployed, but their social (in terms of raised expectations and dented hopes) and economic (training for what ?) rationales are questionable. A political rationale, namely the removal of numbers from the unemployed register, is also discernable. Most companies prefer to undertake their own specific training; there are grants of up to 80% of training costs from the ECSC to

facilitate this.

#### 1.4.3 Third sector or Community involvement

Third sector or community efforts (often closely allied to the work of the MSC) are the concern of various common-interest groups such as Churches, cooperatives, community or housing associations and credit unions (Murgatroyd and Smith, 1984). Cooperative development is seen by some authorities as a legitimate form of job creation (e.g. Cleveland County) but marginalised by others (e.g. Corby and Northamptonshire). Community Enterprise Trusts have been established for the furtherance of the ideals of community business ventures- aiming for economic sustainability rather than viability, and often incorporating the "socially useful" concept. Such ventures are viewed very much as fringe activities or temporary measures and as such do not always receive the support that their idealism might merit. In the steel closure areas investigated, only the largest, Hartlepool, showed any real signs of nascent third sector development (but Corby had the only industrial workers' cooperative). The impact of Community Programme (CP) work cannot be over-stressed- men have been known to turn down relatively well paid short-term contracts at the 44 inch Pipe mill (Hartlepool) so as to qualify (by duration of unemployment) for the CP. The MSC is often the major employer in steel closure areas (overwhelmingly so in Consett and also in Hartlepool where 1,800 people relied on it in 1986).

#### 1.5 HOW ARE THE PROGRAMMES IMPLEMENTED ?

The state remains the prime mover at all levels of reindustrializing activity, as it has done since the initiation of regional policy over 50 years ago. The state uses a variety of institutions and modus operandi in this field. Administrative confusion is evident from the frequent calls (especially from small business organisations, see Business in the Community, 1985) for "one stop shops" where all the agencies may be represented together. An average of 15 different bodies offer advice and incentives for businesses operating in steel closure areas.

Central responsibility for the programmes is divided between three government economic departments: Trade and Industry, Environment and Employment. The respective concerns principally, regional development aid; enterprise zones/urban programme/planning/urban development corporations and small business development/MSB. The three departments may not always act in harness. Paradoxically, some European aid is made available through the clearing banks or the Welsh or Scottish Development Agencies; this aid would be more significant if the severe loan security impediments were removed. The local authorities (some are empowered to manage enterprise zones) attempt to coordinate the various incentives into financial packages, in order to make most impact on the place market that has developed out of the competition to attract a diminished amount of mobile industry (Robinson and Sadler, 1985). For much of the recent history

of these places strenuous efforts have been made to attract industry through an increasingly complex set of marketing strategies including advertising, displays, exhibitions and hard-line telephone selling. Annual budgets of 1/4 million pounds are involved - partly derived from Section 137 of the Local Government Act 1972 (2p rate) revenue. Responsibility for economic regeneration has, to some degree, been deconcentrated to the localities involved as central government reduces its role, but increases its control of the purse strings. District or Borough level programmes are usually under the control of some form of industrial development committee. Such committees (with associated "teams", "task forces" etc.) have varying constituencies and include not only members of district and county councils but also non-elected chief executives, civil servants, local government officers and appointees (such as "Directors of Industry", enterprise agency executives, etc.). Such is the desire to avoid accountability that these committees are often paranoically sensitive to criticism, real or implied, which might be said to damage the image of their place in the eyes of the public, prospective industrialists or competing places.

A major and recurring political irony of the support for capitalism that reindustrialization represents is that it is accepted and undertaken so readily by Labour administrations who might be expected to, but cannot afford to, adopt a more socialist approach. It is becoming increasingly apparent (see Financial Times 17.8.87) that central government is



making strenuous efforts to denude local authorities of nearly all remaining independent power (eg the poll tax legislation and educational "opting out" policies breach fundamental areas of local government influence). It is, as yet, uncertain how the abolition of rates will influence the S. 137 (rate product) money but the decision to fix a central business rate has caused consternation amongst industrialists particularly in the south of England (this may result in centrifugal forces more powerful than ever achieved by regional policy). Local politicians and chief executives are on record as being prepared to give "carte blanche" to industrial employers, even to the extent of being prepared to "sell their grandmothers" (Blaenau Gwent). There is little tolerance of opposition from within council ranks, which has resulted in some fairly crude attempts to quash dissent (the case of a Corby councillor's nine month suspension from the Labour Party being notorious).

The current implementation of these programmes has to be seen as the product of changing social, economic and political circumstances for the state and capital. The perception of the need for the development of replacement industries changes over time. The recent emphasis on local solutions to unemployment, illustrated by the calls for the development of an enterprise culture, enterprise agencies and other bodies, is by no means a modern approach to the problem. The interwar years saw the establishment, in the North East and elsewhere, of local industrial development boards (with local authority and chamber of commerce

representation) which later (1938) formed a regional alliance (the North East Development Board then the Northern Industrial Group) (Carney and Hudson, 1978). The 1930's are a useful starting point for other similarities including: unemployment levels, economic conditions in very similar areas and particularly for the initiation of policies for the relocation of industry (e.g. Special Areas Act 1934). The reopening of the Ebbw Vale steelworks in 1935 can be seen as a deliberate regional policy measure for the impoverished South Wales coalfield. Hartlepool was also the recipient of regional aid in the 1930's, one factory remains operational as a result. In contrast, the Corby Works were only just being constructed at this time, as a result of a relocation decision in favour of iron ore availability. The twenty years following the Barlow Report (1944), saw the flowering of national regional development measures. The collapse of the post-war boom began to be felt in the peripheral regions from the late 1950's and resulted in the reformation of locally based efforts- exemplified by the Hartlepoons' 1964 appointment of an industrial development officer. British Steel Corporation (Industry) was formed in 1975 specifically to attract industry to steel closure areas as a mark of the corporation's "social conscience". The working relationship between BSC(I) and the local authorities can be described as cordial with a hint of competitiveness- there is certainly the retention of distinct corporate identity for each of them.

Policy implementation has always focussed attention upon business attraction and development. Very little emphasis has been placed upon attending to the basic needs of the unemployed involved. The consensus has been that the facilitation of capitalist industrial development will result in the benefits filtering down to those most in need. Reindustrialization programmes have tended to fail, as evidenced by their minimal impact on unemployment figures and also on account of the type of employment provided.

Post-closure reindustrialization has been marked by the desire to erase the memory of steel production through the demolition of the steelworks as rapidly as possible. Despite this, use of ex-steel sites has, so far, been minimal because they were not immediately available at the time of closure. The rush to build advance factories has resulted in the utilisation of certain physically sub-optimal sites (particularly in Blaenau Gwent). Another example of the rapidity of reindustrialization is the more general one of the introduction of the second round of enterprise zones two years after the first but before any significant analysis of their impacts could be made (National Audit Office, 1986; Public Accounts Committee, 1986): further evidence of the political nature of the programmes. Implementation and policy formation are not always the measured responses of popular expectation- one local administrator has recounted the "grant for anything you can think of" approach adopted on a change of political control.

## 1.6 HOW HAS CAPITAL RESPONDED?

The most pertinent reply is that capital has responded negatively: there has not been a mass movement to, or spontaneous development of manufacturing in, steel closure areas. Manufacturing (where it has survived its national decline) shows a distinct preference for more prestigious, southerly locations such as the "M4 corridor" or "Spa towns crescent" or other such notional units which give credibility to commercial environment and communications arguments. Most steel closure area administrations have as a horizon a return to national levels of unemployment, but the programmes have not, so far, brought this about. The number unemployed has fallen in some cases, but job losses in other local non-steel industries have tended to increase. Unemployment remains high; 13- 21% (July, 1987) for these travel to work areas, in the context of a nationally reported decline that has more to do with creative accounting than increased employment. The fall can be attributed to MSC schemes, the deregistration of older workers and, to the as yet unquantified implications of "Restart" interviews (from late 1986). Not only does capitals' response appear to be quantitatively inadequate, it appears to be qualitatively lacking too. Pay, security of employment and working conditions in the new firms are often worse than the, albeit paternalistic, steelworks. There can be little doubt that exploitative capitals tend to view steel closure areas as pools of cheap labour with financial aid thrown in. The return to Victorian conditions and working practices can be overstressed. Some of the employers do

offer wages near the national average and some have even recognised trade unions (though where this happens there is a prevalence of no strike agreements and/or very restrictive single union arrangements, eg FT, 11.8.87).

A significant proportion of new firms claim that they would have established in steel closure areas anyway, regardless of the incentives offered. This is known as the deadweight effect. These firms tend to have personal, historical or established market reasons for their locations. Some may actually prefer to locate elsewhere but are impeded by behavioural constraints. These are often the smallest businesses who may also not have the time or resources to obtain their financial assistance entitlements.

The remnants of the steel industry- various finishing plants (such as tinplating, tube and pipe making)- have responded to the failure of reindustrialization in a number of ways. Until 1984 (the end of non job creating grant aid for capital projects), the BSC was the major recipient of regional aid in two out of the three study areas. There has been privatisation of some of the more profitable areas (eg Seamless Tubes Ltd. and Cold Drawn Tubes Ltd.) and the widespread introduction of more "flexible" work practices (particularly multi-skilling). Elsewhere the increased flexibility has been extended to the development of contract labour: working for short periods on a weekly basis as the contract demands, with only a small core labour force permanently employed (eg Hartlepool 44 inch pipemill).

## 1.7 WHY REINDUSTRIALIZE ?

This quintessential question should be preceded by a perfunctory examination of the conditions that gave rise to steel closures. The range of factors involved has been well documented (e.g. D.Sadler, 1985) and includes: the world recession of the mid-1970's, more competitive steel production from newly industrializing countries, nationalization (making closures easier to organize), coupled with EC membership and the associated implications for quotas and capacity reductions. There may well have been a case for arguing that the social costs of closure outweighed the economic ones. Certain anti-closure campaigns were fought on grounds of profitability whilst the salient issue of national capacity was not properly addressed (particularly in Consett-Hudson and Sadler 1983). However damaging the results and optimistic the alternative speculation, steel closures have happened. They are likely to occur again, particularly vulnerable is Ravenscraig, especially following the Gartcosh mill closure (1986). They have resulted in concentrations of particularly high levels of unemployment in regions of very high long term unemployment (Corby's region being the exception). Because of the many changes in definition, area and other methods of accounting (including the introduction of Restart in late 1986) the unemployment totals provide a dubious measure of the problem.

The attraction of new industry to areas of high unemployment has been seen as a major policy response since

the inter-war years. Early central government attempts sought to harness assisted areas policy to enhanced labour mobility (transference) but the contradictory implications of the two policies, particularly for incoming capital, were soon acknowledged and the latter dropped (only to be revived by N.Tebbit's infamous "on your bike" remark). The formulation of overt state concern for the plight of the unemployed was derived from the increased participation of the Labour movement in national politics coupled with Conservative concern for domestic law and order aroused by the General Strike of 1926. Between the wars, as the light industrial economy of London's outer metropolitan area (coincident with suburban sprawl) boomed, it became increasingly apparent that the peripheral, traditional industrial regions were declining- a pattern that has reemerged, with a slight change of growth-emphasis towards smaller towns in the outer South East. The post-war consensus on full employment- including regional policy to redistribute industry was an attempt on the part of the Labour Party to bolster its support from traditional centres, whilst it provided the Tories with the opportunity to display a degree of social concern for and retain a modicum of support in the periphery. In fact, during the Conservatives' social democratic phase (1951-1974), a need to be seen to develop the economy on a national basis was felt; rather than concentrating on regions of the Party's traditional support- the Shire counties. DTI officials now emphasise the social rather than economic aims of regional policy. Redistribution of industry away from London and the South East appears no

longer to have any economic rationale; it is referred to as "pinching" (interview Aug 1987) of jobs from places that also have problems. More recently, the campaign to save Ravenscraig has focussed not only on the need to placate the minority of Scottish voters who remain Tory, but also on the potential damage to home support if whole regions are just "written off", (the notion of "caring capitalism" would not survive intact).

A most pertinent question is whether the efforts to attract new industry to steel closure, and other, declining areas can be regarded as serious attempts to restore full employment or whether they are mere palliatives to appease local constituents- things seen to be done? Where stated, the expressed aims and intentions of the programmes profess a lofty idealism that their actual resourcing and achievements belittle. A more prosaic suggestion would be that concern for the unemployed is derived from the drain upon resources that their continued high numbers represents- however if a closed system exists (as monetarism indicates) this drain means that less is available to remedy the situation. Monetarist resource allocation arguments (the fiscal limits to state intervention) for example, "the cake is just so big" have been of major importance in recent attempts to reduce levels of government spending.

Another related but more structural question is the states involvement in reindustrialization for the purposes of reproducing and generalising the conditions for capitalist



accumulation. This is part of a wider encouragement of the spread of the capitalist condition by promoting, among other measures, more widespread share and home ownership. The ideals of the enterprise culture are forming an increasing element in reindustrialization. The more new entrepreneurial businesses there are, the more capitalists are produced to maintain the system. Despite the high failure rate of new entrepreneurs, the capitalist consensus will be upheld- and even extended. Legitimation through the profit motive will be maintained, with the balance in capital's favour. The problem that steel closure areas pose is that too few entrepreneurs seem able to come forward from these localities, previously dominated by paternalistic nationalised industries, typically in large units where individualism was not fostered. Deindustrialization followed by reindustrialization allows for another essential tenet of the New Right philosophy- the demolition of trade union power. This occurs through the loss of local credibility and cohesiveness by steel unions over the failure to successfully contest steel closure and the promotion of smaller, more diffuse, confrontational and therefore more difficult to organise plants. There can be no doubt that the programmes receive full Tory party support over the levels of pay offered by the new employers. The Thatcher administration has long expounded the idea that British workers have been overpaid relative to productivity and that much unemployment has been a direct result of workers "pricing themselves out of the market". Steel closure areas can be described as low pay sinks for the new industries, with female workers being

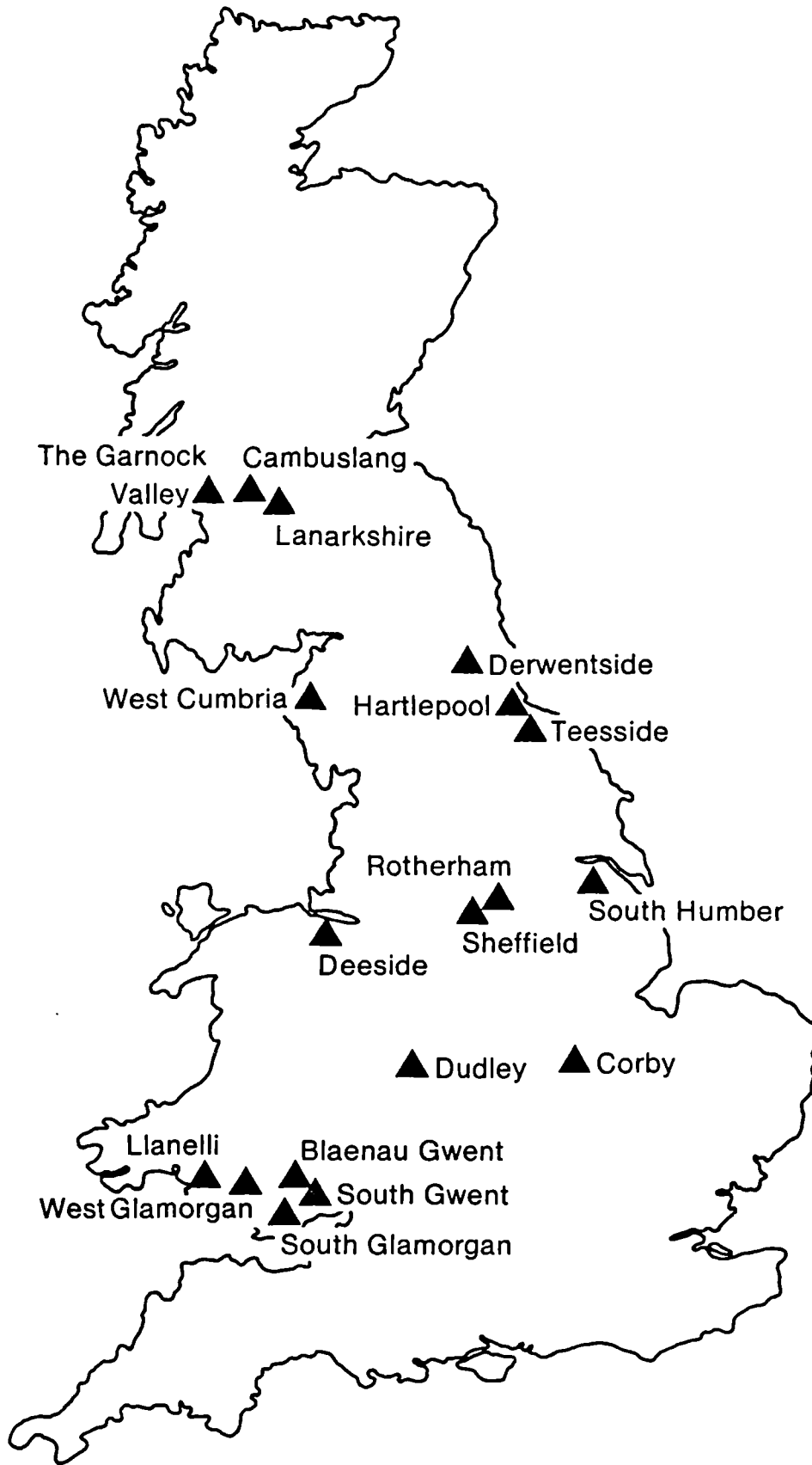
particularly exploited (wage levels of 50-60 pounds per week for shift work have been encountered in 1985-1986).

The poverty of real policy alternatives to reindustrialization (masked by the myriad variations upon the twin themes of developing new industry and training) is compounded by the political damage of admitting the enduring inevitability of current high levels of real unemployment in Britain, if the present value system is allowed to persist. The continued dominance of the waged labour economy, where social status is confirmed by nature of occupation and material wealth, means that it is politically suicidal for governments to exclude certain areas ("redundant spaces") by determining that there is no further hope for them from capitalism. The illusion of survival by an upturn must be maintained. Reindustrialization can be described as a "knee jerk" response by the state because the system allows, in Thatcher's words, "no alternative". Measures which would challenge the work ethic (such as a universal minimum liveable payment, real amelioration of conditions for the unemployed and socially sustainable rather than economically viable production) are regarded as subversive by both political parties. The Labour Party, by its gradual incorporation into the governing system, has long ceased to promote as central any radical socialist views. Labour is now as reliant as the Conservatives upon the maintenance of capitalism, though it pays lip service to notions of reform. Perhaps the only really effective motive force for reindustrialization (only in the past for temporarily halting

deindustrialization) in steel closure areas would be a prolonged conventional war. Much of the current "success" of Southern Britain is military related. For a war to profit peripheral Britain it would have to remain non-nuclear for a considerable amount of time.

Although reindustrialization is necessary for the maintenance of state hegemony, its relationship to the actual reproduction of capital is more problematic. If the intention is to reproduce the conditions for capitalist accumulation, the results have not been fruitful. Some, particularly labour exploitative or financially vulnerable ("lameduck"), forms of capital have established in steel closure areas but this tendency has not been followed by the more advanced (higher wage, better conditions, more secure with greater work satisfaction and skill requirements) types of capital. There appears to be environmental, image, prejudice and international linkage reasons why certain "leading edge" types of capital avoid steel closure areas. Much of the small capital to be found in steel closure areas remains for a range of behaviouralistic reasons- not the capital logic beloved of industrial location determinists. Steel closure areas tend to become, economic but not social, "ghost towns" with or without reindustrialization programmes.

**“OPPORTUNITY AREAS” -  
B.S.C. (Industry) 1986**



Judging by the Institute of Personnel Managers report "The Human Face of Change" (T.K. Jones 1974) BSC has a model record for social responsibility. Its measures continue to be copied by other nationalised industries when rationalising (NCB Enterprise, now British Coal Enterprise, and British Shipbuilders Enterprise). The grounds for this emulation are not immediately apparent when individual steel closure areas are examined. Since 1975 BSC(I) claims to have created well over 30000 jobs in its "opportunity areas" (BSC Annual Reports, 1986). Any claims for "job creation" should be treated with a high degree of caution because they can be spurious on a number of counts: they may be transfers from elsewhere (potentially involving rationalisation and net job loss), be in no way related to any BSC(I) activity (regional development grants are still the most influential financial factor), not include jobs lost through closures of new firms. and have already been claimed by a competing agency in the same place (e.g. the local authority). In the job creation game the team effort is always emphasised until it comes to taking any credit for success. The BSC(I) initiative grew out of the Corporation's new jobs teams of the early 1970's, and started with rather vague efforts to facilitate industrial development. Its golden (literally) age was 1978-1984 when extensive grants and loans were made available to firms (one official described it as "giving money away"). A change of chief executive (for BSC(I) Ltd.) resulted in tighter financial control, self-financing and a role restriction to the provision of funding gap loans at slightly below commercial rates. Perhaps the most enduring element of

BSC(I) in their "Opportunity Areas" has been the provision of managed workshop units or nurseries for new entrepreneurs. Eight (the ninth is nearing completion in Coatbridge in late 1987) such complexes exist (often utilising ex-steel buildings) and have had some success in encouraging start-ups with "easy in/easy out" lease arrangements. To the great disappointment of BSC(I), but little surprise to local workers, very few ex-steelworkers have established their own businesses through the scheme.

The Corporation's social conscience, as expressed by BSC(I), does, despite a new (1987) regional structure, appear to have run out of steam. It may not be coincidental that the Corporation has been pulling out of job creation (leaving it to the much more precarious enterprise agencies) during a period when ECSC finances are threatened at source. In late 1985 there was a moratorium on ECSC loans for job creation suitable for ex-steelworkers because of budgetary constraints within the European Community as a whole.

#### 1.8 CONCLUSION

The ensuing chapters will attempt to develop the issues raised in the introduction, firstly into a theorisation of the changing historical role of the state and capital in the legitimising of reindustrialization to the point where it is now accepted by Labour organisations but is increasingly rejected by the "self help" economists of the New Right. In the subsequent three chapters the actual reindustrialization

experiences of three different steel closure areas will be analysed with special reference to the last ten years. The sixth chapter will highlight the comparisons and contrasts between the three study areas. The final chapter will assimilate the previous material and attempt to tease out some conclusions.

## CHAPTER TWO

### STATE THEORY

#### 2.1 INTRODUCTION

The development of theory has to be seen in terms of the development of explanation. Theory should not obfuscate but clarify or enhance. There is no readily available theoretical "package" to adopt in order to explain reindustrialization in steel closure areas. In constructing an adequate theorisation of this subject matter, elements have to be drawn from the existing body of social, economic and state theories. The intention of this thesis is to build upon and develop the existing stock of theory rather than engineer anything more dramatic.

At the most abstract level, the intention is to examine the relevance of state theory (theories as to the character, form and functions of, and limitations to, state interventions in capitalist societies) for the partial explanation of the phenomenon of steel closure area reindustrialization. The salient questions are: why should the state see fit to reindustrialize these areas? And how did the present set of circumstances arise? The work of Claus Offe provided the theoretical framework for the empirical observations. In particular Offe's examination of the relationship between the state and capital (exclusion, maintenance and dependency) and his work on the form and



function of the state, intervention and policy formation, has proved important. The high degree of abstraction encountered in much, particularly Marxian literature, means that other sources such as local government and European Community theories have to be utilised in a supplementary role.

Geography has developed by incorporating theoretical concepts from elsewhere. Increasing interaction with other branches of the social sciences (particularly sociology) has resulted in an eclecticism that is not entirely one way. An example of the reverse flow is Giddens' use of elements of Hagerstrand's time geography in the development of structuration theories. The broad spatially based perspectives offered by geographers have the potential to make significant contributions to other social science debates in ways hitherto ignored by other disciplines. But geographers still have much to learn in terms of methodology and theorisation. The problem remains, with any such synthesis, to discern the relevance of the "borrowed" theory; precisely how much to retain, modify or to discard.

The eclectic method suggests the use of a range of theoretical points of view from the hyper-abstract to the almost-empirical. These will be dealt with by decreasing magnitude of abstraction: beginning with state theories.

## 2.2 THEORIES AS TO THE CHARACTER OF THE STATE

It may be inappropriate to dwell overlong upon the historical evolution of state theory because it has been done so capably elsewhere (for example, Jessop, 1977, Held, 1983, Mohan, 1983, Sadler, 1985). It is, however, misleading to consider that concern for the issues at stake is entirely modern. The linguistics of contemporary political philosophy are rightly derived from the classical worlds: "democracy", "politics" and "republic", for example (Held, 1983). Plato, Aristotle and Cicero were amongst the first philosophers to write on questions of government, rule and law, as the Greek city state system was transformed firstly to the Republic then the Empire of ancient Rome. It was only at the very end of the Renaissance period, as feudalism began to disintegrate, that concern for theories of the state re-emerged. The initial effort was directed towards the preservation of the existing order. Nicolo Machievelli (1496-1527) advocated political expediency to justify any means, however immoral. Jean Bodin (1530-96) paved the way for an era of absolutism in Europe by suggesting that the royal right to govern was divinely inspired.

It must be stressed at the outset that many of the theoretical positions considered below evolved in relation and in opposition to each other and still continue to do so. It has been observed that there has been a recent tendency towards a polarization of political opinion with ideas from both extremes of the political spectrum being ventilated.

One example was a recent Channel 4 series which attempted to present the ideas of liberalistic British and American governments as the "New Enlightenment". The disparate support for the Left has been less well orchestrated, but shows little sign of diminishing.

It is proposed to use Held's (1983) fourfold dissection of state theory: liberalism, liberal democracy, Marxism and political sociology.

### 2.3 LIBERALISM

The liberalist tradition was born from the conflicts between the interest groups of the absolute monarch and the remaining bourgeoisie in Parliament. The English civil war (from 1640) and the subsequent constitutional crisis of 1689 provided the context for the first modern analyses of the state by Thomas Hobbes (1588-1679) and later John Locke (1632-1704). Hobbes produced a definition of the modern state that is still accepted by many, though not those who accept a Marxian analysis, as: "a form of public power separate from both the ruler and the ruled, and constituting the supreme political authority within a certain defined boundary." It is interesting, from the present perspective of the rightward shift of the Labour Party, to note that few of the more radical egalitarian ideas, expressed by such groups as the "Levellers" and the "Diggers" in Cromwell's army, gained much credence at the time due to the bourgeois nature of the English "revolutionaries".

Held defined liberalism as "The freeing of civil society -personal, family and business life- from political interference and the simultaneous delimitation of the state's authority." Hobbes (1651) put forward the idea that the great "Leviathan" (the imagery of a huge sea monster remains particularly apt!) of the sovereign state was required to curb the destructive self interest of individuals (most vilely expressed by the civil war). Locke contested the Hobbesian vision of an all powerful state, preferring to emphasise the necessary consent of the governed and their god-given rights (to "life, liberty and estate"). Locke upheld the separation of powers whereby the constitutional monarchy controlled the executive power (including the judiciary) and Parliament the legislative power, through the operation of a social contract. Held's summary of Locke's conceptualisation is, again, appropriate: "the state exists to safeguard the rights and liberties of citizens who are ultimately the best judges of their own interests; and that accordingly the state must be restricted in scope and restrained in practice in order to ensure the maximum possible freedom of every citizen." The rigid electoral property qualification remained unchallenged.

## 2.4 LIBERAL DEMOCRACY

The earliest exponents of the liberal democratic tradition were Jeremy Bentham (1748-1832) and James Mill (1773-1836). They championed the case for democratic accountability through the vote- in particular the secret ballot. Using a minimalist construction of human action "humans (with the emphasis on the male) act to satisfy desire and avoid pain", the Utilitarians, as they became known generically, concluded that the government's objective should be to achieve the greatest happiness for the greatest number. The role of the state was to be merely confined to that of an "umpire" or "referee", whilst individuals were to be allowed to indulge, unconstrained, in the competition and exchange of the free market. John Stuart Mill (1806-73) endorsed the views of his father, James, but stressed the need for representative government for the maintenance of liberty and democracy thus enhancing the potential for "human excellence." As well as being an advocate of the free market exchange of goods Mill proposed a system of plural voting with more votes for the most knowledgeable and able and fewer for the ignorant and less gifted- in effect retaining the iniquities of the property qualification (Held, 1983)

Held provides a workable summary of the preoccupations of the liberal democratic tradition: "Individuals; individuals in competition with one another; freedom of choice; politics as an arena for the maintenance of individual interests; the protection of 'life, liberty and estate'; the democratic

state as the institutional mechanism for the articulation of the general or public interest (as opposed to simple private desires)."

## 2.5 MARXISM

The actual contributions of Marx (1818-83) and Engels (1820-95) to the theoretical analysis of the state are far less cogent than their analysis of capital (Jessop, 1977). It is the subsequent attempts to generalise theories of the state from Marxist principles which have contributed most. Held identifies two important stances from the work of Marx: position 1 stresses the "relative autonomy" of the various bureaucratic manifestations of state institutions from the interests of the dominant class over the short term when non-economic considerations may take precedence. This is a useful concept which may go some way towards explaining some of the more paradoxical aspects of state activity. Position 2 is a less complex idea that the state is a parasitic instrument of class domination, particularly over the long term. This particular idea was employed by Lenin with spectacular success in 1917. Positions 1 and 2 present ambiguities that neither Marx nor any of the other classical Marxists properly resolved.

The Miliband/Poulantzas debate of the early 1970's was reflective of the reawakening of interest in Marxism in general and the political autonomy of the state versus instrument of class domination conundrum, in particular.

Miliband sought to re-evaluate the Marxian expression of the relations between state and class at the same time as refuting the liberal democratic view of the state as a "neutral arbiter." He identified the capitalist class as dominant in western societies, as having close links with a range of the dominant institutions and as having a "disproportionate representation" at the highest levels of the state apparatus (Held, 1983). Miliband reaffirmed Marx's position 1 by suggesting that the state needs the capacity to separate itself from the imperatives of the capitalist or ruling class to meet the needs of political expediency (i.e. the requirement to maintain the hegemony of the state, see below); this separation being most acute in times of national crisis or war. This, in fact, provides a partial explanation of the phenomenon of reindustrialization, the state acts in accordance with the needs of political expediency to encourage the generation of industry in places it might be expected to avoid.

Poulantzas attacked Miliband's rationalisation of the state on the grounds of subjectivity because of its emphasis upon "interpersonal relations" (between bureaucrats and institutions through the network of common personal backgrounds). The state acts to unify the fragmentary (divided by competition and variation of interests) ruling classes and works to disorganise the potentially damaging political organisation of the working classes. With his phrase "the condensation of class forces" Poulantzas puts forward the idea that the state is itself a locus of division

(i.e. conflict within the state) and its degree of "relative autonomy" is related to the nature and extent of class struggle evident in a society.

The views of other contemporary Marxists critical of both these positions, for example, Claus Offe, will be discussed later.

## 2.6 POLITICAL SOCIOLOGY

Weber (1864-1920), an important critic of Marx, was particularly critical of the assertion that the state organisation was "parasitic." His special concern was for the internal workings of the state administration, the bureaucracy or "special, perennial structure for ... the exercise of rule." For Weber the bureaucracy was "completely indispensable" and could be applied to all forms of large-scale organisation, not necessarily the state. His analysis was, however, asocial (Sadler 1985); it bore little relation to the developing interplay between the central state and modern capitalist society.

Weberian ideas have been instrumental in the evolution of a number of other state-related theoretical standpoints. Pluralism sees power distributed amongst a number of common-interest based pressure groups bargaining and competing for the attention of the government. "Fairness" is assured through the democratic process; inequality unaccounted for. Corporatism, whilst not providing an



adequate model of the state- it too "reduces democracy to an economistic bargaining process" (Sadler, 1985)- may provide a partial explanation to the problem (for the Left) of rationalising Labour involvement in, very capitalist, reindustrialization. In essence corporatism is concerned with the concept of collective bargaining between employers representatives, the trades unions and the government, plus the common interests that arise from this. Such joint sessions were especially a feature of the 1960's and 1970's, in the UK, (the "tea and sandwiches at Number 10" era), when Labour groups participated far more and were incorporated into the capitalist establishment, than before. Routine association and involvement with such a power structure could lead to a tacit acceptance of the status quo, including an acceptance of the policies of reindustrialization, policies to reproduce capitalism.

## 2.7 CLAUS OFFE: THE PRINCIPAL CONTRIBUTOR

Probably the most sophisticated analysis of state theory to emerge in recent years has been from Claus Offe (e.g. Offe, 1975, Offe and Ronge, 1975 and Offe, 1984). His work is associated with the German state-derivationist concern to "elucidate the intimate relationship between the form and function of the state and the characteristics of capitalism as a mode of production" (Mohan, 1983). Offe does not, however, fall into the reductionist trap as do members of the "capital logic" school (e.g. Altvater, Blanke at al. 1978) by bringing everything that occurs in capitalist society back

to the needs of capital (i.e. seeing the state as an "ideal collective capitalist"). Offe comes close to an understanding of "both continuity and change of the functions of the capitalist state as well as the contradictions of its mode of operation" (1975). Offe's view of the state is functionalist rather than structuralist. In his seminal "Theory of the capitalist state and the problems of policy formation" (1975) the main characteristics of the state are identified as: exclusion, maintenance, dependancy, and legitimation.

#### 2.7.1 exclusion

The state is said to be excluded from the accumulation process. "The state is no capitalist itself, and accumulation takes place only in private accumulating units" (Offe, 1975). Property is private; free enterprises exempt from state control. "The state has no authority to order production or control it." The drive for the production of surplus value, profit, can only take place in private accumulating units. These assertions appear more tenable in the light of recent events in Britain but offer little assistance in comprehension of nationalisation. Recent privatisation of state assets illustrates the forces of exclusion at work within the state (particularly when such assets can be made to appear profitable). Many redundancies have come about as the state has striven for profitability in the industries under its direct control. The equation of nationalisation with rationalisation is apt.

### 2.7.2 Maintenance

"Every occupant of state power is basically interested in promoting those political decisions most conducive to private accumulation" (Offe, 1984). The state has more than just the authority, it has the mandate, to create and maintain the conditions of accumulation. Offe does not see this as resulting from any particular class/state alliance but more an "institutional self interest" in the retention of existing power. He goes on to stress that there are various levels of specificity in this involvement: from the single accumulating unit to capital as a whole. There are also a range of threats to the orderly pursuit of profit- especially from the working class and criminal or deviant elements. Control over these threats is the necessary corollary to the sustenance of the conditions of capitalist accumulation. The implication is that the reproduction of accumulation depends upon the protection of an "external being" (Offe, 1975) -the state.

### 2.7.3 Dependency

The fact that the state is dependent upon the continued presence of the accumulation process as an enabling factor in its power relations assists in the explanation of its efforts to maintain the conditions of capitalist accumulation. The advanced capitalist state's resources are derived from the taxation of wages and profits. If, as Offe suggests, accumulation were to cease, "everything and especially the power of the state, tends to disintegrate," because budgetary

obligations become impossible to manage. "Those who occupy positions of power in a capitalist state are, in fact, powerless unless the volume of the accumulation process allows them to derive (through taxation) the material resources necessary to promote any political ends," (Offe, 1984). Offe also emphasises that the need to ensure the stability of accumulation acts as a constraining rather than a determining influence on the policy-making process. The state "would be threatened if it engaged in policies inconsistent with its protective functions". It is interesting, paradoxically, to note that the notion of budgetary constraints is now being used by the British government as motivation for a reduction in state intervention rather than investment intervention to maintain revenue.

#### 2.7.4 Legitimation

Legitimation is the cement that allows the above-mentioned building blocks to hold together. In parliamentary "democracies" the control over institutional power by the ruling party is dependent on the degree of electoral support it receives whenever there happens to be a general election. This tends to mask the second element of the "dual determination" of state power- its dependency upon finance from accumulation. Offe (1984) defined this as the separation of form and content: "the institutional form of the state is determined through the rules of democratic and representative government, while the material content of

state power is conditioned by the continuous requirements of the accumulation process" (see below).

Offe sees legitimation as a symbolic or image building exercise that promotes the idea of fairplay- the capitalist state, "pursues common or general interests" for all of society, with equality of access to power. There is, he states, a systematic need to conceal and deny its true nature as a capitalist state. Reindustrialization strategies could be said to represent efforts by the state to legitimate closure decisions both in terms of appeasing the electorate and encouraging the generalisation of the conditions of accumulation. See below for an interpretation of Gramsci's concept of hegemony- an alternative to legitimation.

#### 2.7.5 State intervention: allocation and production

Reindustrialization programmes embrace both of Offe's modes of state intervention- the productive and the allocative. To jump ahead, reindustrialization could be said to be allocative with regard to the provision of industrial infrastructure in particular areas; whilst productive with regard to the vetting of projects and the provision of capital and training grants. If it is not stretching the analogy too far, reindustrialization can be considered as being allocative but post-productive in character arising as a result of previous state productive involvement.

The allocative mode of state intervention, to "create and maintain" the conditions of accumulation, depends on the state's intrinsic authority over certain resources and powers that are already state property. Offe uses certain examples of the allocative mode: protective industrial tariffs, money and rules of exchange, the repressive apparatus, education and transport infrastructure. The state allocates resources already under its control in an undifferentiated manner, i.e. "policies are congruent with politics" (Offe, 1975). A feature of the allocative mode of state action is that its elements do not have to be produced themselves, merely allocated (e.g. land, taxes, repressive force).

The productive mode of state activity has come into operation as the allocative "framework" is proved insufficient and accumulation can only be maintained by some physical input into production. Under normal circumstances in the capitalist mode, the physical inputs of labour, raw materials or fixed investment in machinery would be provided by the relevant commodity market. If the production of certain input commodities has failed (or is about to fail) because it may no longer have been considered profitable to maintain, the production (and profit) of other dependent capitals is jeopardized. Three factors for this failure are identified- the input commodities are too costly for the users, there are unreasonable risks and uncertainties associated with their purchase and technical externalities impinging on the use value of the input commodity. These situations are said to arise when the "protective mechanisms

of the dynamic of accumulation have been exhausted". "Productive state activity is initiated by the actual or anticipated, sectoral or general, absence of accumulation" (Offe, 1975). This applies, not only to nationalisation to avert closure but to post-plant-closure policy.

#### 2.7.6 Form v. Content: the rules for policy formation

Offe argues that it is insufficient to analyse productive state activity merely in terms of the content of such policies; i.e. the analysis of the expansion of the political agenda through problem identification, determinant interests and policy results. The formal, functioning procedures adopted by the state merit equal consideration. In particular, the duality of the problem solving process has to be noted. The state recognises a problem; responds to the problem in its environment, and in itself, by adopting certain, maybe new, organisational procedures. These linkages are not merely linear but circular- "social and economic problems, as items on the state agenda, may trigger off changes in the formal strategies according to which the state operates, and conversely these formal strategies may substantially determine both the ability of the state to perceive problems and the nature of the ensuing policies," (Offe, 1975). This symmetry of form and content strategy rules can be identified in the formation and subsequent activities of new state agencies created to deal with the creation of new employment or the alleviation of unemployment (e.g. B.S.C.(I) or M.S.C.).

Offe's three rules of policy formation are bureaucracy, purposive-action, and consensus. Each has proved deficient for the productive mode of state operation. Bureaucracy, the classical Weberian "neutral" hierarchical notion that is well suited to the allocative mode, is unable to formulate the operational aims and intentions of the productive mode. The rules of purposive-action or the technocratic mode are inappropriate because the state is not an accumulating unit (see above)- it, unlike a firm, cannot operate with the single goal of producing surplus value as determined by market forces. Highly decentralised consensus, "the simultaneous determination of inputs and outputs by the clients of state administration or the recipients of its benefits" (a "bottom up" rather than "top down" policy system) is problematic because of the difficulties of long term planning and the stresses of satisfying the increased demands of the clientele. The inadequacy of these rules of policy formation leads Sadler (1985) to suggest that they are used by the state in a number of ways according to the needs of the moment. The implication is that society is perpetually in a crisis-avoidance mode as new problems arise from the failed attempts to solve the previous ones.



## 2.8 THE CIVIL SOCIETY AND HEGEMONY: URRY AND GRAMSCI

Use of the concept of civil society (as developed by Urry, 1981) provides a more sophisticated notion of the relations between the state and capital than the more simplistic idea of a triangular relationship between the state, capital and labour. According to Urry, the social relations of civil society transcend the economic reductionism of class-based analysis (though by no means denying the overall importance of the relations of production) and consist of more diverse groupings, "based on gender, generational, racial, residential, and national differences; the importance of 'private' social relations within the family and with voluntary associations of many kinds." Gramsci advanced the consideration of civil society as an intermediary between the state and the economic structure. The three interacting "spheres" of civil society (circulation, reproduction and struggle) act with reference to the other structural social formations, the sphere of capitalist production (through the circulation of money), and the state (which responds to struggle through the law to impact on the sphere of reproduction, and has its function specified by the economy)-see Urry, 1981 page 116.

The ideological concept of "hegemony" (first used in this context by Antonio Gramsci d.1937), i.e. political control by "direction" rather than physical coercion, has best been described by Boggs, 1976, as follows:

"by hegemony Gramsci meant the permeation throughout civil

society- including a whole range of structures and activities like trade unions, schools, the churches and the family- of an entire system of values, attitudes, beliefs, morality etc. that is in one way or another supportive of the established order and the class interests that dominate it."

In the context of this work hegemony appears to have far more explanatory power than the narrower concept of "legitimation" from the German school with its rather mechanistic over-emphasis on the electoral requirements of the state. The bourgeois hegemony (including the intellectual, cultural and moral leadership), of the state, but worked through in civil society, acts as an "unchallengeable organising principle, world view or general conception of life" for the mass of the population (Boggs, 1976). Hegemony acts to balance the countervailing forces of the state, civil society and the economy. The state needs to sustain hegemony (i.e. that there is no workable alternative to the capitalist system and representative democracy) at all costs. It is possible that the particular conjunction of problems raised by large scale nationalised industry closures in identifiable units provided a threat to the continuance of hegemony and resulted in an extraordinary policy formation: reindustrialization.

## 2.9 THE LOCAL STATE OR LOCAL GOVERNMENT ?

Universal theories of the local state have not been fully advanced, probably because of the considerable degree of variation that exists between the form, nature and responsibilities of local government and even whether the notion of the local state can be said to exist at all, in capitalist societies (see below). For example, local government in Denmark has far more sweeping powers over a whole range of reproductive activity than its equivalent in Britain, but far less involvement in productive activity or industrial promotion. Apart from typological differences the local "state" is far more prone to areal and temporal variation than nation states (though naturally it would be wrong to assume their fixed nature). For example, in Britain the 1974 local government reorganisation involved significant boundary changes and the creation of the metropolitan county tier which has since been removed. It is important that the parochially consensual rather than the national party political nature of the local "state" be stressed. In the context of declining single industry areas the heritage of corporatism shines through. Steel producing areas, where particular trades unions dominate (notably the I.S.T.C.), have tended to evolve as localities of "conservative" Labourism, involving unswerving loyalty to traditional value and economic systems. The most actively radical Labour authorities are rarely found in steel closure areas (Sheffield is an exception) but in areas where the support is less secure or even "hung"- for example Reading or Ealing.

Local councillors tend to be tied to the interests of particular wards. Members of Parliament are often absent from their constituencies and may not even live there! The local government representative can be said to reflect the social traditions of a locality far more than an M.P., selected as a candidate by a local party organisation but requiring central ratification.

The intention here is not to idealise the local authority; far from it. There is considerable room for reform if democratic notions are to be upheld. Most pressing, in this instance, would be the reform or abolition of the "place market" and the attendant paranoia associated with any implied criticism of local industrial development activity. Serious question marks remain as to the precise nature of the independence of local authorities from the central administration, exemplified by the cases of Sheffield and the G.L.C., whose economic initiatives for third sector and small firm foundation have been stymied by a national government of an opposite political persuasion (Hudson and Plum, 1984). Recent transformations in local state power have been likened to "deconcentration" rather than decentralisation by Hudson and Plum (1984) because the devolution of some functions is in the interests of better management, and particularly financial and political control, by the central state.

The fundamental problem of local "state" theories is primarily one of identification. Can the local state actually be said to exist? If it does exist (as a social

relation) the implication is that it exists in relation to the complete range of class structures constituted at a local level. Such neat constructions as a distinctly local bourgeoisie and a local proletariat are patently absurd, given the arbitrary nature of local authority boundaries, the mobility of capital (increasingly international), the mobility of the middle classes and the actual retention and extension of central control by governments and trades unions. It is preferable to use the term local "government" rather than local "state". Such a substitution would have been very appropriate in Cooke's (1983), otherwise apt, summarisation: "the very unevenness of the development process under capitalism gives rise to class variations in space, and that the local state, as a representation of variations in class relations in space takes on the character of those class relations as revealed in localities."

It is important to consider local government as a synthesis of class relations and civil society in a locality without upgrading it to a condition of statehood. However, many of the aspects of central state theory are reproduced at the local level, particularly the dominance of the bureaucracy (the "Officers") and other non-elected representatives who are to be found on most industrial development committees. Duncan and Goodwins' (1982) "councillor calibre problem" is exacerbated by the control maintained by local civil servants, especially Chief Executives. Hudson and Plum (1984) have demonstrated that, despite a nominal deconcentration of power, local government

is increasingly coming under the control of the central state (predominantly through financial restrictions). Of all the areas of local government activity the one with greatest scope for variation (through the application of section 137 funds) is industrial development/economic initiatives but the scale of variation is diminishing (not only through budgetary constraints but also through competing resource demands). The proliferation of urban development corporations (following a history of new town development and enterprise zone status) is recent proof of the desire of central government to take direct charge of local affairs.

#### 2.10 A SUPRA-NATIONAL STATE: THE EUROPEAN COMMUNITY

Of the many supra-national organisations (e.g. the United Nations, the International Monetary Fund, the Commonwealth, the Non-Aligned Movement, the Organisation for Economic Cooperation and Development, etc...), the European Community (E.C.) most closely resembles that of a state. "It has its own institutional form, has a limited degree of autonomy from nation-states and can even impose itself over and above some member states under certain circumstances" (Sadler, 1985). The inertia of its bureaucratic processes is well renowned.

The E.C. grew out of the European Coal and Steel Community (somewhat surprising considering its current overriding concern for matters agricultural). The E.C.S.C. was charged with modernisation, cooperation and investment in the coal and steel sectors (primarily in France, Germany and Belgium)

following the devastation of the 1939-45 war. Many of the Offerian contradictions of state congruency for the conditions of accumulation apply to the E.C., as do many of his policy formation solutions.

The directly relevant role of the E.C. for reindustrialization is enshrined in the original treaty establishing the E.C.S.C.. Article 56 of the Treaty of Paris (1956) provided, for workers in steel or coal industries made redundant as a result of "technical process or new equipment" changes, "the financing of such programmes as it may approve for the creation....of new and economically sound activities capable of assuring productive employment." Article 56 also provided compensation, resettlement allowances and technical retraining for the workers thus affected. The 1960 amendments (in the light of massive coal job losses with changing energy sources) to the Treaty moved the emphasis from technical change to changes in market conditions. Article 56.2 (a) now includes "the conversion of existing undertakings capable of re-absorbing the redundant workers." Administrative problems with access to, distribution of, and temporary suspension of, these loan funds (due to budgetary complications in other E.C. areas) will be examined in due course. Article 56.2 (b) added the concept of make-up pay to the other compensatory provisions of the original Article 56. Further examples of bilateral arrangements between the E.C.S.C. and member states include the funding of early retirement and lump sum redundancy payments.

To conclude this section, the E.C.S.C. acts very much in accordance with Offe's concept of a state: in seeking to resolve problems of its own environment (in this case related to its own determination to cut steel production capacity), it develops solution mechanisms leading to further commitments and the generation of new sets of problems. It is somewhat different in the way its hegemony is achieved because its subject matter is not the civil society and economy of a single capitalist society but of a number of nation states. The power to act is derived from the joint recognition that the problems (initially of the steel and coal industries) would be better solved on a mutual, European wide basis. E.C.S.C. reconversion measures have evolved as a response to the production crisis and demonstrate the Communities' perceived need to perpetuate its hegemony and, by implication the hegemony of the capitalist system it represents at the agglomerate level.

## 2.11 CONCLUSIONS

A theorisation of the state has been attempted in order to suggest its character as a social relation- a precondition and result of the complex network of relations between capital and civil society (Urry, 1981). The form of the state is not static in time or space or entirely shaped by the nature of its institutions, but has to be seen in the context of social reproduction- ever changing and modifying itself in the ordering of routine activity. The state displays a tendency towards supporting the needs of capital



by promoting the conditions of accumulation. However, this is not its sole concern. Other, political, factors can override the capitalist priority in the short term. "Wage-labourers of all sorts are literally forced to defend their interests, to struggle to sustain their material conditions of life. The development of the state, its institutional and policy-making elaboration, is thus significantly the outcome not directly of the capitalist interest but that of wage-labourers" (Urry, 1981). The forms of reindustrialization could be said to reflect the nature of the anti-closure struggle that preceded them. The limited struggle (in both extent and duration) and the limited effect of subsequent reindustrialization would seem to indicate that the hegemony of the state had not been threatened sufficiently to warrant purposive action but enough for a token effort.

Two pertinent examples of the Thatcher government acting against the interests of capital are: the continuance of steel-making at Ravenscraig to appease Scottish voters (only until 1988) and the designation of Pembroke Dock as a second round enterprise zone to bolster the Secretary of State for Wales' position in his own constituency when cases of far greater need could be made for the Valley localities.

State theories really only provides a structural framework for an explanation of reindustrialization. It is a useful starting point but can only account for some of the elemental relations of policy, polity, and party, but not the vagaries




of capital, class and place, which when combined, should give a more adequate impression of the situation actually experienced in what have now become known as the steel closure areas.

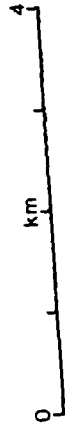
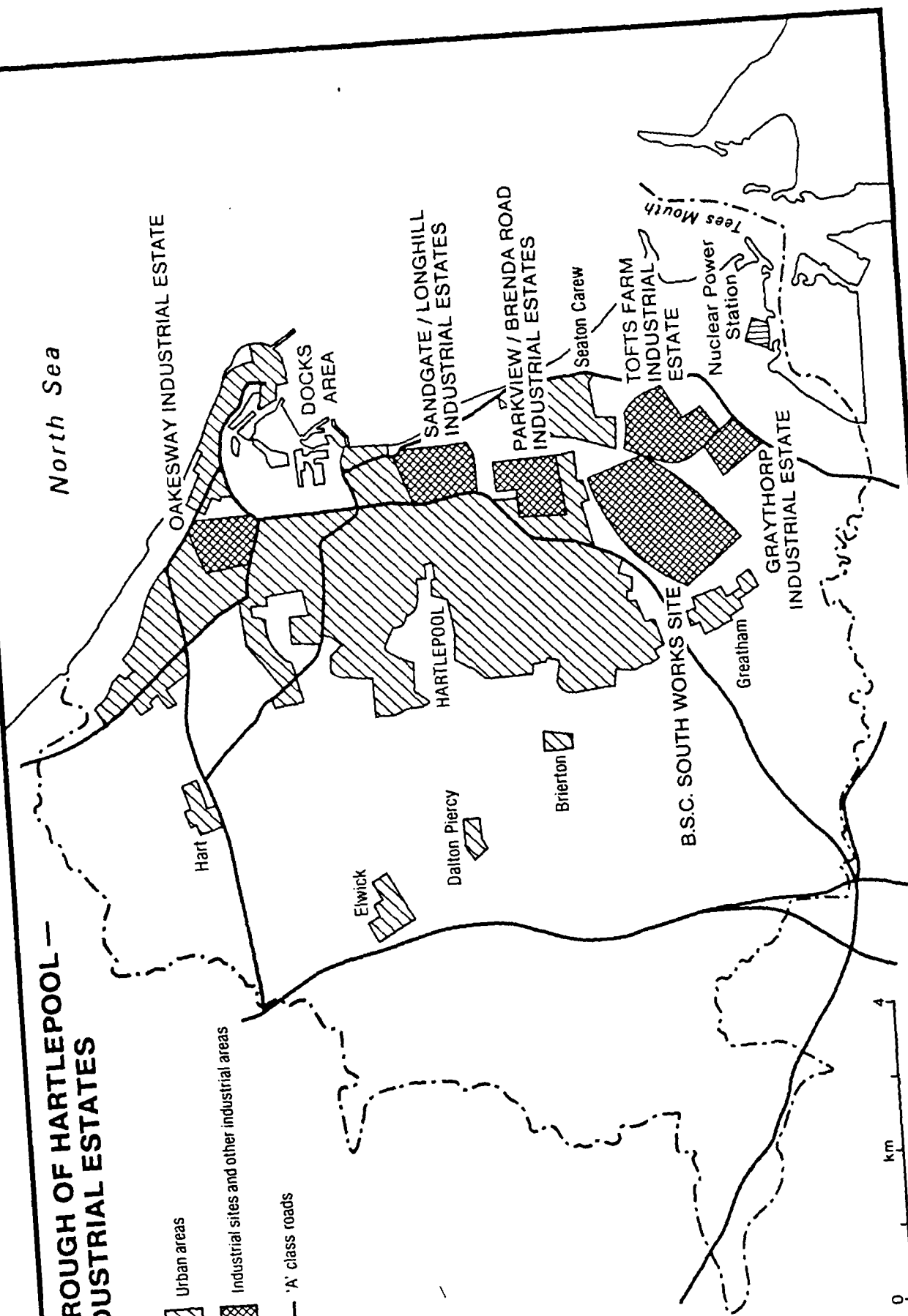
### CHAPTER THREE

#### HARTLEPOOL- LIVERPOOL OF THE EAST?

"There are also Promenades and other Pleasant Walks which have a much fuller Command than any other Part of the Coast of those delightful Land and Sea Prospects for which the Neighbourhood of Hartlepool has ever been so much and justly admired." A. Goalbraith, 1796, a Seaton Carew landlord.

# BOROUGH OF HARTLEPOOL— INDUSTRIAL ESTATES

-  Urban areas
-  Industrial sites and other industrial areas
-  'A' class roads



### 3.1 HISTORICAL CONTEXT

Hartlepool's history dates from the Saxon monastic settlement of St. Hilda which lasted from 640 AD to 800 AD on the Headland before being destroyed by the Danes. Hartlepool first gained prominence as the mediaeval port of the Palatinate of Durham. The town charter was granted by King John in 1201. Robert de Brus, Scots victor of Bannockburn, was descended from the family of the Lords of the Manor of Hart. Centuries before the discovery of deep rock salt at Greatham, Seaton Carew was important for salt production using salt pans (14th to 16th centuries). Hartlepool declined as a port in the 16th and 17th centuries as Stockton was preferred as an outlet for the bishops' wool, corn and lead. In the eighteenth century the ancient borough and nearby village of Seaton Carew became renowned as fashionable seaside resorts for the gentry (see quotation above and below). "The ladies and gentlemen often visit Hartlepool at low tide, and the Hartlepool company as frequently pay Seaton the like compliment. It is very pleasant to behold numerous parties on the sands, some in carriages, others on horseback, passing and repassing between the two places." William Tate- Stranton Parish Clerk, 1812.

The industrial history of Hartlepool came, like that of much of the rest of Teesside, comparatively late for the North East. The development of the town for industry hinged on the exploitation of the southern, and particularly eastern, end of the Durham coalfield and the almost

simultaneous expansion of railways (often likened to a mania), in the second quarter of the nineteenth century. During the 1830's the ancient fishing port prospered from the revival brought about by the coal export trade of Christopher Tennant's Hartlepool Dock and Railway Company. This, the first railway link to Hartlepool, connected the improved dock (it had nearly silted up) to Haswell, Littleton, Thornley and Wingate. By 1841 this railway was carrying more coal than any other in the north of England (27% of the total shipments for northern ports went through Hartlepool).

The success of the revitalised Hartlepool harbour alarmed the coal shippers of Stockton whose trade (hampered by the poor navigational characteristics of the Tees) was already in decline as the Stockton-Darlington Company (dominated by Darlington interests) preferred Middlesbrough as a port. An earlier attempt to revive Stockton's fortunes through the formation of the Clarence Railway (to Port Clarence, near Billingham) for west Durham coal, proved less viable as the east Durham coalfield was opened up. As a result the Stockton and Hartlepool Railway Company linked the Clarence Railway to Hartlepool (but suffered from having to share some facilities with the original Hartlepool Dock and Railway Co.). A dominant figure in the Stockton and Hartlepool Railway Co., from 1839, was Ralph Ward Jackson, a Stockton solicitor, who was to become the driving force behind the new town of West Hartlepool. Jackson had already mooted the idea of a west dock and harbour to compete with old Hartlepool in 1838, but parliamentary consent was not granted until 1844.

The Hartlepool West Harbour and Dock Co. (eventually incorporating the Stockton and Hartlepool, and Clarence Railways into the West Hartlepool Harbour and Railway Company in 1853) opened its first dock (the Coal Dock) on June 1st 1847. Its initial success was due, in no small part, to the dynamism of Jackson- including the illegal (under the Company's act of incorporation of 1844) purchase of collieries and ships to ensure trade on behalf of the Company. Jackson's intentions are tellingly revealed in his response to questioning at the inquiry for the first application for incorporation of West Hartlepool:

Chairman: "I believe your idea originally was that West Hartlepool would ultimately become a port of Liverpool on the East Coast ?"

Ralph Ward Jackson: "I always thought so, and that is my opinion still."

Jackson's ambition has been realised in the twentieth century in terms of the similar levels of deindustrialization. Table 3.1, below, indicates the immediate success of the new docks, due to the physical advantages such as dispensing with inclined plane charges (levied at old Hartlepool) and the quick turnaround for ships allowed for by the tidewater location.

Table 3.1.

West Hartlepool The First Five Years

Year	No. of Vessels shipped	Tons of Coal/Coke exported
1847	640	54,202
1848	1,248	169,621
1849	2,753	388,954
1850	3,883	589,990
1851	3,782	574,742

Source: Wood, 1967.

In 1852, a rail link to the Leeds Northern (including access to Liverpool, Manchester and Preston) was completed but West Hartlepool never fully capitalised on one of its earliest aspirations: to become the fish port of Leeds. However, the local paper, notwithstanding a certain bias, must have had some grounds for reporting the following:

"West Hartlepool- a town which a few years ago had not begun to exist; which is now a busy and populous commercial emporium bidding fair to outrival the largest ports of the United Kingdom....the docks and harbour, the shipping with which they are crowded, the bustling quays, the populous streets, and its railway, and steamboats and a host of adjuncts which ever distinguish a rising commercial port."

Stockton and Hartlepool Mercury, 24th October 1855 (in Wood, 1967).

By 1860 West Hartlepool had become overwhelmingly the most important port in the north of England: the declared value of merchandise was 4,214,783 pounds whilst the combined total value from the ports of Sunderland, Shields, Newcastle and Stockton for the same year was only 1,354,646 pounds.



The basis of West Hartlepool's success was the export of coal (primarily to London) and the import of timber products (principally from Canada and the Baltic for pit props). The energy and enthusiasm of Jackson as Chairman of the Improvement Commissioners (West Hartlepool's first local governing body) and the Company, was instrumental in securing coal (by purchasing collieries), ships as carriers, and encouraging other industry to diversify and develop the town. In 1860 he personally part-owned 13 ships "pour encourager les autres" and on behalf of the Company had diversified both up- and down- stream from its Harbour and Railway basis. Ship owning and building were encouraged from the start. Thomas Richardson moved from old Hartlepool to Middleton in 1838- to establish the Richardson-Westgarth (much later Clark-Hawthorn) engine building business. The main shipyards were those of William Gray (formerly J.P.Denton & Co.), Pile Spence and Co. (1854-1866) and Irving's (1850-1924). By 1860 there were 194 ships registered in Hartlepool with regular cargo and passenger services to St. Petersburg, Stettin, Hamburg and Rotterdam. Table 3.2 shows a breakdown of the Hartlepoons' trade for 1861 (before the real major development of the timber trade).

Table 3.2.

Hartlepool and West Hartlepool 1861 Tonnage Combined.

	Goods	Tons
Exports	Coal/Coke	2,042,128
	General Goods	61,496
	Grain	204,724
Imports	General Goods	35,529
	Timber	59,250

Source: Wood, 1967.

The first flush of new town growth (and all real potential of matching Liverpool's importance) was curtailed when Jackson's illegal, but commercially justifiable, dealings were uncovered by one of his brother's creditors, Benjamin Coleman (see Waggott, 1980). It seems most likely that Coleman was in the pay of "King" Hudson of the North Eastern Railway Company (who already controlled the Hartlepool Dock and Railway Company and had the virtual monopoly of the region's rail system). Whoever was behind the move the North Eastern Railway gained most by the collapse of the West Hartlepool Company and went on to build three more docks, more warehouses and timber ponds, and improved the entrance to a single, unified harbour.

The social divisions between, particularly the commercial classes amongst the Hartlepudlians and the West Dockers could not be so easily healed. The rivalry between the two elements of the same contiguous urban area was institutionalised in 1901 by the granting of County Borough status to the increasingly prosperous West Hartlepool. The

ancient Borough of Hartlepool remained part of County Durham (a number of Headland residents still wish to secede to Durham!). The high degree of parochiality within the town has, even today, to be experienced to be believed. The legend that Hartlepool fishermen hung a monkey in mistake for a Napoleonic sailor has fuelled the divisions in a manner mysterious to most outsiders. Even Robert Wood's otherwise staid 1967 history of West Hartlepool refers to the continuence of this feud: "what began as a fight for survival between two desperate railway companies has ended up as a time-honoured quarrel which is revived by every petty politician who fears the loss of what small authority he possesses."

The "golden age" for both Hartlepoons was the last quarter of the nineteenth century and the first few years of the twentieth. Shipowning provided the largest profits- the greatest exponent being Christopher Furness, who came to integrate ship and engine building with a range of other interests including coal, steel and engineering. By 1911 he controlled the Furness Withy shipping line, the Cargo Fleet iron works, Irvine's shipyards(Hartlepool), Smith's Dock (Northumberland Shipbuilding Co.), Richardson Westgarth and Palmer's Yard Jarrow. Other smaller local ventures owing their existence to Furness are the Expanded Metal Co. and the Greatham Salt Co. (now part of RHM Foods, previously the Cerebos Salt Co.). There are reputed to have been 9 millionaires resident in the Hartlepoons in 1913. In that year the Hartlepoons' fleet consisted of 328 ships (totalling

939,867 tons) controlled by 43 shipowners. A combination of depression and extensive war damage was responsible for the 1938 situation of only 9 local firms shipping 56 vessels (269,527 tons). The interwar years were nearly as disastrous as elsewhere in the North East; in 1924 Irvine's Yard built its last ship, Gray's got into desperate trouble (in 1931 and 1933 nothing was built and in 1934 only 126 tons were produced) and an unemployment rate of 56% was recorded in 1934. The second world war saved Gray's yard which built 90 ships (408,030 tons). Gray's repaired 1,750 (3 million tons) at an average of one ship per day to record the fourth highest wartime return in the U.K. During the war 3,545 people, mostly men, were employed at Gray's and a further 1,400 in the engine works, levels never subsequently matched. By 1962, Gray's went into voluntary liquidation and the town's 125 year shipbuilding tradition was over.

The iron and steel industry grew up as an adjunct to the Victorian shipbuilding industry. In 1847 Thomas Richardson, engine builder and iron founder, constructed the Hartlepool Iron Works. In 1867, his son, also Thomas, bought the West Hartlepool Rolling Mills (dating from 1855) of the liquidated shipbuilders, Pile, Spence and Co. He extended the works in 1874 and constructed the infamous "Wagga Wagga" area to house his workers, just in time to get elected as M.P. for the Hartlepool in the election of the same year. The close knit alliances of local capital are illustrated by the way that the West Hartlepool Steel and Iron Co. (as Richardson's company had now become) passed firstly to the Gray family

(1875) and then to Christopher Furness's South Durham Iron and Steel Co. (1898). The South Durham company also included the Moor Iron and Steel works and the Stockton Maleable works (a link which remains intact today through the 44' pipemill). In 1928 South Durham finally acquired the Seaton Carew Iron Co. which had taken control of the Hartlepool blast furnaces in 1881. In the immediate post war period the steel industry remained secondary in employment terms to shipbuilding, with a workforce of 2,500 in 1948. However, the completion of the 48 million pound South Works complex by the Company in 1961, for plate and heavy duty pipe production, meant that over 6,000 people were employed between the two sites. The new works incorporated built-in obsolescence as they relied upon open hearth rather than basic oxygen steelmaking processes (the last such installation in this country).

### 3.2 THE FIRST PHASE OF REINDUSTRIALIZATION

The Hartlepoons were designated as Development Areas under the 1944 Distribution of Industry Act, and became part of the second wave of locations to be selected for trading estates by the Board of Trade. The civil servant charged with defining the boundaries of the estate must have been aware of the traditional rivalry between the two Hartlepoons because two thirds of its area was in West Hartlepool and the remainder in Hartlepool. At its height (during the 1950's), the Oakesway Estate provided employment for in excess of 9,000 people. The bulk of the jobs were for women on the

assembly lines of the Siemens (later GEC) telecommunications factory. This estate today is more famous as the training ground for Hartlepool's fourth division football team than for industry! As elsewhere in the north east (and in other peripheral regions) the post war regional policy measures provided branch plants whose employment generation and vulnerability to centralised decisions proved unable to match the continuing closures in the traditional sectors.

It was the voluntary liquidation of William Gray and Co. in 1962 that stung both councils into a hitherto unthought of degree of cooperation- the appointment of a joint industrial development officer (Brian Belshaw). This was one of the first of many such appointments across the country. The Hartlepoons' move was a measure of the seriousness of the situation. Five years later (1st April 1967), much against the wishes of many of old Hartlepool's residents, the two neighbouring boroughs united to form the County Borough of Hartlepool, and included a southerly extension to the Teesmouth area. In 1974 the Borough of Hartlepool became part of the newly formed County of Cleveland.

At an unemployment seminar (Hartlepool Borough Council, November 1984), the 1964-75 period was described as a "boom" time by the industrial development officer; comparatively, it was. The total jobs created suggest that some success was achieved in offsetting the 6,000 jobs lost in the town between 1962 and 1964 (at Grays, C.M.E.W., Durham Paper Mills and the partial closure of Richardson-Westgarth). Table 3.3

indicates the companies and employment as listed by the borough- it must be noted that the power station employment included a high proportion of temporary construction workers (approximately 1,000 of the total) and that the Laing Offshore establishment proved to be of an extremely short duration. Also of note is the fact that for much of this period regional development grants stood at 45% and that the regional employment premium of 21 pounds per week per employee was paid to manufacturing companies.

Table 3.3.

Major Companies attracted to Hartlepool 1964-1975.

Company	Jobs
Alladin	400
Reeds	500
BTP Tioxide	400
Foster Wheeler	700
Marbourn	200
Automotive Products	200
Polypac	200
Linkflow	50
Laing Offshore	2,600
CEGB-Nuclear power station	1,600
TOTAL	6,850

Source Hartlepool Borough Council (1984)

The early 1970's recession halted the inflow of new firms. A series of major cutbacks and closures proceeded to devastate the town. The major firms involved (some of which can be discerned from table 3.4) included: Laing Offshore, Buxted Chickens, Fashion Industries, GKN Shardlow, Alladin, Weir Polypac, GEC Telecommunications (initiated by GPO cuts and increasingly outdated exchange technology), RHM Foods and British Rail. The Borough Council estimated that over 11,000 non-steel jobs were lost from the town between 1974 and 1984.



Table 3.4.

EMPLOYMENT CHANGE 1975-81

(top 5 and bottom 6 mlh's)

MALE EMPLOYMENT

1. Electricity	}	+1,537
2. Steeltubes		
3. Dealing (coal, oil, builders materials etc)		
4. Motor Vehicle manufacture		
5. Gas		
6. Telegraph and telephone apparatus	}	-4,448
5. Local Government Service		
4. Metal Industries nes		
3. Construction		
2. Industrial Plant and steelwork	}	-2,761
1. Iron and Steel (general)		
Totals 25,875 - 19,066 = -6,809		

FEMALE EMPLOYMENT

1. Other Services	}	+880
2. Medical and dental services		
3. Educational Services		
4. Bacon curing, meat and fish products		
5. Packaging products of paper, board etc		
6. Iron and Steel (general)	}	-140
5. Other retail distribution		
4. Womens and girls tailored outerwear	}	-2,049
3. Dresses, lingerie, infants wear etc		
2. Fruit and Vegetable products		
1. Telegraph and telephone apparatus etc	}	
Totals 15,508 - 13,915 = -1,593		

Table 3.4. Continued:

ALL EMPLOYMENT	
1. Electricity	}
2. Other services	
3. Medical and dental services	
4. Steeltubes	
5. Packaging products of paper, board, etc	
6. Metal industries nes	}
5. Fruit and vegetable products	
4. Construction	
3. Telegraph and telephone apparatus etc	
2. Industrial plant and steelwork	
1. Iron and steel (general)	}
TOTALS 41,383 - 32,981 = -8,402 (-20%)	

Source: NOMIS

3.2.1 The Steel Closure

As mentioned above, BSC Hartlepool came to consist of two works- North (the traditional location near to the town centre) and South (completed on the airfield site in 1961). At the time of nationalisation (1967) the two works shared coke ovens, raw material supply and other site services, and were connected by a private rail link. The North Works (claimed locally as the first closure of an integrated steel plant) were closed in the early 1970's with approximately 1000 job losses but were not contested due to other local opportunities both in and outside BSC. The planned closure of iron and steelmaking at the South Works was announced soon

afterwards (1st February 1973) and confirmed in Cmnd 5226 in the same month). There was some reprieve (under the Beswick Review) from the original date of 1975-1976; the closure became gradual and to include the plate mill from 1978-85. There is little evidence that the anti-closure campaign in Hartlepool gained much support either within or outside the Works. Hartlepool has been regarded as a bastion of steel union conservatism- exemplified by the ultra-moderate Bill Sirs, the ISTC general secretary, who came from the town. Some of the ex-steelworkers interviewed suggested that the BSC considered Hartlepool an "easy" area politically, for closure, compared with Ravenscraig or Port Talbot (with similar plate mill capacity). The lump sum and "make up" redundancy payments appear to have outweighed considerations of obtaining alternative employment.

Table 3.5 shows the breakdown of employment at the BSC South Works(1974); the plate mill has finally been closed (1985) but part of its employment total (approximately 400 people) remain at the 20 and 44 inch pipemills.

Table 3.5.

1974 Employment BSC South Works Hartlepool

Sinter plant	240
Coke ovens	470
Blast furnaces	490
Open Hearth	1,180
Slab mill	240
Services etc	210
Steel closure total	2,830
Plate Mill	1,660
Employees total	4,490
Clerical	310
TOTAL	4,800

Source Hatlepool Borough Council (1984b)

David Smith's 1978 study of employee mobility at the Hartlepool works indicated that 60% of the workforce would be unwilling to take a job (if offered) at BSC on South Teesside "because commuting south of the river would make the working day too long or due to the fact that they had strong ties with the local area and were reluctant to move nearer to the South Teesside complex." He admits that the 40% who indicated that they would be prepared to commute or move was a considerable over-estimate. 23% of the total said that they would commute (12% would move house to Langbaugh) but assumed that transport would be arranged (a 55 minute bus journey) or that Langbaugh would make council houses available. Several ex-steelworkers interviewed refused to transfer because it would have involved going to the bottom of the promotion ladder. The renowned insularity that this lack of interest

in commuting "over the water" represents is difficult to quantify but can be exemplified by an anecdote recounted by an ex-BSC(I) official: "when a local lad announces his intention to marry the first question put to him by his parents is 'what part of Hartlepool does she come from?'"

### 3.3 THE EXPERIENCE OF REINDUSTRIALIZATION

#### 3.3.1 Trends in Employment and Unemployment

The NOMIS data presented in table 3.6 (below) demonstrates the minimal impact of reindustrialization measures in Hartlepool, especially when the validity of the figures is so questionable (see Employment Gazette March- April 1986, pp107-108, and October- December 1988, pp 660-663). In the context of a nationally reported decline in unemployment Hartlepool's small improvement is hardly impressive. The figures on employment (subject to the Statistics of Trade Act restrictions) show a continuing fall in the total workforce of the Hartlepool travel-to-work area to 1984. The delays in the production of the census of employment figures (the 1984 data took 4 years to come out) do little to enhance their value to the researcher.

TABLE 3.6 TRENDS IN EMPLOYMENT AND UNEMPLOYMENT

HARTLEPOOL

YEAR (JUNE)	EMPLOYMENT	UNEMPLOYMENT	
	TOTAL WORKFORCE	TOTAL UNEMPLOYED	RATE
1971	38,225	-	-
1972	36,889	3,692	9.1
1973	39,709	2,545	6.0
1974	40,222	2,161	5.1
1975	41,383	2,503	5.7
1976	40,772	4,095	9.1
1977	39,150	4,566	10.4
1978	35,990	6,289	14.9
(SEPT)			
1981	32,981	8,717	20.6
1984	30,379	10,728	26.0
1988	-	7,371	18.4

SOURCE: NOMIS

### 3.3.2 The Agencies

There are, and have been, several agencies operating in Hartlepool for the purpose of generating and encouraging industry. Chief amongst them are: the Borough Council, BSC(I)- Hartlepool Enterprise Agency, English Estates and Cleveland County Council.

The Labour dominated Borough Council (May 1987 Labour 32, Conservative 11, Liberal 2, Independant 2) has, as previously mentioned, a 25 year history of formal industrial support through the industrial development officer. Initially (when the job was entitled "Industrial Publicity Officer") Brian Belshaw (editor of the Northern Daily Mail) concentrated, with some success upon the public relations aspects of attracting industry. A promotional tour was even arranged to the USA. The 1981 Coopers and Lybrand South Hartlepool Study suggested that the Borough Council was content to let BSC(I) take the most prominent role in the post 1973 period. This study also indicated the Council's recurrent, and to a degree largely unresolved, problem of policy aims:

"Hartlepool Borough Council has no clear objectives against which to assess its job-creating activities, and this is a serious impediment to assessing performance and reviewing targets..... The District Plan report of Survey for S.E. Hartlepool is a useful factual document but is essentially related to physical development and does not constitute a framework for economic development against which performance can be appraised," S.4.21.

The only objectives mentioned by the current industrial development officer (Eddie Morley, MBE) in a recent interview were the rather nebulous intentions of employment creation and industrial diversification to avoid the pre-existing concentrations of employment in four or five major industrial concerns.

The Borough Council has developed its promotional activities in a number of ways within a budget (only a part of its total industrial expenditure) of 78,500 pounds (1985-86) and 76,000 (1986-87), (Hartlepool Borough Council, Industrial Development sub-committee, Minutes) these totals do not include the S.137 (Local Government Act 1972) product of a 2p rate (totals not available) that can be paid directly to firms. The largest item in the promotional budget is taken up by local and national advertising (25,000 pounds in 1985-86, 35,000 in 1986-87). The exhibitions budget was reduced from 20 to 15 thousand pounds following poor responses to representation at the Electronics Display, CBI and Machine Intelligence shows. The 1986-87 budget concentrates on the Automan and Offshore exhibitions (at Aberdeen and Stavanger, Norway). The council has recently combined with the other Cleveland Districts in promoting the area as the Tees Offshore Centre. This avenue would not seem to offer much hope given the current state of contraction of the North Sea (and world) oil industry. The other obvious thrust of the advertising campaign is aimed at the electronics industry- as exemplified by the promotional literature with its "Hi- tech grid" emphasis. The press



release accompanying the opening of Isocom, an optoelectronic coupler producer, (Hartlepool B.C., 1984a) has proved to be excessively optimistic;

''HI-TECH HARTLEPOOL'

Hartlepool is a town well used to adapting to the changing face of industry, and is welcoming the arrival of the micro-chip with open arms. Sir Charles Villiers, former Chairman of British Steel and now Chairman of BSC (Industry) Ltd. has compared Hartlepool to California's "Silicon Valley" saying that the town is on the way to becoming Britain's "Silicon Port". In the past few years no less than seven high technology companies have set up in Hartlepool, providing a thriving nucleus for an even bigger hi-tech "colony" in the future." (Hartlepool Borough Council)

In fact the future (at July 1987) has no more "hi-tech type" firms coming to the town and some leaving. There is here, as elsewhere, no accurate definition of high technology industry (see Hall et al 1987 for another recent attempt), merely a vague association with the silicon chip. To have no real certainty as to what one is dealing with is not the most sound basis for devising an industrial strategy.

The rest of the promotional budget consists of much smaller items (apart from the 15,000 pounds allocated for promotional literature- brochures- in 1985-86) such as industrial receptions (held on the restored HMS Warrior), the annual town show and the small business week. An unusual experiment was carried out in 1984-85 using the high pressure techniques of "Programmes" a telephone sales company

(interview with Hartlepool industrial development officer, 1985). In two periods over 4000 firms from the south and midlands were contacted but the response in terms of actual relocations (ie none!) did not merit the 16000 pounds costs shared by the Borough, English Estates and the Enterprise Agency.

There are two collaborative associations which include the Borough Council; the Task Force (similar to Consett and Shildon) and the "H-Team" (or local development team). The Task Force is an official body, meeting monthly, chaired by the Industrial Development Officer, that includes representatives from the Enterprise Agency, the County Council, English Estates, the North of England Development Council, MSC and Departments of Trade and Industry and Environment. Its task is to attempt to coordinate (or at least inform) the various disparate bodies and to devise programmes for image building, marketing, environmental improvements as well as industrial development. The militaristic vocabulary stretches to use of the term "high strike rate" to assess Hartlepool's performance in attracting inward investment (DTI representative on Hartlepool Task Force, 1987). If Hartlepool can be considered to have a high strike rate then other parts of the North East must be in dire straights indeed.

The "H-Team" as it appears on the promotional literature consists of the Industrial Development Officer, the Enterprise Agency Director and the Chair and Deputy Chair of

the Industrial Development and Enterprise Zone sub-committee (a veritable "gang of four"). The "H-Team" is the nearest that the town is ever likely to get to the fabled notion of a "one stop shop" for industrial development that is one of the aims of the enterprise agency movement (Business in the Community, 1985). As in other areas, the Borough Council has been reluctant to devolve its industrial promotion role entirely to the enterprise agency; what results is a degree of duplication between the two bodies. A rather tersely reported minute from the sub-committee (27th March 1985) illustrates the problematic nature of this relationship (and also highlights the difficulties of accounting in 'job creation'):

"The Industrial Development Officer reported that now that the Enterprise Agency and the Council were not proceeding with the "One Stop Shop", the Agency felt that it must press ahead with creating a separate identity and that consequently it was essential for them to raise more funds through sponsors. The Agency wished to make it clear that it would continue the close cooperation with the Council, but to enable it to raise additional funds it must in some way obtain better publicity, and it did not wish the Council to take offence if it claimed credit for job creation in which the Council itself had obviously played a major role."

The council has little direct property involvement in local industry- it manages the Newburn Bridge small units and has participated in the recent renovation of the Old Municipal Buildings as deluxe office suites (it has been suggested, by

the local Labour Campaign Group, that the shared costs, with Cleveland County and English Estates can never be recouped through rental revenue). The industrial development sub-committee minutes record that rent free periods, grants and mortgages for various amounts (up to 25,000 pounds) have been paid to Hartlepool firms in the past two years. There are some concessions to the unemployed- as exemplified by the rejection of a company's request for key worker accommodation for a toolmaker because of the number of toolmakers already unemployed in the town. Also revealed is the possibility of engaging a consultant for a "California Connection" to attract companies to the town (in 1985). It proved impossible to negotiate a mutually acceptable deal. Elsewhere the minutes record that the Council has maintained its membership of the Norwegian Chamber of Commerce- to promote offshore development. There is also evidence of ventures further afield particularly a visit to Hong Kong, Singapore and Indonesia, at the invitation of Tolaram, a recent Hartlepool arrival from Singapore. The Council presented Tolaram with the gift of a silver salver worth 500 pounds "to mark the occasion of the visit and the company's development in Hartlepool" in January 1986. To date (mid-1987) there have been no further Asean companies locating in Hartlepool, though some business delegations have been entertained.

The Isocom press release (H.B.C. 1984a) also states: "the biggest single factor in creating new jobs in the town in recent years was the creation of the enterprise zone in

October 1981." The Borough Council is the managing agent (for the Department of the Environment) for the zone for the designated 10 year period (from 23rd October 1981) with the well publicised tax and rates concessions. In Hartlepool with its depressed industrial property market (the 1984 R.Tyms report noted the town had the "lowest level of demand") the 100% corporation or income tax allowances have not generated much private sector investment in the zone. Rates exemptions have been partially negated by adjustments in levels of rentals charged. In a recent review of the first five years of the enterprise zone the Borough Council identified probably the most important aspect of the designation: "a significant additional factor is that Enterprise Zone status has given Hartlepool a powerful marketing tool which is used with advantage in the continuing effort to bring new jobs to the town" (Director of Technical Services, Oct. 1986).

The latest (Oct. 1986) figures available suggest that the enterprise zone is responsible for the existence of an additional 2,000 jobs in Hartlepool but that this has resulted in little overall reduction in the unemployment figures because of continuing job losses (both on and off the zone)- see table 3.7 below. It should be noted that the "job gains elsewhere" figure comprises almost entirely the THC oil module construction company in the docks area which has currently contracted to 70 (and has been completely shut down in recent months due to the vagaries of North Sea oil production and the world oil prices). The three principal

constituent elements of the job losses figure are BSC (1981 -838 coke ovens, 1982 -548 pipes 1984 -700 plates, 1985 -200 plates and pipes), GEC Telecommunications (gradual loss of 2,300 jobs) and the gradual decline of construction work at the power station (over 1,000 jobs).

Table 3.7.

THE ENTERPRISE ZONE EFFECT

(Source: Hartlepool Borough Council, 1986)

Total Unemployment Oct 1981		8,680
Job Losses 1981-86 (estimated)		6,000
		14,680
LESS,		
Job gains in Enterprise Zone	2,000 (est)	
Job Gains elsewhere	500 (est)	
Increase in MSC placements	2,000 (est)	
No longer officially counted as unemployed	1,300	
	5,800	
Total unemployment 1986 (Aug)		8,880
		14,680

This, obviously crude, analysis (including so many estimates and taking no account of the average annual out-migration figure of approximately 1,000 inhabitants) shows the exceptional degree of dependence upon the enterprise zone in Hartlepool. Much of the recent industrialization activity has taken place on the zone (although there have been attempts to resurrect the Oakesway Estate with very mixed results). The prospective termination of the enterprise zone in 1991 (there is little likelihood of an extension) has caused little consternation amongst local politicians. It may have serious implications for the "strike rate".

Monitoring of enterprise zones has come under well publicised attack from a number of sources- for example, the

National Audit Office: "the absence of essential information and analysis, and doubts on the reliability of some of the available data, make it impossible to draw firm conclusions about the merits of the enterprise zone concept, the true costs involved and the effectiveness of enterprise zones in securing the results achieved" (NAO, Feb. 1986). There was a gain of 1,000 jobs between the last two official (DoE) sets of figures (1984-85 and 1985-86) which gave Hartlepool the largest rise, albeit from a low base, in the country. This has been attributed to the in situ growth of established companies (particularly the cake manufacturer) and the opening of a number of smaller (under 30 workers) firms, rather than any major new relocations.

Alongside the creation of a "Task Force" of civil servants and local authority officers (see above), in 1973, BSC decided to establish a new jobs team in Hartlepool as a result of its decision to cease steelmaking at the South Works. Chairman of the BSC new jobs team was George Chetwynd (a member of the main BSC board, ex- M.P. for Stockton and chairman of the North of England Development Council). The new jobs team was instrumental in bringing Smart and Brown (refrigerators) and Polypac to the town; with a combined predicted employment of 1,800. Neither of these firms have achieved these totals or even remain in Hartlepool at all.

In 1975 the new jobs team was incorporated into BSC's new national "job creation" agency: BSC(Industry). The first nine years of BSC(I)'s existence concentrated upon four key



areas of expenditure (drawn directly from the Corporation's finances): advertising the steel closure (later "Opportunity") areas nationally, making finance available for companies in these areas (through soft leasing deals, eg 1 in a 1,000 pounds interest, loans and grants), the provision of workshop space for small businesses (concentrating upon simple short term "easy-in easy-out" licensing and on-site management) and local consultancies to provide professional business advice and planning. A change of top management at BSC(I) (Naylor replacing Dunbar as Chief Executive) resulted in the beginning of the dilution of activities from 1984. In Hartlepool this was anticipated and resulted in the formation of the Hartlepool Enterprise Agency (HEA) in 1982. Its initial role was seen as the continuation of the consultancy and to act as a more broadly based local vehicle for BSC(I)'s reduced financial commitment to loans rather than open-ended grants and leasing deals (H.E.A. Annual Report, 1983).

BSC(I) donated 100,000 pounds to the HEA and paid for the services of its chief executive and secretary for the first four operating years. The stated prime objective of the HEA (as specified in the annual reports 1983-86) is "that of attracting new job opportunities to Hartlepool through supporting the development of viable new and existing business (and of supporting those with problems)." The chief executive, Alan Humble, is more of a realist than many others who extol the virtues of the enterprise culture: "I fervently believe that the problems of Hartlepool will not be totally solved by local entrepreneurs setting up new businesses"

(speech to an international conference on job creation, Ravenna 1985). The HEA concentrates upon relocations (the attraction of firms from elsewhere) and assisting existing businesses "because jobs saved are equally as important as jobs attracted" (A. Humble, 1985). The agency view is that it will help local entrepreneurs but sees such activity as a long term effort with little immediate job generation benefit. H.A.N.D.S. (Hartlepool New Development Support) is a small (two man) agency assisted by the Borough, the County and the HEA, that concentrates upon micro-business start up and support.

The only remaining visible vestiges of BSC(I) in Hartlepool are the two sets of workshop units at Sandgate (12 units) and Usworth Road (27 units). A range of sizes is available at the two sites between 350 and 7,000 square feet. Employment at the workshops varies but stood at 262 in late 1985. Job creation is not really the main role of these workshops: "a great advantage of developing these workshop complexes is that they can have a relatively quick impact on the local situation; things can physically be seen to be achieved, and a psychological boost can thus be quickly given to the area," A. Humble, 1985. As elsewhere, very few ex-steelworkers have used the units to set up their own businesses, according to the manager, Barbara Elsdon. She assumes that people starting up their own businesses create a knock-on effect that may eventually release jobs for people further down a chain. Work by people such as Storey (1982) would suggest otherwise, that often it is the imminence of

redundancy that provides the "push" into entrepreneurship. In Hartlepool small starter units have been copied by the Borough (at Newburn Bridge) and by English Estates (at Longhill when a private developer failed). This has led to a plentiful supply of options for the small businessman. In turn, this, coupled with BSC(I)'s increasing demands for rental profits, has resulted in a change of emphasis away from job creation in labour intensive activities to attempts to fill the units by any means, including relocations from within Hartlepool.

As a postscript to BSC(I)'s contribution to Hartlepool, a recent development by the Corporation has been the reintroduction of regional managers to the BSC(I) structure (Steel News supplement, 1987). It is difficult to envisage a role for these new middle managers because the BSC(I) involvement has diminished to the extent that the various enterprise agencies spawned by BSC now undertake a much wider range of activities (under the "Business in the Community" umbrella). Hartlepool is included in the northern region (with Teesside, Derwentside and West Cumbria) but the new manager has a difficult role trying to assist the "opportunity areas" when his budget is being dramatically reduced. This particularly when the interest rates available on BSC(I) "soft" loans are no longer commercially competitive. It may come as something of a surprise, given Hartlepool's industrial problems, to discover that the HEA has managed to obtain financial support, thus independence from BSC(I), with donations from over forty companies.

English Estates, the trading name of the English Industrial Estates Corporation, has been the only significant post-war industrial property developer in the town. It is wholly funded by the Department of Trade and Industry and tends to operate in the assisted areas. Its principal statutory function (derived from the English Industrial Estates Corporation Act, 1981) is "to provide, facilitate the provision of, and manage industrial and commercial sites and premises in England" (1986, annual report). It is not proposed to dwell on the industrial property situation in Hartlepool. Certain points, however, should be stressed. Due to Hartlepool's rather diverse industrial background large land holdings have been divided amongst a number of major owners. The largest tracts, to the south of the town are owned by BSC, Phillips Petroleum, BTP Tioxide, Laings and the CEGB. Despite the relative attractiveness of the enterprise zone, demand for advance factory units has undergone considerable fluctuation. In 1985, English Estates were gloomy about the prospects for the town and had many empty units (especially at Parkview) see fig.2. Two years later there appears to have been something of an upsurge in demand for advance units (particularly the small ones) and a new building programme has been undertaken. An additional ten workshop units have been constructed at Longhill and a further six larger (5,000-12,000 square feet) units are under construction at Parkview. There remains plenty of enterprise zone land to be developed. Lettings on the Oakesway Estate (Hartlepool's original estate) have continued to prove problematic because of the preponderance of large

old-fashioned factories without enterprise zone status. It should be remembered that the numbers of new factories, whilst appearing extensive in property terms (square feet of floorspace developed), have yet to make serious contributions in employment terms.

The only major private sector commercial development in the town since steel closure is the embryonic Tees Bay Retail Park being undertaken by Humberside Properties Ltd. Construction work on phase one of this massive "L-shaped" shopping complex began early in 1987 on the Parkview East section of the enterprise zone. There is a strong possibility that retailing has been allowed because it is the only viable landuse for this extensive slag bank area which was not considered stable enough to sustain industrial usage. The glossy promotional brochure anticipates 49 retail units (from 1,500 to 100,000 square feet) around car parking for nearly 3,000 vehicles. It claims that seven units are already let (mainly to DIY, autocentres and furniture warehouses).

"In addition the Retail Park will contain a high Leisure content, with a Multi-plex Cinema, Motel, Public House/Diner, Fast Food Outlets plus leisure related retail outlets which will include Camping and Caravanning, Boats and a Prestige Car Showroom. These facilities will be complemented by Picnic and Childrens' Play Areas and Sporting/Recreational facilities. The Retail Park will be encompassed by a New Landscape, designed and created to give a striking and attractive environment in which to stop" (Humberside

Properties, 1986).

Maybe the provision of a cinema was the deciding factor for the planning department because Hartlepool no longer has one; though in 1947 it boasted eleven (Max Lock Group, 1948).

Until the demise of the Tory administration in 1981, Cleveland County planning department tended to take a passive role when it came to economic intervention. The incoming Labour administration built on a few of its predecessors schemes (ie the small business grants) but launched a range of nearly 30 new policies under the banner of economic initiatives. The intention was to create and save jobs in the county with the highest unemployment rate for mainland Britain. It is difficult to disaggregate figures for Hartlepool from those for the county as a whole (the Boroughs of Middlesborough, Stockton and Langbaugh). Not every one of the County schemes applies to Hartlepool but reference can be made to the changing nature of the budget strategies and its objectives (see table 3.8 below). The annual expenditure on economic initiatives by Cleveland is approximately 1 million pounds. There are four main policy headings for economic initiatives which have been developed since 1981: restructuring of the local economy, job creation/retention, skill development and provision for the unemployed.

TABLE 3.8.

## ECONOMIC INITIATIVES

## Cleveland County Council- Recent Budget Changes

Objectives	1985-86	1986-87	Change
Restructuring Local Economy	7.2%	6.5%	-0.7%
Job Creation/Retention	49.5%	42.0%	-7.5%
Skill Development	25.9%	29.8%	+3.9%
Unemployed Provision	6.4%	11.3%	+4.9%
New Initiatives	11.0%	10.4%	-0.6%

The major Cleveland job creation initiative is the flexible assistance scheme which is intended to provide a range of financial measures to meet the needs not met by other institutions. The county also supports the Hartlepool Enterprise Agency with a grant of 2,500- 3,000 pounds per year. Support for the Cleveland Cooperative Agency amounts to about 130,000 pounds per annum. The extension of community employment development measures is another aim of the job creation budget. The CADCAM centre (not Hartlepool) is the main element of the restructuring budget, amongst proposals to support new technology, examine industrial sectors and target grants and loans. The skill development section of the budget supports a number of training initiatives- including information technology centres (ITECs- Hartlepool has the most recent) and CADCAM training. Perhaps the provision for the unemployed is the most novel element of all the economic initiatives. It supports community enterprise centres and provides grants for unemployment projects to community groups, trade unions and voluntary bodies. The scale of the provision for the unemployed is

still limited, despite the increases noted in table 3.7 it amounts to 194,000 pounds in 1986/87.

### 3.3.3 The Impacts of Reindustrialization

Most of the information is derived from a questionnaire survey of 77 firms using manufacturing sites (out of 117 firms approached) giving a completion rate of 65%. Table 3.9, below, gives an employment breakdown of the responding firms. The firms are divided by the date of establishment in Hartlepool (on present sites) using the beginning of BSC(I) involvement in 1975 as the cut off.



Table 3.9.

Survey Employment Breakdown

	All Firms (77)	Pre-1975 (27)	Post-1975 (50)
Total Employment	7,425	5,761	1,664
Full Time M	5,255	4,147	1,108
Full time F	1,740	1,314	426
Part Time M	15	4	11
Part Time F	155	124	31
Temp M	102	53	49
Temp F	87	79	8

Using the last available census of employment data (1981) as a guide (and taking known redundancies into account) the total employment of 7,425 gives an approximate coverage of 70% of Hartlepool's manufacturing employment- which accords with the numerical percentage coverage of the questionnaire.

Immediately striking is the dominance of the longer established firms- mean size 213 compared with the newer firms- mean size 33 employees. The distribution of the dates of establishment can be interpreted as a reflection of Hartlepool's economic history. Robert Lauder's family timber business was established when Ward Jackson was prominent in 1853. Colonel Cameron's brewery (1868) also dates from West Hartlepool's first phase. A second clustering (1890-1913) is of Expanded Metal, Metal Workers Ltd, Vulcan Materials and RHM Foods, corresponding to a late nineteenth century period of affluence. Before the 1960's branch plants become apparent (two more firms date from that decade than the 1970's) there is also a small cluster of firms from the

1930's and 1940's (including Davey Forge, John Collier Tailoring, Steetley Refractories and C. Herring-scrap metal processing) who benefitted from the earliest stages of regional policy. Forty one of the firms date from the 1980's (eleven from 1982 the first full year of the enterprise zone). More data from the questionnaire survey is presented in table 3.10 (TABLE C, below) and in Appendix 4.

TABLE B  
HARTLEPOOL

		ALL FIRMS	FIRMS ESTABLISHED <u>BEFORE</u> CLOSURE	FIRMS ESTABLISHED <u>AFTER</u> CLOSURE
<u>1. Legal Status</u>	plc	9	7	2
	private company	48	7	41
	subsidiary	17	12	5
	other	3	1	2
<u>2. Structure of Organisation</u>	multinational	17	9	8
	UK multiplant	14	8	6
	single plant	44	10	34
	other	2	0	2
<u>3. Functions</u>	headquarters	39	10	29
	r & d	24	10	14
	branch office	13	5	8
	services (office)	30	7	23
	sales/marketing	37	7	30
	raw materials processing	28	14	14
	component production	19	7	12
	component assembly	18	4	14
	final product assembly	31	10	21
	warehousing	26	7	19
	retailing	12	2	10
	other	11	3	8

TABLE B  
HARTLEPOOL

		ALL FIRMS	FIRMS ESTABLISHED <u>BEFORE</u> CLOSURE	FIRMS ESTABLISHED <u>AFTER</u> CLOSURE
<u>4. Movers from</u>	yes	31	10	21
<u>Another</u>	no	40	14	26
<u>Location</u>	other	4	2	2
<u>5. Suppliers by</u>	Hartlepool	22	6	16
<u>Location</u>	North East	85	18	67
	UK	137	64	73
	EC	15	9	6
	rest of world	27	17	10
<u>6. Main Markets</u>	Hartlepool	24	5	19
<u>by location</u>	Cleveland	29	8	21
	neighbouring counties	33	11	22
	Northern England	23	10	13
	UK	28	13	15
	EC	17	8	9
	rest of world	20	11	9
<u>7. Distribution</u>	direct to customer	32	11	21
<u>Network</u>	direct to retailer	26	7	19
	to warehouses	8	6	2
	other manufacturers	20	10	10
	another division of firm	9	6	3
	elsewhere	23	18	5

TABLE B  
HARTLEPOOL

		ALL FIRMS	FIRMS ESTABLISHED <u>BEFORE</u> CLOSURE		FIRMS ESTABLISHED <u>AFTER</u> CLOSURE		
<u>8. Employment</u>	remained stable	33	13		20		
<u>Change in</u>	increased	27	6		21		
<u>past year</u>	decreased	10	6		4		
		aid	adv	aid	adv	aid	adv
<u>9. Financial Aid</u>	banks	29	10	8	2	21	8
<u>and Advice by</u>	BSC(I)	10	12	2	0	8	12
<u>Agency</u>	Borough of Hartlepool	9	6	2	2	7	4
	Chamber of Commerce	0	6	0	3	0	3
	Cleveland County	9	4	0	1	9	3
	ECSC	7	1	3	1	4	0
	EIB	1	0	0	0	1	0
	ESF	2	3	0	1	2	2
	Dept.of Employment	2	4	0	2	2	2
	Dept.of Environment	1	3	0	2	1	1
	Dept.of Trade & Industry	32	7	15	3	17	4
	Hartlepool EA	3	8	1	1	2	6
	ICFC	2	1	0	0	2	1
	MSC	5	5	0	2	5	3
	NEDC	0	3	0	2	0	1
	Small Firms Service	0	3	0	0	0	3
	other	1	1	0	1	1	0

TABLE B  
HARTLEPOOL

		ALL FIRMS	FIRMS ESTABLISHED BEFORE CLOSURE	FIRMS ESTABLISHED AFTER CLOSURE
<b>10. Financial Aid</b>				
	<b>Cash Grants:</b>			
<u>by Type</u>	RDG	47	20	27
	RSA	11	1	10
	NSA -sectoral	1	1	0
	-support for innovation	3	1	2
	-non-sectoral	1	0	1
	enterprise allowance	3	0	3
	local authority	9	2	7
	<b>Low Interest Loans:</b>			
	ECSC	6	2	4
	EIB	4	2	2
	local authority	3	0	3
	small firms guarantee	2	0	2
	BSC(I)	8	0	8
	Enterprise Zone	13	0	13
	<b>Advance factory units:</b>			
	English Estates	13	1	12
	Local authority	2	0	2
	other	0	0	0
	Business Expansion Scheme	1	0	1
	Venture Capital	1	0	1
	other	8	3	5

TABLE B  
HARTLEPOOL

		ALL FIRMS	FIRMS ESTABLISHED <u>BEFORE</u> CLOSURE	FIRMS ESTABLISHED <u>AFTER</u> CLOSURE
<u>11. Advice</u>	Location:			
	UK	6	3	3
	Region	3	0	3
	local area	6	1	5
	site	2	1	1
	Financial package	3	1	2
	Firm:			
	creation	2	0	2
	growth	4	2	2
	survival	1	0	1
	other	4	1	3
<u>12. Would you have</u>	yes	41	11	30
<u>established here</u>	no	18	5	13
<u>without incentives ?</u>	other	10	7	3
<u>13. Have the incentives</u>	yes	13	3	10
<u>increased</u>	no	38	14	24
<u>employment ?</u>	other	17	7	10
<u>14. Have the incentives</u>	yes	20	4	16
<u>been crucial for</u>	no	38	14	24
<u>business survival ?</u>	other	9	4	5

The median firm size of the whole survey- 26- is perhaps more indicative of the situation than the mean. No single firm employs more than 700 (this does not include the MSC who have approximately 1800 persons on various schemes in the town, or service, or public sector employers). The largest employer to respond was the nuclear power station with 664 CEGB workers and 112 NNC (construction contract staff). Three of the longest established firms are amongst the largest remaining employers with over 400 working- Cameron's Brewery (formed 1868), Expanded Metal Co. (formed 1890) and RHM Foods (1906). The largest new firm (THC Fabricators) recorded employment of 270 (late 1985) but this has since fluctuated between 500 and 20 (currently amounting to 70) as North Sea construction work has declined. PMA Textiles (in 1987 became part of the Coates Viyella group and has since halved employment) with 185 and CDL 44 Foods with 180 employees are the only new companies with workforces over 100 (though Stadium Plastics a very recent arrival may well come into this category). The remaining new firms employ fewer than 70 people each (36 of them employ fewer than 30 and 18 fewer than 10).

It is noticeable that the male domination of manufacturing does not appear to be unduly threatened by the new firms in total but it must be remembered that with so many of them being small ones a rather biased picture emerges (the smaller businesses tending to be male dominated). Three of the newer firms (CDL44, PMA and Isocom) are amongst the top six employers of females in Hartlepool, thus competing with the





more established 1960's companies. Female employment can be said to be an important feature of the more substantial newer firms, but not of the tiny workshop occupants.

Only 2% (170 workers) of the employment identified by the survey was part-time, a result which runs counter to the commonly held emphasis on such activity (e.g. Townsend 1986). This could reflect a number of things- backward management in Hartlepool, higher levels of mechanisation (equating with increased need for training) demanding the use of longer shifts (eg 12 hours) or low rates of pay (dispelling employers' concern about national insurance contributions). Part time male work seems to be at particularly low level. In a similar way temporary workers do not seem to be popular amongst these Hartlepool employers.

The previous occupations section was not as thoroughly completed as some of the others, mainly for data collection difficulties- many firms professed to be unaware of their employees previous occupations. Despite the values being so low, it is still surprising to find so few ex-steelworkers, school leavers, housewives, people from MSC schemes and the unemployed working in manufacturing. Two of the newer firms (CDL44 and PMA Textiles) have employed higher concentrations of people from the unemployed register than the total of other firms. This is surprising considering the PMA personnel manager's ethos that "the best people are already in work" (interview, 1985). The strong concentration of under twenty five year olds in the older firms can be

accounted for by the local tradition of friends and relatives "speaking up" for young people in order to find them a place in the firm. The newer firms, especially those with fewer local contacts, tend to use the jobcentre for recruitment before developing local networks.

The legal status section shows that the newer single plant firms are most likely to be private companies. Subsidiaries are most numerous amongst the older firms. Predictably single plant firms dominate with multi-nationals second but considerably less numerous. The newer firms (predominantly single plant) tend to exhibit more higher order functions. The most noted function amongst the older firms was raw material processing, an oblique reference to the basic nature of Hartlepool's industrial tradition. Most firms declared that they had not moved from elsewhere (ie that they had established that process initially on that site). Of the 21 newer firms indicating that they had moved, 18 were local to Cleveland (a very high proportion from within Hartlepool itself), 1 from Pickering (Yorks.), 1 from Tyne and Wear and only 1 other from further than 50 miles- Melton Mowbray. This experience somewhat belittles the aspirations of the Borough Council and the HEA in terms of attracting firms from outside the regions. Establishments (similar to branch plants) of completely new manufacturing processes seem to be more normal. Other non-movers consist of the indigenous small entrepreneurs.

The location of markets and suppliers, and the variety of distribution networks of the Hartlepool respondents indicates that the more recent firms have much more local supply and marketing networks than their predecessors. This could well be a function of their weakness as newly formed businesses. It is slightly surprising to observe that the newer single plant firms account for nearly all those supplied from abroad. This is a result of specialisations derived from the segmentation of larger firms (through liquidations etc when smaller breakaway groups are able to deal in the more profitable parts of the original business). The higher order companies organisationally (ie the multiples) tend to have more distant internalised supply networks (with some EC element). The larger, more complex organisations also tend to have more distant international markets. The newly established firms tend to have their vulnerability compounded through contacts with the local and regional economy. The older "branch plant" type firms tend to send part finished goods to other manufacturers or other divisions of their own companies.

The regional aid (RDG and RSA) totals for 1975-1985 show that the largest amount, 11.5 million pounds (41% of the RDG total), went to one firm- BTP Tioxide (415 employees) for the construction of a titanium dioxide paint whitener plant to the south of the town. Typically most money has gone to the larger firms with the administrative capacity to process applications. Some of the biggest beneficiaries of regional aid have been the firms laying off the most people: BSC, NCB

(no coal exports from Hartlepool now) and GEC. Laing Offshore's meteoric labour market experience is regarded by many employers as a major source of disruption to the heavy engineering sector because wages were so high (but short lived) that top workers (e.g. welders, fitters and pipeworkers) were "creamed off" as older firms could not compete. Only 12 of the post-1975 firms feature in the published regional aid figures, the remainder must have received grants too small to be included (RDG's less than 25000 and RSA's less than 5000 pounds) in the published figures.

The newer firms appear to have a greater reliance upon banks than the pre-1975 firms- an indication of the liquidity difficulties faced by nascent businesses. Cleveland County Council seems to have targeted all its grants towards the newer firms (at least in Hartlepool). Relatively few EC sources have been used, an indication of the high degree of difficulty experienced by firms in trying to obtain ECSC loans (even the PMA director found it impossible!). MSC training grants have all gone to the newer firms- these can amount to 80% of the training bill.

BSC(I), at the managed workshops, was the principal named source of advice but many firms were reluctant to complete these sections of the questionnaire probably for typically British reasons of management reticence. The sections on aid and advice by type rather than source confirm many of the conclusions reached above. National selective assistance

recipients are scarce. These schemes are designed to promote innovation, technological advance and major projects but the lack of them tends to confirm Hartlepool's peripheral economic status.

The more qualitative questions examined the impacts of the packages of advice and incentives available in terms of locational decision choices and the effects upon initial establishment, increased employment and company survival. 59% of the firms said they would have established anyway, without the package of incentives (the "deadweight effect"). 54% of all firms said that the incentives had not increased employment. 58% of companies said that the incentives were not crucial to company survival. The general tone of these responses is negative to the incentives package, but such opinions should be tempered by taking account of the value of the amounts involved (RDG was at 22% until November 1984 and had been double that previously).

The locational reasons information given indicates that personal reasons are the highest first order locational determinant. This is for both old and new firms, but does not include the often forgotten locational preferences of the Victorians (in the "other" section). Single plant firms gave a wide range of reasons for locating in Hartlepool whilst the multiples concentrated upon the traditional business necessities of site, labour and finance. The vulnerability of eight of the single plant firms is exposed because they cite local markets as being of prime locational importance.

### 3.4 SUMMARY AND CONCLUSIONS

It is evident from this work that Hartlepool has not made a success of reindustrialization. The Coopers and Lybrand report (1981) criticised the Borough Council for not establishing regenerational goals for industrial development. This was confirmed at my interview with the industrial development officer. Without specific aims and intentions no performance evaluation can be attempted or effort focused where most effective. A general notion of attempting to reduce unemployment is not sufficient to tackle a problem on the scale of Hartlepool's.

Unemployment remains obstinately high despite the national trend for sharp reductions. The last (1984) figures for employment show that there are approximately 25% fewer people working in Hartlepool than in the mid- 1970's. It is difficult to avoid the conclusion that the town has been in decline since the beginning of this century (with only minor wartime rallies). The gradual closure of the steelworks in Hartlepool was overtly on the grounds of obsolete manufacturing plant but has also to be seen as a response to the massive local investment and capacity increases on the southern shores of the Tees estuary. Steel closure was only one of a long series of similar closures that had earned the town Development Area status since the 1944 Act. In fact the rather muted, docile acceptance by local workers of such closures can only have encouraged other employers to regard Hartlepool as a suitable area for rationalizations and job

reductions. In this the employers were assisted by the social traditions, particularly the insularity, of the towns inhabitants. Such traditions are evidenced by the reluctance of redundant Hartlepool steel workers to take jobs "over the water" at Redcar or Lackenby. Local allegiances favour County Durham to Cleveland or Middlesborough.

Hartlepool suffers from being indistinguishable from a host of other areas in the North East in terms of its unemployment problem and the measures available to deal with it. The Enterprise Zone may have had some value as a vehicle for publicity but has little value as a job generator. Some new firms have been attracted to Hartlepool but generally they have created few jobs, lacked durability and offered poor terms and conditions.

The main problems are that the new firms are too small and too few even to address the rate of recent redundancies, never mind the residual level of unemployment. There is also a qualitative break with tradition, exemplified by the terms and conditions of employment offered by the new firms. The long hours, poor safety record and low remuneration of small businesses are probably not emphasised enough. Amongst the more substantial firms (in Hartlepool this means firms employing over 50 people) to establish recently, none have recognised trade unions and most are extremely hostile towards them. In all cases wages are well below the national average for basic manufacturing grades and some, particularly for women, go below what might be regarded as the subsistence

level (eg 1.30 per hour 1986 shift work contract at CDL44). These new labour relations norms have (along with more stringent demands for profitability) prompted major changes at what remains of BSC Hartlepool. A core workforce of 70 at the 44 inch pipemill is supplemented with up to 150 short term contract workers, who are called up on a week to week basis for specific orders. This was achieved by shutting down the plant entirely in 1983 and reopening under the new arrangements a few months later- with the acquiescence of the unions (BSC 44 inch pipemill contract agreement, 1984). The ready availability of large numbers of skilled, trained pipeworkers with few alternative options (though some have refused contracts in order to take Community Programme places) has facilitated these regressive conditions.

Finally, Hartlepool's level of industrial and environmental degradation has been recognised as equating with that of Liverpool (though not quite as Jackson intended) with the designation of parts of the town to be included in the Teesside Urban Development Corporation (1987).



CHAPTER FOUR

CORBY

"When I came doon from Aberdeen,  
I landed right upon the scene,  
I got a job doon in the works- I manage fine,  
Five 12 hours and a Sunday double time."

Chorus:

"Five 12 hours and a Sunday double time  
I work all day and I work all night  
To hell with you Jack I'm alright.  
Five 12 hours and a Sunday double time"

Verse:

Now the fella that lives doon the street where I abide  
He's what you call one of the unemployed  
He says its all because of me that he  
Hasn't got a job and I've got three"

Chorus:

"The wife came doon to work the other day  
To tell me there was a wee one on the way  
I says its alright for you to laugh  
But I havn't been to bed for a year and a half!"

Chorus:

"If I'm not on the taxis on Saturday night  
you will always find me gay and bright  
you will find me doon in the Old White Horse  
I'm a week end barman there of course"




Chorus:

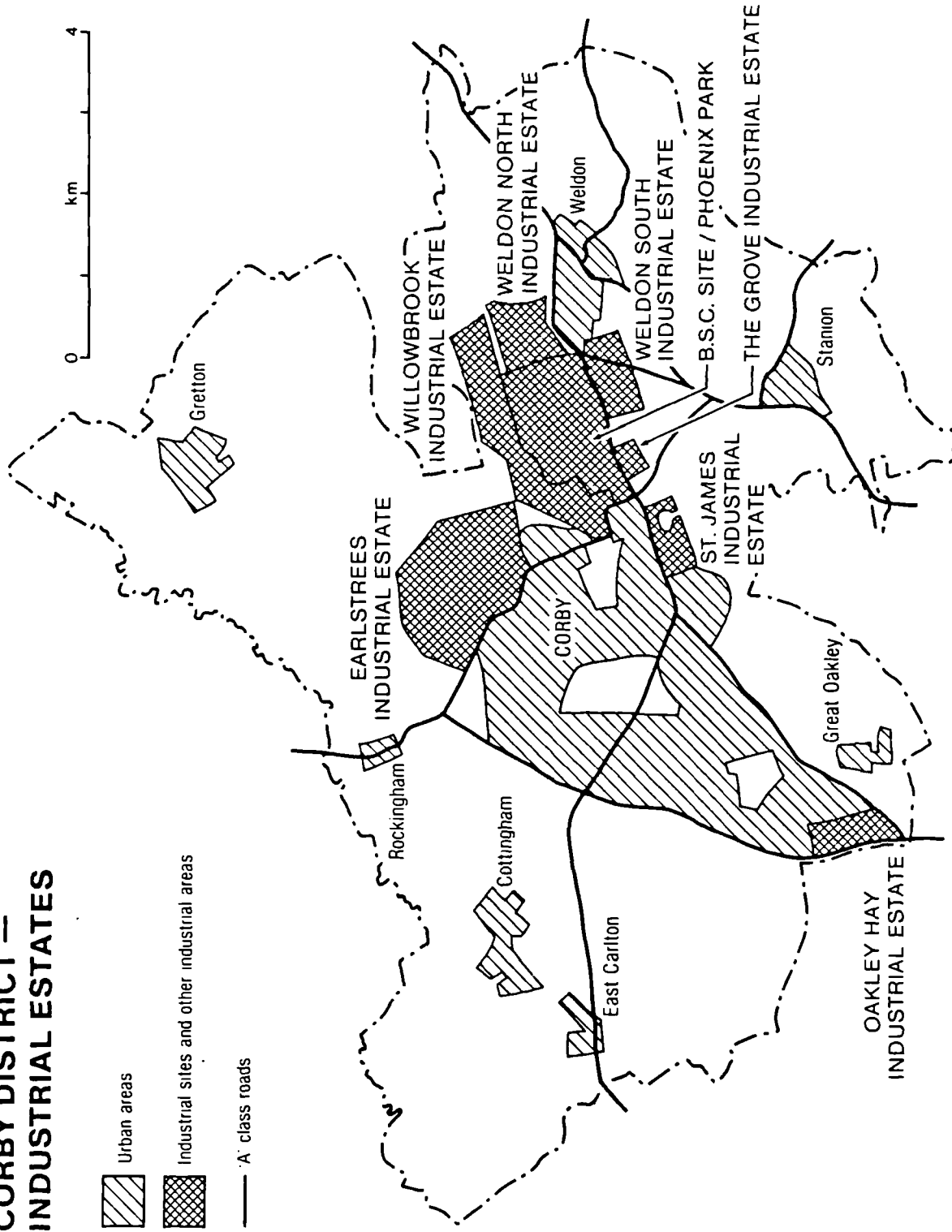
"Now most people like to go to heaven when they die  
To lay their head on that Dunlopillow in the sky  
But me I'm going to the other place  
For a life of peace I could not face...."

Chorus, End.

Contemporary folksong (anon.).

# CORBY DISTRICT — INDUSTRIAL ESTATES

-  Urban areas
-  Industrial sites and other industrial areas
-  'A' class roads



#### 4.1 HISTORICAL BACKGROUND

"Many things are wanting to this manor which in King Edwards time belonged to it in woods and ironworks and other matters" -the reference to the manor of "Corbei" in Domesday Book. It is generally considered that Corby's industrial history began in 1934 with the Stewarts and Lloyds expansion but there were significant events before then. The Domesday quotation above refers to a much earlier period of ironmaking in the area which dated back to the Roman times. It appears that the Plantagenet "ferarria" (ironworks) were abandoned after the Black Death when Corby reverted to a peripheral role as part of the royal hunting forest of Rockingham (under the control of the nearby castle of the same name). The name "Corby" is derived from the Danish, meaning "place of Kori's people" (Sharman, M., 1982).

The royal and aristocratic linkages are probably responsible for the continued non-exploitation and later collective amnesia about the Northamptonshire ores, in marked contrast to the Forest of Dean. Whatever the reasons, the cutting of the Midland Railway in the late 1870's, between Kettering and Nottingham, amounted to an exciting rediscovery of the depth and extent of the Northamptonshire ores (the largest, if not the purest, deposits in the country). In 1881, Samuel Lloyd (not to be confused with the later steel firm), a Birmingham industrialist, obtained the ironstone extraction rights for the area and initiated quarrying. Until 1910 the only other local non-agricultural employment,

after the collapse of the handloom weaving in the mid-nineteenth century, was provided by the brickworks of James Pain. In 1910 the Lloyd's Ironstone Company lit its first blast furnace in Corby to refine ore for forges and foundries in the West Midlands and the South East. This early adjustment to industrialization was not achieved smoothly- principally because of Lloyd's introduction of a particularly harsh working regime. Eleven hour day and thirteen hour night shifts at rates of 43/4d per hour (ie 4/9 for 12 hours) compared very unfavourably with the pay and conditions for similar work in Durham, South Wales and Cleveland- approximately 6/- per eight hour shift. The strike which followed the establishment of the Corby branch of the National Blast Furnacemen's Federation and Kindred Trades in 1911 was responded to with a company lock-out. Mr. Lloyd called upon the services of a number of "blacklegs" to break the strike using intimidatory tactics- evictions, assaults and collusion with local farmers not to employ strikers on a casual basis (Alexander, 1969). Events seem to have borne out the strikers claims of police bias- violence and selective protection from mobs went uninvestigated whilst harsh sentencing awaited those strikers convicted of assault. It was not surprising that, after the "outers had been outed" by the Lloyds' men, there was no subsequent enquiry into the "extreme partiality of the police towards the Lloyds and their non-union men" (Alexander, 1969).

The Corby ironworks (by 1917 consisting of 3 blast furnaces) came into the possession of Stewarts and Lloyds

Ltd. in 1920 when the Bilston based parent company (Hickman's had only controlled Lloyds Ironstone for a year) was absorbed by the expanding tubemaking company. Stewarts and Lloyds (a distinctly separate entity from Lloyds Ironstone) had been formed by the merger, in 1903, of A. and J. Stewart (a dominant firm in the Scottish tube industry) and Lloyd and Lloyd of Halesowen (a similar power on the English scene). By 1914 Stewarts and Lloyds were responsible for half the British output of steeltubes (in volume terms). The company ethos (according to Boswell, 1983) was very definitely that of tube- rather than steel- makers.

The background to the decision to erect a large integrated steel and tube works at Corby owes much to two individuals- Alan Macdiarmid, the Chairman of the company, and H.A. Brassert the German consultant engineer whose report identified Corby as the "fulcrum ...of a project of historic proportions". The financial justification for the move was the bouyant condition of the construction market in the South East of England at the time. The decision to establish steelmaking in Corby followed a survey by the company of Northamptonshire ore reserves in 1928 and the subsequent securing of 500 million tons of ore by 1932. The funding for the project (to cost 6 million pounds) was only achieved in September 1932 after the introduction of 33 1/3% import tariffs on steel (at a period of world trade slump, overcapacity and emerging protectionism). Construction proceeded in 1933 and 1934. The 3.3 million pound external financial package, although superficially a private venture:

1.5 million from the United Bank of Scotland, 1 million from Lloyds Bank and 250,000 pounds from the Prudential Assurance Co., was coordinated by the Bankers' Industrial Development Co. an offshoot of the Bank of England (who contributed 550,000 pounds). Thus the state enabled the development of the Corby Works to take place by providing the necessary conditions for accumulation- the import tariffs and the stimulus for the funding.

Despite the assurances from Stewarts and Lloyds that "there is no intention of abandoning tube manufacture in Scotland" there were very significant capacity and employment reductions there. Perhaps the Corby decision was condoned on the grounds that it allowed for the principal plank of government policy for the derelict areas at that time- labour transfer- but it also contributed directly to Scottish dereliction. The Ministry of Labour played an important role in facilitating the transference of workers from, among others, the Clydesdale steel works, the Universal Plate mill and the Phoenix works in towns such as Bellshill, Motherwell and Rutherglen. The choice offered to the workforce was very clear: either work in Corby or go on the dole. It is claimed in Corby that many men actually walked all the way to the Northamptonshire town. In the early 1930's four out of the Stewarts and Lloyds' eight Scottish works were shut down. Only the staff received the minimal redundancy payments offered (even then only one or two months salary depending on length of service)- employees got nothing. There is no evidence of any compensation being offered to workers who

refused to leave Scotland (Boswell, 1983). The essential "Scottishness" of Corby was evident from the 55% of the resident population from that country in 1945 (Pocock, 1959). This national flavour remains intact to this day, partly because it became self-fulfilling as immigrants to Corby from other parts of Britain tended to seek better remuneration and less demanding shift patterns in the West Midlands.

Stewarts and Lloyds massively improved profitability in the mid-1930's (see table 4.1) was mainly due to the economies of scale achieved at Corby (where tubemaking began on January 7th 1935) and savings due to closures elsewhere. By the 18th May 1936 the Chairman, Macdiarmid, proclaimed in The Times, "Corby has proved an unqualified success".

Table 4.1.

Stewarts and Lloyds Profits 1930's

(thousands of pounds)

1930	1931	1932	1933	1934	1935	1936	1937	1938	1939
591	317	272	616	1,005	801	1,192	2,303	2,440	1,753

from Boswell 1983, p131.

The town remained "an industrial cuckoo in a rural nest" a reference to the degree of alienation felt by the Scots from the Northamptonshire locals despite the employment preference given them by the Company (conversations with T. McIntosh, 1986).

The most spectacular contribution made by the Stewarts and Lloyds Corby works to 1939-45 war effort was the construction of P.L.U.T.O. (pipeline under the ocean); a Churchillian



project for a rapidly laid oil pipe to supply the Allied forces immediately following the Normandy landings. A more tangible reminder of the war is provided by the peeling camouflage paint still visible on the tubeworks sheds (a testament to a lack of subsequent investment). The Scottish dominance of the rapidly growing town was little altered by the war but there were some changes in terms of Scottish source areas and other dilutions. A contingent of "displaced persons", mostly from Latvia, Yugoslavia, the Ukraine, Poland and Lithuania, added an unlikely dimension to the demography. In the post-war years the areas of origin of the Scottish workers became more diverse; away from the Lanarkshire Company bases to include central Glasgow, the Forth of Clyde and increasingly, north east Scotland where the herring fishing industry was in trouble. There were smaller numbers of immigrants from the depressed areas of England and Wales, including Hartlepool and Ebbw Vale, as well as larger contingents from Ireland.

Corby came to represent the architypal "company town". In 1930 its population stood at 1,500 engaged at the ironworks, quarrying limestone or iron ore, but principally, in agriculture. By 1936 the Stewarts and Lloyds transformation had created an additional 3,000 jobs with much further expansion to come. At first the works came under the local authority of Kettering Rural District Council which the Company had hoped would provide the housing resources for the expansion of the town. This proved not to be the case and the Company initiated its own house building programme

completing 785 houses by 1935 (Coopers and Lybrand, 1979, p3). Eventually the Company construction accounted for 2,220 houses, several shops, a works club, youth club and a cinema- some houses being within 200 yards of the blast furnaces. The Corby Urban District Council came into being in 1939. Its first house building programme was curtailed by political events elsewhere, but when recommenced in 1945 could not cope with the expansive demands of the Company. In 1945 the Company employed 7,000 men- 4,000 of whom were housed in 6 work camps or hostels. The "wild frontier" boom-town analogy has been widely, and, from all accounts accurately, used to describe the first twenty or so years of Corby's development. The Rev. W. Hume was in evocative mood when he described Corby as a "town of broken bottles and ragged weans" (1956, quoted by Sharman, 1983). The Company's Industrial Welfare Committee was responsible for the selection and screening of the films shown at its own cinema- evidence of the Company's all pervading paternalism.

According to Duncan Hall, the Chief Executive of the District Council, Corby's history has to be understood in terms of successive and cumulative waves of paternalism (interview, 1985). These being under the Company, the Development Corporation, and the Steel Corporation.

#### 4.2 CORBY- THE NEW TOWN 1950-1980

Corby was the last of the first generation of new towns to be designated by the post-war Labour government under the 1946 New Towns Act. Most of the other new towns were designed with the environmental exigencies of slum clearance and overspill in mind. Corby's concern was to provide for the expansion of a single industry: steel- in a similar fashion to Peterlee's association with coal in County Durham. The Corby New Town Development corporation was charged:

- "i) to plan and build a town for some 40,000 persons;
- ii) to carry out part of the necessary development, principally the construction of a town centre, a number of large housing schemes, and the provision of additional industry, mainly for women;
- iii) to co-ordinate the work of other developers, local authorities and utility undertakers, whose efforts were necessary to make Corby a complete town."

(Commission for New Towns, 1983).

The government overruled initial opposition from the Urban District Council to the new town designation which came into effect on April 1st 1950.

The early years of the Development Corporation went very much as planned, primarily being concerned with housing and town centre developments. The potential dangers of over-reliance upon a single industry had been recognised, but the conflict of interest between Company and Corporation (the Company wanting a recruitment monopoly; the Corporation

diversification) was resolved through the attraction of companies employing mainly females. For much of the 1950's Stewarts and Lloyds exerted considerable influence through its representation on the board of the Development Corporation. "There was clearly some reluctance on the part of Stewarts and Lloyds to allow major competitors in the town for the labour it was actively recruiting and bringing into Corby" (Coopers and Lybrand, 1979). Indicative of the under-provision of female employment was the fact that in 1951 600 women per day travelled out of Corby for work (mainly to Kettering's shoe making industry). The "light" St. James industrial estate was developed from 1952, initially with boot and corset factories.

The stark "before and after" statistics of the employment census of the Development Corporation hide certain important peaks and troughs but are nonetheless of some value. On designation, (April 1950), Corby's population was estimated at 15,000, with 6,950 men and 550 women employed by Stewarts and Lloyds (total 7,500). The first employment census undertaken by the development corporation in 1956 (see table 4.2 below) showed a working population of 14,423 consisting of 9,609 at the steelworks, a manufacturing sector of 1,174 and a service sector of 3,640. The position in September 1980, after the demise of the Development Corporation and steel production, had a working population of 17,611 out of a total population of 51,200, with 5,640 employed by BSC, 4,398 in other manufacturing industries and 7,573 in services. Labour demand peaked in 1974 with a total of 26,714 when the

population reached 52,500. In 1974 the manufacturing sector (defined by the Development Corporation as those employed on the industrial estates) reached its highest point before the 1980's: 5,880 (2,325 male and 3,555 female workers), BSC employment stood at 12,761, though it had peaked in 1970 at 13,292 (see table 4.2).

Table 4.2.

Employment at tubeworks and industrial estates  
(annually at September 30th)

TUBEWORKS		INDUSTRIAL ESTATES		
Year		Total	Male	Female
1956	9,609	1,174	470	704
1957	10,294	1,336	390	946
1958	10,387	1,454	449	1,005
1959	11,031	1,829	558	1,271
1960	11,738	2,182	805	1,377
1961	12,164	2,461	865	1,596
1962	12,405	2,865	1,123	1,742
1963	12,558	3,159	1,307	1,852
1964	12,906	4,074	1,584	2,490
1965	12,942	4,035	1,566	2,469
1966	12,982	4,284	1,623	2,661
1967	12,719	3,972	1,407	2,565
1968	12,652	4,188	1,496	2,692
1969	12,798	4,983	1,674	3,309
1970	13,292	4,736	1,691	3,045
1971	12,476	4,231	1,500	2,731
1972	13,176	4,868	1,694	3,174
1973	12,937	5,558	2,082	3,476
1974	12,761	5,880	2,325	3,555
1975	12,706	5,022	2,098	2,924
1976	12,512	4,240	1,801	2,439

TUBEWORKS		INDUSTRIAL ESTATES		
Year		Total	Male	Female
1977	12,227	4,463	1,994	2,469
1978	11,369	4,486	2,207	2,279
1979	10,494	5,064	2,315	2,749
1980	5,640	4,398	2,124	2,274
1981	4,509	4,242	2,088	2,154
1982	4,170	5,954	3,048	2,906
1983	3,363	7,152	4,353	2,799
1984	3,044	8,903	4,864	4,039
1985	3,002	8,852	4,942	3,910
1986	2,792	10,273	5,889	4,384

(NB 1986 figures compiled by Corby District Council, all preceding ones by the New Town Development Corporation and the Commission for New Towns).

The Development Corporation's response to the Company's proposed increase of 2,500 jobs in the early 1960's was to increase housebuilding, to revise the population target to 55,000 and to persuade the Board of Trade to grant an Industrial Development Certificate for the Golden Wonder factory (200,000 square feet); the first on the Earlstrees Industrial estate. Golden Wonder began production in 1964 and came to employ 850 workers (300 men and 550 women, Coopers and Lybrand, 1979). The revised Development Corporation master plan of 1960 was never sustained by the promised increase in Stewarts and Lloyds employment because of improved productivity, increasingly adverse market conditions and increasing availability of cheaper but richer

foreign ores which made Corby appear a less and less attractive site for steelmaking (note the Benson Report, 1966, in favour of large coastal plants). The 17th annual report (1967) of the Development Corporation expressed the doubts and worries that the Urban District Council had been voicing for much longer;

"The change in outlook which has taken place during the year is of a fundamental kind, and it should not be thought it springs from causes which are of a short term nature and are liable to pass away. The importance of substituting new industry for expansion of the steelworks springs not merely from the present planning which covers reorganisation of the steel industry, but from causes which lie deeper," p.110.

"Corby has so far been deliberately created as a 'one industry' town, and fears that this economic imbalance might render it vulnerable have been discounted owing to the basic nature of the industry. Those fears are now less easy to dismiss, and it seems important, as a long term programme, to restore the balance by encouraging other industry in the town on a major scale," p.110-111.

"To draw new industry to the town it will therefore be necessary not only to increase and develop its attractions for industrialists (and there are many), but also to publicise them," p.111.

It could thus be argued that Corby's reindustrialization began not in 1980 (with steel closure) but in 1967, or failing this, in 1978 when the Development Corporation relinquished its housing role to the local authority. At least in Corby, a "quango" set about the business of



attracting alternative industry well before the steel closure. A direct result of the second diversification campaign was the establishment of the Avon Cosmetics warehouse providing work for 500, mainly women. In June 1967, Corby was added to the GLC's "overspill" population list and began to participate in the London Industrial Selection Scheme (for decentralising firms). As previously, there was a marked reluctance upon the part of central government ministries in the late 1960's and early 1970's to grant industrial development certificates for alternative industry in Corby because the Board of Trade were encouraging relocations to the Development Areas. The 1971 Development Corporation report for Corby was unequivocal- "due, however to the refusal of applications for industrial development certificates, or to the time taken to announce a decision on applications for these certificates, no large firm has moved to Corby, and there is now a serious risk that the properly balanced development of the town will be jeopardised", p.110.

The thirtieth and final report (1980) of the Development Corporation summarized its achievements as follows:

Dwellings constructed	9,141
Dwellings acquired and modernised	3,284
Factories built for rent	117 units 207,921 sqm
Factories under construction	12 units 24,100 sqm
New Town Centre and extension	263 shops
Offices	22,480 sqm
Neighbourhood shopping centres	8
Gross Capital Expenditure	63 million pounds.

A considerable amount of industrial development had thus been undertaken, albeit from a "greenfield" base before steel closure became a reality. The assets of the Development Corporation, including 57 ha. of industrial land, were handed over to the Commission for New Towns (CNT) - the residuary body charged with winding down the Corporation's affairs.

#### 4.3 THE STEEL CLOSURE

Probably the first inkling of the insecurity of steelmaking at Corby came about as a result of the Benson Report, 1966, when doubts were cast about the viability of inland sites and upon reliance on domestic ores. The February 1973 white paper - Command 5226 - was more explicit: "Corby has an assured long-term future as a major tube-making plant, and steelmaking will continue there at least for the rest of the present decade. The steelworks is the major employer in the town and a final decision on the future of steelmaking will be taken in the course of the next few years in consultation with those concerned," (S.7 para 59).

The British Steel Corporation's (BSC) first press statement with regard to Corby closure (February, 1979) emphasised the over-capacity problems of the Corporation as a whole at a time of static demand but pointed out the increased investment at Redcar and Ravenscraig. It quoted Cmnd. 7149 (BSC: The Road to Viability, March 1978) "to achieve financial viability, it is necessary for capacity to move more into line with demand". The press release stressed

Corby's role in the national drive for steel viability but emphasised that notwithstanding the depressed market conditions there would be investment in the commercial welded tube plant. The three problems Corby had to overcome were:

- "1) Corby ore's low iron content forces the use of more coke, thus increasing energy costs and final tube costs;
- 2) Steel is made at Corby in ingots, a more costly process route than the continuous cast slab made at modern, large-scale plants such as Redcar/Lackenby on Teesside;
- 3) Corby iron and steel works are small by modern standards, resulting in high fixed costs per tonne."

The consultation process adopted by the BSC seems to have involved waiting for the unions to come up with unacceptable alternatives; then announcing that the closure would go ahead regardless! The 1st November 1979 "statement about the closure of Corby steelworks" authoritatively deemed that "to delay further would:

- a) merely prolong the uncertainty for the workforce and Corby community,
- b) cost the country more money in funding the steel works losses, and,
- c) do nothing to improve the competitive position of Corby tubes in a progressively worsening market situation." (BSC, 1979).

After announcing the special redundancy arrangements the statement concludes: "Corby's greatest need is to introduce new jobs into the town and the Corporation will actively pursue job creation by bringing new industries into Corby through its subsidiary BSC(Industry)Ltd."

The campaign against the steel closure has been well described elsewhere (particularly, Baker, 1982). R.O.S.A.C. (the Retention Of Steelmaking At Corby) was the focus of the campaign. This organisation was derived from the bitterly divided Joint Trades Union Policy Group and turned to academics from the universities of Warwick and Cambridge for assistance in preparing a case for the continued viability of the works. Both teams recognised the threat posed by the opening of the Redcar blast furnace and indicated that opposition to this on the grounds of sufficient existing capacity should be pivotal to Corby's case. This idea was rejected by the national officials of several unions who had strong vested interests in the prestige project; particularly by the ISTC, who maintained a tradition of non-involvement in local campaigns against redundancy. The ISTC gave R.O.S.A.C. only 200 pounds at a very late stage and Bill Sirs, the General Secretary, refused to head a mass demonstration whilst being quoted as saying: "we do not do things this way" (Baker, 1982). The ultimate irony is that Corby's 8,000 membership of the ISTC was solidly behind the national steel strike (it began in Corby on 4th December 1979)- over pay and not redundancies. Many members realised that all the strike could hope to achieve was a few weeks delay in the implementation of closure. The R.O.S.A.C. initiatives were successful in generating support within Corby, more outside the works than inside, because of the neutralising prospect of redundancy payments. At least two of the campaign's four mass demonstrations in six months involved over 14,000 participants and there was a well publicised march to London

by twenty men followed by a 1,000 strong rally in Hyde park and procession to lobby Westminster. Support was not, however, generated much further afield in Northamptonshire than Corby, due, in some degree, to the continued social segregation of the town from its environs and the long-established resentment of the "industrial cuckoo in a rural nest" (see above). The steel closure eventually began in April 1980 and came to result in the loss of over 7,000 steel jobs (by 1986) and a further 5,000 elsewhere in the town.

As is usual, the government statistical information available rarely coincides with the most desirable time period. The Department of Employment Census of Employment is only available until 1981 (despite an update to 1984 having been completed but not yet released at TTWA level, September, 1987). In the case of the Corby AOA table 4.3 shows for the period 1975-1981 not only the partial impact of steel closure (incomplete in 1981) but also the fact that the growth sectors of the economy failed to match even the jobs lost outside the steel sector. Table 4.3 shows the top five growth mlh's and the bottom six (to isolate 'steeltubes') as a summary of the above mentioned inadequacies, despite the strenuous efforts of the Development Corporation.

Table 4.3.

Corby employment change by mlh 1975-1981

Top 5 and bottom 6 ranked mlh's.

MALE EMPLOYMENT

1.Other mechanical engineering nes	}	+635
2.Other printing, publishing, bookbinding		
3.Miscellaneous transport services etc		
4.Iron and steel (general)		
5.Motor repairs, distributors, garages, etc		
6.Other electrical goods	}	-1,904
5.Educational Services		
4.Other mining & quarrying		
3.Local government sevice		
2.Construction	}	-7,287
1.Steeltubes		
Total MALE Change 19,536 - 10,932 = -8,604		

FEMALE EMPLOYMENT

1.Other business services	}	+1,032
2.Other services		
3.Other printing, publishing, bookbinding		
4.Womens and girls tailored outerwear		
5.Dresses, lingerie, infants wear etc		
6.Footwear		
5.Mens and boys tailored outerwear	}	-2,073
4.Local government service		
3.Other electrical goods		
2.Educational services		
1.Steeltubes	}	-797
Total FEMALE Change 10,516 - 8,452 = -2,064		

ALL EMPLOYMENT

1.Other printing, publishing, bookbinding	}	+1,466
2.Other services		
3.Other Business services		
4.Miscellaneous transport services		
5.Other mechanical engineering nes		
6.Other mining and quarrying	}	-3,502
5.Construction		
4.Other electrical goods		
3.Local government service	}	-8,084
2.Educational services		
1.Steeltubes	}	

Total ALL WORKERS Change 30,052 - 19,384 = -10,668

Source: NOMIS

At least another 1,400 job losses have occurred at the tubeworks since 1981. Those MLH's represented in the male job loss section show the impact of steel closure on local allied industries- notably quarrying and construction. The job losses for female workers highlight the earliest failures of newer, replacement, industries -eg tailored outerwear and other electrical goods- and the decline of a regional speciality- footwear. The totals for all workers underline the trauma of steel closure- a 36% reduction in employment in six years for a small, vulnerable local economy.

#### 4.4 THE EXPERIENCE OF REINDUSTRIALIZATION

##### 4.4.1 Trends in Employment and Unemployment

The NOMIS data for Corby show in table 4.4 (below) it as the only one of the three closure areas studied where the total workforce actually increased between 1981 and 1984. Unemployment has also fallen sharply according to these official figures (the usual caveats should be applied). Although the turnaround in Corby appears to be marked the latest available employment figures show that there is plenty of ground to be made up before a return to 1971 conditions can be made. The 1988 census of employment for Corby will make interesting reading in 1992. On a statistical basis the unemployment figures for Corby appear to have fallen to the national average (one of Duncan Hall's original aims).



TABLE 4.4 TRENDS IN EMPLOYMENT AND UNEMPLOYMENT

CORBY

YEAR (JUNE)	EMPLOYMENT	UNEMPLOYMENT	
	TOTAL WORKFORCE	TOTAL UNEMPLOYED	RATE
1971	28,982	-	-
1972	28,841	821	2.8
1973	30,060	513	1.7
1974	30,255	746	2.4
1975	30,052	1,183	3.8
1976	28,570	2,402	7.8
1977	28,936	2,633	8.3
1978	27,499	2,676	8.9
(SEPT)			
1981	19,384	6,895	22.9
1984	21,243	5,196	19.9
1988	-	2,124	8.7

SOURCE: NOMIS

#### 4.4.2 The Agencies

The Coopers and Lybrand (1979) report's principal administrative recommendation was the formation of a Corby Industrial Development Executive "to coordinate all aspects of industrial development in Corby" (ie marketing, site and premises provision, administration of financial assistance, monitoring of training requirements and control of the Development Corporation's land and property" p.44). Although the constituent elements- the Commission for New Towns (CNT), the District Council and the County Council were reluctant to concede their relevant responsibilities to the new body there was agreement on cooperation, thus the Joint Industrial Development Committee (JIDC) came into being in November 1979 (with a Director of Industry appointed in April 1980). Officer representation on this committee has always been high (a ratio of 8:5 in relation to councillors). Minutes and personal interviews suggest that crucial decisions tend to emanate from the officer executive group.

The timing of the JIDC's first publication is crucial. The April 1980 "Strategy for Corby- A Community Plan" had already been prepared well before steel closure. The Chief Executive and key members of the District Council (including some soon-to-be ex-steelworkers) proved themselves ready and willing to concede steelmaking in order to concentrate upon industrial regeneration. Apart from the central pillar of employment and industry the strategy presented five other "action fields" requiring external capital funding:

transportation; housing; education; training and retraining; personal social services; and the environment and recreation. The strategy's objective was "stability" which it defined as "the retention of the residual population of Corby and its inbuilt natural growth based upon a restructuring of the local economy to provide local employment, an attractive and buoyant housing market and appropriate educational, social and environmental services," p3. In typical physical planning usage the prime employment objective "to ensure the availability of sufficient and appropriate industrial land capable of being marketed and occupied by firms employing some 11000 people " (p.11), was couched in property terms. The aim was to effect a reduction of the local unemployment rate to the national average- quite an optimistic aspiration considering that Corby's unemployment rate, due to migration and temporary steel employment had been higher than the national average since the early 1960's.

The contribution of the constituent members of the JIDC will be examined beginning with that of the Corby District Council, the Labourist local authority. The post-hoc rationalisation of the Chief Executive of the District Council (Duncan Hall) would not be out of place on the platform of any Thatcherite Tory party conference: "to attract business you have to be a business" (from an interview 30.9.85). The Council's initial response to steel closure was to adopt a non-traditional, non-democratic, management approach. The rejection of the usual bureaucratic style was underlined by a 25% reduction in Council staff (see

table 4.3 above). The speed with which the "strategy" was produced is attributed to this "progressive managerialism" which prioritises confidence ("we have nothing to sell but the town itself") and commitment (the sale of council housing- including 1,450 "hard to let" dwellings at 1,000 pounds each- to retain population). Pictured in "The Sun" (29th August 1985) as the man who led the fight back in the "Town That Refused To Die", "dynamic" Duncan said "there's no point in just talking about making businesses efficient unless you practise what you preach". "We bought it just to knock it down"- a reference in the same article to the Council's desire to obliterate memories of the steelworks as soon as possible. The District Council (in a joint delegation with the Development Corporation and the County) finally obtained development area status for Corby in December 1979, after several previous attempts, dating from the late 1960's. The District Council also became the first English authority to lobby successfully for enterprise zone status, in June 1981.

April 1980 was not only the month of the beginning of steel closure but also marked the appointment of the Director of Industry and the establishment of the Industrial Development Centre. The promotional budget for the centre now exceeds 350,000 pounds per annum- from a variety of public sources. Despite the high profile media image of the Chief Executive, the real "Mr. Corby" (for the first six years after closure) was Fred McClenaghan, the first Director of Industry. A discrete, highly professional person,

McClenaghan took the task of attracting firms to the town to new heights. An industrial development centre was established to create the impression of a highly profitable commercial undertaking with Corby as its product "on sale". Locationally separate from the Council offices, the style was geared up for slick marketing- with an abundance of promotional literature, maps, models, aerial photographic displays, videos, comfortable furnishings and an inexhaustible supply of coffee- a dramatic change from the more usual public service austerity.

McClenaghan managed to incorporate the local agency for BSC(I) loans into the industrial centre but apart from mentioning the continuing redundancies at the tubeworks was not expansive about the Corporation's role after closure (interview, 1985). The New Jobs Team left Corby in 1982. McClenaghan denied that his aim was to create employment, "just to attract and promote it" but he insisted that he had the right to use "any means" available "to get any jobs he could" (interview, 1985). Pay, conditions and unionisation, he unashamedly admitted, were the concern of the company and its employees, not the JIDC. He attributed the lack of impact of the new jobs brought to Corby on the unemployment figures, to the numbers of imported key-workers (no figures available), commuters from outside Corby (1,897 in 1985, compared with 757 in 1980), women not previously registered for employment (figures unavailable) and people employed directly from the steelworks. There are very few official references to outmigration, but this has inevitably had a

benign effect on the employment situation. According to the 1981 census data for migration for the year preceding, out of a population of 52,395, 2,021 persons left the district, but 1,345 entered it, giving a loss of only 676 (352 went to Scotland). Margaret Grieco (1985) identified an unspecified number of Scottish return migrants who had left Corby prior to steel closure. There is a real dearth of information on this aspect of Corby's traditionally unstable population profile. One of the Council's planners hinted at the problem in 1984 when writing about the steel closure: "for the first time Corby experienced a population decline. The above average rate of natural increase typical of a new town (albeit a high proportion of Roman Catholic immigrants) masked a level of outmigration far higher than at first seemed the case".

Any analysis of the unemployment figures must be as superficial as the figures available (18 changes of definition have occurred between 1979 and mid-1987). The total figures for Corby have shown a decline of 3,000 since the highpoint of 7,000 recorded in July 1981. Only 500 of this decrease has been in the female total indicating that women seeking work do not have such an easy time of it as has been suggested. The time series for the long term unemployed makes even less impressive reading. Those unemployed for over one year between 1983 and 1986 have declined by 550 (leaving 1541 in Oct 1986). Figures for a similar time period but for those unemployed for over two years show a decline of only 33 leaving a total of 1,112. Thus 65% of

Corby's long term unemployed have been so for over two years. This points to a residual element of durable unemployment which the reindustrialization and various MSC programmes do not appear to be addressing.

The most visible remnant of BSC(I) activity in Corby, because BSC(I) loans have become commercially uncompetitive, is provided by the workshop units currently managed by Mr Geoff Bent. Over 63 firms use the 80 units (some use more than one unit) and employ (June 1986) 185 people. The emphasis is very much on "start-ups" in the small units (mostly under 1,000 square feet) where 1 or 2 person businesses predominate (the largest firm employs 11 workers). The BSC(I) units complement the smallest sizes available from the CNT (down to 700 square feet). It is freely admitted that very few ex-steelworkers have used the units because they tend to be "employees not employers" (G. Bent 16.7.85). The "easy-in" "easy-out" terms of the workshop licences "make it very easy for people to succeed and very easy for them to fail" (G. Bent). There is slightly more of a realistic approach at the workshops than elsewhere in the town where the small business "hype" predominates. Failures are admitted to- 40% of the 126 firms which have left the units since the 1981 opening have discontinued trading. Of the remaining 60%, less than half have remained in Corby. These figures are far higher, apparently, for the unmanaged units provided by the CNT and also on a commercial basis by the private sector on the enterprise zone. Corby's BSC(I) workshops have an international flavour, for example,

Drilltec (UK) Ltd (a German firm who produce tube thread protectors for Seamless Tubes Ltd.) and Brittonia Engraving Ltd. (a South African controlled firm engaged in specialist glass work). Despite the publicised aims of the Corby workshops, ie "the wish to create jobs" and "to help businesses grow," they have never been expected to make a significant numerical contribution to the alleviation of the town's unemployment problem. What they do provide is the ideological room to foster entrepreneurialism in a town with no such tradition.

Although after seven years of operation the Commission for New Towns (CNT) is winding down its operations in Corby, its contribution to the major elements of industrial development since steel closure is important and must not be overlooked. The CNT inherited 100 acres of industrial land from the Development Corporation and purchased a further 304 acres from the BSC to enable direct control of much ensuing property development. Land ownership made possible the necessary infra-structure work otherwise too expensive for the local authority: highways, sewerage, statutory service provision and landscaping (particularly in areas affected by open cast quarrying for iron ore and limestone). It is the advanced factory building programme that has had the greatest impact. Between 1980 and 1985, 186 units were constructed by the CNT (in sizes ranging between 5,000 and 50,000 square feet, discounting the workshops) to provide a total of 1,851,660 square feet of additional factory space. The private sector has in the same period constructed a further



1,432,700 square feet on land prepared by the CNT (46 transactions). An important but unsung contribution made by the CNT has been the attraction of private investors to the Corby industrial scene (in fact the creation of an industrial property market) through lease-back arrangements on the enterprise zone. City investors have been (whilst there was any new property left on the enterprise zone) encouraged to purchase factories from the CNT in order to gain the benefits of the 100% income and Corporation tax allowances on the price; to set against profit from elsewhere and obtain income from the rents from the occupiers as arranged by the CNT. The advantage for the CNT in lease-back deals is that they provide an important source of cash flow to fund other developments (Wilson and Partners, 1985 interview).

Other enterprise zone incentives (such as rate relief, simplified planning regime etc) have had far less of an impact in Corby. The ten year rate exemption (starting from 22nd June 1981) has been almost totally nullified for industrialists because of sharp increases in rents that accompanied designation as an enterprise zone (ie the levelling effect of the market). This is a feature of the majority of enterprise zones (see NAO 1986). Corby is one of the few places where higher rates of rental growth have been used to attract industrial investment. Investors require the certainty of rental growth to invest and take advantage of the tax allowances mentioned above, and provide some continued source of income after the end of the enterprise zone period in 1991. The JIDC has used the concept of rental

growth as part of its promotion of the town for private sector investment. Duncan Hall, the Chief Executive, boasts that Corby no longer has "to buy in" mobile industry by offering rent and rate holidays (as other localities tend to do) but prefers to let the Thatcherite "magic of the market" operate.

The only other non-governmental agency of any significance in Corby is the Northamptonshire Enterprise Agency (NEA) formed in 1983. It was a joint venture by the County Council and the Chamber of Commerce and Industry. The NEA has undertaken an expensive "secret agent" advertising campaign using the agency "Vernons of London" for the County as a whole. It emphasises the locational assets of Northamptonshire in an imaginative "spy-dossier" manner- but whether it will lead to an increase of interest in the county is another matter. "Our intention is to keep the name and image of Northamptonshire in the market place for serious consideration by those with development projects, in order to generate a reasonable flow of enquiries" (1985 Annual Report on this campaign). With such nebulous aims any attempt at evaluation of the campaign will be problematic. The NEA also undertakes small business counselling in harness with the Small Firms Service of the DTI (from Nottingham). A recent venture has been the promotion of tourism in the county and has involved the formation of a wholly owned subsidiary of the NEA- Northamptonshire Tourism Ltd.- to develop "commercially viable and employment generating projects". Perhaps the NEA's main raison d'etre has been the small

business grant scheme it provided after the transfer of responsibility for the County Council's rate and interest relief schemes in 1983. Any non-retail or non-personal service business is eligible for a grant for the creation of up to ten new jobs. 250 pounds per job can be granted under the scheme. In the first full year of the scheme Corby received 30 grants for 120 jobs (representing a commitment of 30,000 pounds and a part payment of 17,325 pounds- only 50% of the grant is available initially). In fact the managing director of the NEA spends at least one day a week at the BSC(I) workshops in Corby arranging these grants. 19 of these grants for Corby went to manufacturing firms (91 jobs) and 11 for services (29 jobs) the highest ratio, for manufacturing, of all the Districts in the County, though Wellingborough's more recent enterprise zone status (1983-84) is having an influence too.

#### 4.4.3 The Impacts of Reindustrialization upon Industry and Employment

Much of the information presented in this section is derived from a questionnaire survey of 112 firms out of total number approached of 174 (making a return rate of 63%), undertaken in 1985-1986. Table 4.4, below, itemises the breakdown of employment as found by the survey; table 4.6, below, itemises the other survey responses (less critical data is to be found in Appendix 4).

Table 4.5.

Corby Employment types by pre- and post- closure firms.

WORKER TYPE	All Firms (112)	Pre-1979 (23)	Post-1979 (90)
Total Workers	9,376	4,650	4,726
Full Time Male	6,068	3,172	2,890
Full Time Female	2,383	1,179	1,204
Part Time Male	51	35	16
Part Time Female	305	157	148
Temp. Male	148	94	54
Temp. Female	274	127	147

The pre-closure employment includes the remaining BSC employment total of 2,378 (1985) which originated in 1934 (see historical material above). The only other remaining firm from the same year (and the 1930's) to respond was Shanks and McEwan, the civil engineering, demolition and waste disposal firm closely allied to the steelworks. Only two firms survive from the 1950's and four from the 1960's- empirical proof of the combined effect of Stewarts and Lloyds and the Board of Trade (by IDC refusal) discouragement of alternative employment provision in the town. The fourteen remaining firms from the 1970's (that completed the questionnaire) reflect the problems experienced by the Development Corporation in attracting mobile industry in a worsening economic situation. Although fewer in number the pre-closure firms are on average four times larger (in employment terms) than the newer ones (mean size 211 compared with 52). There is little evidence available of the impact of steel closure on the pre-existing companies except for the

review of the "Strategy for Corby" (Corby District Council, 1984). This shows that 40 out of the 110 companies operating in the industrial areas in early 1980 had ceased trading by late 1983; amounting to a job loss of 1,071, from a total of 5,063 to 4,242. The workforce of some of the still surviving non-steel companies was drastically curtailed by steel closure. For example, the British Oxygen Corporation cut its employees from 120 to 6 upon the cessation of basic oxygen steelmaking, marking a change from production to small scale retailing.

TABLE C  
CORBY

		ALL FIRMS	FIRMS ESTABLISHED <u>BEFORE</u> CLOSURE	FIRMS ESTABLISHED <u>AFTER</u> CLOSURE
<u>1. Legal Status</u>	plc	11	6	5
	private company	70	10	60
	subsidiary	23	8	15
	other	8	1	7
<u>2. Structure of Organisation</u>	multinational	23	10	13
	UK multiplant	21	8	13
	single plant	70	9	61
	other	0	0	0
<u>3. Functions</u>	headquarters	65	9	56
	r & d	40	5	35
	branch office	15	3	12
	services (office)	42	13	29
	sales/marketing	71	14	57
	raw materials processing	51	12	39
	component production	40	11	29
	component assembly	39	4	35
	final product assembly	54	7	47
	warehousing	54	11	43
	retailing	16	1	15
	other	15	5	10

TABLE C  
CORBY

		ALL FIRMS	FIRMS ESTABLISHED <u>BEFORE</u> CLOSURE	FIRMS ESTABLISHED <u>AFTER</u> CLOSURE
<u>4. Movers from</u>	yes	46	15	31
<u>Another</u>	no	59	10	49
<u>Location</u>	other	5	0	5
<u>5. Suppliers by</u>	Corby	35	13	22
<u>Location</u>	East Midlands	79	11	68
	UK	188	32	156
	EC	44	10	34
	rest of world	31	3	28
<u>6. Main Markets</u>	Corby	31	6	25
<u>by location</u>	Northamptonshire	28	2	26
	neighbouring counties	31	8	23
	East Midlands	20	3	17
	UK	95	13	82
	EC	27	5	22
	rest of world	34	8	26
<u>7. Distribution</u>	direct to customer	72	15	57
<u>Network</u>	direct to retailer	26	5	21
	to warehouses	28	12	16
	other manufacturers	50	9	41
	another division of firm	10	2	8
	elsewhere	39	2	37

TABLE C  
CORBY

		ALL FIRMS	FIRMS ESTABLISHED BEFORE CLOSURE		FIRMS ESTABLISHED AFTER CLOSURE		
<u>8. Employment</u>	remained stable	31	12		19		
<u>Change in</u>	increased	66	6		57		
<u>past year</u>	decreased	10	3		7		
		aid	adv	aid	adv	aid	adv
<u>9. Financial Aid</u>	banks	52	25	7	4	45	21
<u>and Advice by</u>	BSC(I)	28	12	6	2	22	10
<u>Agency</u>	Chamber of Commerce	0	7	0	3	0	4
	Commission for New Towns	21	24	3	3	18	21
	Corby District Council	4	9	1	2	3	7
	CIDC	2	24	0	4	2	20
	ECSC	23	2	2	0	21	2
	EIB	2	0	1	0	1	0
	ESF	1	0	1	0	0	0
	Dept.of Employment	0	8	0	3	0	5
	Dept.of Environment	1	1	1	0	0	1
	Dept.of Trade & Industry	67	15	7	2	60	13
	ICFC	8	2	2	2	6	0
	MSC	6	13	2	3	4	10
	Small Firms Service	2	4	1	0	1	4
	other	5	4	0	0	5	4



TABLE C  
CORBY

		ALL FIRMS	FIRMS ESTABLISHED <u>BEFORE</u> CLOSURE	FIRMS ESTABLISHED <u>AFTER</u> CLOSURE
<u>10. Financial Aid</u>	Cash Grants:			
<u>by Type</u>	RDG	71	11	60
	RSA	31	1	30
	NSA -sectoral	3	0	3
	-support for innovation	4	1	3
	-non-sectoral	1	0	1
	enterprise allowance	6	0	6
	local authority	4	2	2
	Low Interest Loans:			
	ECSC	24	3	21
	EIB	1	1	0
	local authority	0	0	0
	small firms guarantee	11	0	11
	BSC(I)	16	0	16
	Enterprise Zone	23	1	22
	Advance factory units:			
	CNT	18	0	18
	local authority	1	0	1
	other	0	0	0
	Business Expansion Scheme	5	0	5
	Venture Capital	5	1	4
	other	8	2	6

TABLE C  
CORBY

		ALL FIRMS	FIRMS ESTABLISHED BEFORE CLOSURE	FIRMS ESTABLISHED AFTER CLOSURE
<u>11. Advice</u>	Location:			
	UK	13	1	12
	Region	6	0	6
	local area	14	0	14
	site	18	0	18
	Financial package	6	1	5
	Firm:			
	creation	5	1	4
	growth	15	6	9
	survival	6	1	5
	other	6	2	4
<u>12. Would you have</u>	yes	41	10	31
<u>established here</u>	no	50	3	47
<u>without incentives ?</u>	other	11	7	4
<u>13. Have the incentives</u>	yes	18	4	14
<u>increased</u>	no	36	7	29
<u>employment ?</u>	other	48	6	42
<u>14. Have the incentives</u>	yes	42	4	38
<u>been crucial for</u>	no	59	14	45
<u>business survival ?</u>	other	4	3	1

Despite all the attempts at diversification before and after the steel closure the BSC still remains the largest employer in Corby. Even with a continuing jobs haemorrhage the tubeworks still employs twice as many people as RS Components, Corby's second largest employer. The steel tubes business is not, especially at the bulk welded end of the market, showing any real signs of recovery from the recession. The situation is, if anything, worse for the higher quality privatised parts of BSC Corby- Seamless Tubes Ltd. (STL) and Cold Drawn Tubes Ltd. (CDTL)- both joint ventures with the TI group. STL is in a doubly uncertain position because of the reduced demand for North Sea oilfield products (due to a depressed world oil price) and because of its external control by a previously hostile competitor with the capability to replicate nearly all production functions. Subsequent to privatisation STL has cut its workforce by half, especially since the "plug mill" (the hot furnace and basic seamless tube forming function lost to TI at Wednesfield, West Midlands) days. The joint venture has meant that most of the strategic decision making takes place at Wednesfield- a plant that can nearly match the Corby tube finishing facilities. The only advantages left to Corby for seamless tube finishing are that the licences for the French VAM special tube joints are held by BSC and the fact that Corby has the sales and marketing expertise for oilfield products- neither feature being untransportable.

Apart from the tubeworks most of the pre-closure firms' employment is made up of women. This is a measure of the

deliberate policy of the time (see above). Most of the established female employment is concentrated in the following older firms: Aquascutum (gentlemens' cotton outerwear), Avon Cosmetics (perfumery warehouse), Celebration Arts (greetings card packaging and warehousing), Nielsen Clearing House (money off coupon redemption and promotions service) and Dubois plc (plastic traps and waste filters). The newer firms still show a bias towards full-time male labour (in a ratio of 2:1) but this represents a much greater female presence than existed previously in the steel industry. The questionnaire also raises some doubts about the increased use of part-time and temporary labour. Neither appears to play a major role in Corby's labour market. Four firms account for most of the part-time and temporary workers, amongst the older generation: BSC, Avon and Nielsen Clearing House; and from the new generation RS Components. The minimum industrial base wage rate per hour experienced in Corby is was 1.94 per week (1985) for an unskilled worker (average)- giving 77.60 for a forty hour week (Corby Personnel Association). Thus if wages are low (much lower rates are claimed by the Trades Council) the national insurance premiums (the main reason for using part-timers) will be commensurate and perhaps greater productivity, in highly mechanised processes, can be achieved with full-time workers.

RS Components is the only new firm with more than 1,000 employees in Corby. Its main function is the provision of a same day order service on a wide range of electrical and

electronic components from its quarterly produced catalogue. It is, in effect, a modern warehouse. Its only remotely manufacturing function is the repackaging and the inclusion of the "RS" logo on batches of compatible products. A significant proportion of the company's 440 female workers are involved in VDU operations of order processing- the remainder tend to be in clerical/administrative or packing grades. RS (it stands for Radio Spares) forms the major part of the Electocomponents Group plc and must be one of the most successful companies to establish in Corby: 1985-86 sales amounted to 137,400,000 pounds and profits of 31,500,000 pounds (a 28% increase on the previous year) with employment showing a rise of 71 (1985-86 annual report).

The level of success achieved by RS Components has not been matched elsewhere in Corby. National proof that the electronics industry has not provided the anticipated cornucopia of jobs is available in the sector profiles of the Engineering Industry Training Board which show a consistent decline in electronics sector employment since 1979 (though enterprise zones are exempt from the requirement to complete of EITB figures). Commodore Business Machines (UK) Ltd is exemplary of the levels of exploitation that can occur. In March 1983 Commodore announced plans to establish an assembly plant in Corby to create 1,000 jobs. By December 1984 600 people were working at the non-union plant but 110 were made redundant in January 1985 in a financial year when the company as a whole lost nearly 100 million pounds. The build up to the previous Christmas was a period when demand for the

C64 range of micro's (from Corby) was particularly high (Charlton, 1986). It is no coincidence that the rest of the plant was shutdown when the British home computer market collapsed the following year. Although the exact amount of public funding made available to Commodore is impossible to determine reliable estimates (ComputerTalk) suggest a figure of at least 2 million pounds. In November 1985 140 jobs went at Commodore Corby with the final 250 employees going in January 1986 leaving a remnant of 40 administrative staff.

Despite the data collection problems for the previous occupation figures (several companies claimed that the information was not readily available or records not kept), some important themes emerge. Nearly 1,500 ex-steelworkers are recorded from the responding companies. This is probably an understatement because there have been over 10,000 job losses from the steel works over the last decade, and, as has been previously demonstrated there were few alternative sources of employment in a "company" town. If however, the figures are taken as a true record, less than half the recently established male jobs went to ex-steelworkers (or just over a quarter of the the total new jobs). ECSC incentives have generally proved problematic for British companies to obtain because of the strenuous qualifications, time consuming administration and a number of moratoria on expenditure imposed by the EC in times of financial stress (caused by overcommitment to other policy areas). This reinforces the idea that ex-steelworkers encounter problems re-entering the labour market, even though the ECSC nominally

provides incentives for companies to do this.

The slightly lower figures (than for ex-steelworkers) for the "other unemployed" category may well include some steelworkers as well as those whose previous employment was at some of the recently closed "new" firms. "Other unemployed" accounts for less than a quarter of the total employment at the newer firms indicating some preference amongst employers for either those in work or those with recent experience. Housewives and under 25's are preferred to school leavers, though there are concentrations of the former in certain firms- particularly RS Components. Situations for school leavers and opportunities for MSC schemes seem particularly bleak. Some, especially the smaller, firms have indicated that the costs in terms of administration and training time mitigate against the use of MSC placements (such as YTS). The wide availability of work conditioned candidates also mitigates against the take up of schoolleavers.

Most firms responding to the questionnaire claimed to have increased their employment over the twelve month period preceding the survey date, November 1985. Over 30% claimed stable employment- but this is a more obvious feature of the older employers. Few companies were prepared to admit to decreases. The fact that approximately half of the firms indicated employment stability must be treated with cautious concern because of the potential for decline that this offers- not, of course, that over-expansive growth (beyond a

firm's capability) is necessarily a sign of economic well-being. The situation is more volatile for the new firms with higher numbers showing increases but also more showing decreases (mainly single plant firms and multi-nationals).

The majority of the responding firms were private (limited) companies with subsidiaries being the second most important rather than public limited companies. One co-operative was also encountered. The "other" section appears quite small- it consists of individuals, partnerships and sole traders; ie persons not in a position to register for limited liability status. Not unexpectedly most of the private firms have been established since steel closure. Most of these firms are single plant firms. The more mature firms show a higher proportion of plc's and subsidiaries. The exterior control of the Corby economy (40% of all the responding firms were multi-nationals or UK multi-plants) is reinforced by the findings of Roger Tym and Partners (1984) that the Corby enterprise zone has proved attractive to firms from outside its economic region.

The use of organisational structure to sort the responses provided a consistent impression with that of legal status. Recent establishments account for the majority of single plant firms. Two thirds of the smaller group of mature firms are either multi-nationals or UK multi-plants. This may be partially accounted for by previous attempts to generate a branch plant economy.



The functional distributions show a somewhat surprising prevalence of the sales/marketing function- not normally regarded as a strength of British industry. It appears to correlate strongly with the headquarters function of the newer firms and could reflect centrality and proximity to the growing markets of the South East and East Anglia. The headquarters function is, not unnaturally, associated with the private company/single plant firms. The other "high order" function, research and development, is similarly distributed to headquarters but at a considerably lower level amongst the single plant firms (which raises questions about their future survival chances). However, amongst the firms encountered there were at least three "trial plants" devoted to product and process development (if not primary research) in various sectors: printing, heating systems and paper products. There is no evidence that the "enterprise culture" was instrumental in encouraging this kind of activity- one industrialist, of the three, positively denied any such linkage and was highly critical of the entire industrial support system in Britain. Collectively the manufacturing and storage functions were of the greatest importance (particularly product assembly, component production and assembly, and warehousing). The low levels of importance given to branch office activity and retailing functions underline the previously mentioned local trading difficulties.

A considerable number of firms indicated that they had not moved from another location; this suggests the spontaneous

development of a highly diversified local economy. This masks the extremely local moves and new subsidiary and branch plant initiatives. Only the pre-closure firms show a majority which have moved from elsewhere, perhaps an indication of the greater industrial mobility prior to the 1980's.

The location of major suppliers shows a distinctly non-local structure that is a measure of the town's narrow industrial base and scepticism with regard to the durability of many of the new firms. Corby and the "rest of the world" are almost equivalent supply sources. One established engineering company refuses to trade with any new firms because of previous bad experiences in attempting to retrieve goods sold on credit from liquidators and receivers. Most firms use supplies from the UK outside the East Midlands, though the longer established firms have established more local sources. Post-closure firms exemplify the recent internationalisation of capital because they are supplied more from the EC than from Corby (massively so when the rest of the world is included).

A similar pattern emerges with regards to the location of major markets for Corby firms except that a smaller element has international markets than international sources of supply (a local manifestation of the trade deficit?). Corby markets are far more important for the newer firms than the pre-1979 establishments- another measure of the vulnerability referred to above. The newer firms, however, seem more tied

into the most prosperous UK market area: southern England. Overall, the rest of the UK, apart from the East Midlands and the South appears to be the dominant market area for Corby firms.

The high proportion of (the particularly new) firms whose distribution network is to other manufacturers suggests the preponderance of part finished manufacture. A major part of the high values recorded for distribution elsewhere can be attributed to direct customer dealings by many of the new single plant firms. The older and larger firms tend to have developed more complex distribution networks.

In general, financial aid has proved more popular than advice. The Department of Trade and Industry (DTI) is the most prominent source of financial assistance- a measure, not only, of the degree of certainty involved in regional development grant attainment but also the fact that Corby represents the East Midlands only whole example of a development area in its operational region. Corby tends to be the focus of attention for the regional office of the DTI at Nottingham- exemplified by the permanent Corby exhibition there. In its first five years as a recipient of regional development aid Corby has received 35.835 million pounds (19.8 million as regional development grant and 15.9 million as regional selective assistance). The largest single payment was 4.25 million pounds in selective assistance paid to RS Components. However, BSC received 3.8 million pounds after a closure it had initiated itself! Another major

beneficiary was British and American Tobacco whose mechanised leaf handling plant provides only 39 jobs yet received 2.56 million pounds. There appears to be a very high awareness amongst the Corby firms of ECSC loans, especially the newer firms. Whether this is a function of relative proximity to Bruxelles or the much vaunted efforts of the District Council to obtain European assistance is uncertain.

Locational advice is utilised to a far greater degree than business advice. But in general the response to the advice section of the questionnaire was low, indicative of low managerial perceptions of the need to take advice (action amounting to an admission of failure). The newer single plant firms are the main recipients of advice, the multiples and older firms being less receptive.

The locational reasons for establishment in Corby suggest that out of the newer firms financial incentives get the most first order preferences but may, even so, well be under-represented because of the traditional British reluctance to discuss financial matters. One comment from a music publisher who had relocated from central London was more forthcoming;

"this town has nothing to offer, no culture, no nightlife- nothing- don't kid yourself, the only reason people come to Corby is money, pure and simple" (H. Fenton, 1985 interview).

Site and labour availability are other important considerations for many of the firms. The older firms are

less concerned with financial incentives but stress the value of site availability, local markets and other personal factors. It appears that personal reasons are also important for the smaller new single plant firms.

The company responses to a set of more subjective questions about responses to the package of advice and incentives show that most of the newer firms would not have established in Corby without the package of assistance. The pre-closure firms did not have such opportunities yet for three of them (those establishing immediately prior to steel closure) the imminence of development area status was potentially a determining factor. UK multi-plant firms seem to be most swayed by the financial implications of coming to Corby. Many of the smaller single plant (ie often single person) businesses are dependent on a much more local selection procedure than the larger firms. The response to the question on the employment impact of the incentives received was generally uncertain or negative. The impression is, then, that the incentives cannot be associated with any increases in employment. Whether the incentives are crucial for survival obviously depends on the type of company. More of the single plant firms needed the incentives to survive than did not, it was equal for UK multi-plants and unimportant for most of the multi-nationals.

#### 4.5 SUMMARY AND CONCLUSIONS

Corby has had the shortest industrial history of the three areas studied. It has been the area most amenable to change (that is the local authority has been the most willing to abandon the post war consensus and embrace the New Right ideologies), despite mounting the most vigorous anti-closure campaign of the three areas. Corby remains distinct from the surrounding Northamptonshire towns and villages. The distinctions are demographic (the Scottishness of the place remains strong but is being diluted) and sociological (the description of the town as an "industrial cuckoo in a rural nest" remains apt, despite the tendency for the East Midlands to become part of London's commuter belt). Few of the incoming company owners from the South East chose to live in Corby; they prefer the surrounding villages. Corby has returned a Conservative MP at the the last two General Elections (1983 and 1987).

A significant difference between Corby and the other steel closure areas studied was its designation as a New Town between 1950 and 1980. The problem of over-dependence on a single industry was identified and some corrective action attempted (eg the building of the Golden Wonder factory in 1967) well in advance of the closure. After the closure in 1980, the Commission for New Towns was well placed to develop the nascent industrial property market. The problem, prior to closure, was that not only Stewarts and Lloyds and British Steel but also the central government opposed the

introduction of new male employment; the former couple on monopolistic grounds and the latter on the grounds that other places had more urgent regional policy needs. Even so, significant progress in alternative employment provision had been achieved before closure.

BSC argued the case for closure on the grounds of technical problems with low grade local ores (the vast local quarries also shut in 1980), ingot steel production (rather than continuous slab), national steel over-capacity and investment in other areas (notably at Redcar-Lackenby). BSC won the case amongst the steel workers with generous redundancy terms. Some of the most vigorous opposition came from outside the Works. Corby District Council took swift and authoritative action after the closure, initiating the Joint Industrial Development Committee (JIDC) and appointing a Director of Industry (McClenaghan). The Industrial Development Centre was run on small business lines with Corby as the product for the "hard sell". It was by far the most professional and commercially orientated industrial development establishment encountered during this study (even more so than the WDA).

Corby has been hailed, and vigorously promotes itself, as the most successful steel closure area; claiming to have created over 10,000 jobs since steel closure (to mid-1987). Despite this the BSC plant (and its specialist tube subsidiaries) remains the largest employer in the town. Using the CNT annual census of employment (now the remit of

the District Council) a net gain of only 3,572 since 1981 can be discerned (to 1987). There is a distinct impression that the "new jobs" total has been accumulating with no reference to job losses in the interim. The enterprise zone report by the Department of the Environment (1985-86) shows a 500 job decline for Corby, most probably as a result of the Commodore closure. The Commodore closure exemplifies the dangers of internationalising local economies: several million pounds were lost to the public purse as this multinational (supposedly at the forefront of "high technology" industry) firm took the grants for an assembly plant then rationalized production in favour of Germany when there was a dip in demand. The ephemeral nature of the employment scene in Corby was emphasised during the questionnaire preparation period. The lists provided by the industrial development centre were hopelessly outdated, with over 150 firms no longer occupying the sites as listed. Some industrialists refused to allow trade credit to newly established firms for fear of losing money in the likelihood of closure.

It is not only the number of jobs "created" that is disputable, but also the wages and conditions and, by implication, the quality of life they represent. The Corby Personnel Association at the Jobcentre claimed a minimum unskilled industrial rate of 1.94 per hour (giving 77 pounds per 40 hour week) yet at the same time a local trades unionist found wages of 40-60 pounds per week "quite common in many of the factories" (P. Weston, 1985), even 120 pounds per fortnight for 116 hours! The Commodore closure was not



unexpected by Mr Weston and there had been no love lost on the union side, the US company's hostility to unions extended to blocking even the ultra-moderate EEPTU's attempt to organise. The attitude of one unemployed ex-steelworker (Financial Times, 1987b) appears quite typical:

"I know people today who were in the works with me. Do you know what they are doing now? They are doing women's jobs- at 1.85 an hour. after 30 years in the works I don't think I should have to do a women's job to survive."

Corby's Labour Council has implemented mainstream Thatcherite initiatives with an enthusiasm that allows no criticism. Attendance at a Trades Council forum entitled "Is Corby really working?" was forbidden in the following manner by a letter to councillors from the Chief Executive:

"The policy committee agreed to support the recommendation of the JIDC that both the Council and the Commission for New Towns should not attend the meeting as they considered it to be inappropriate at the present time and served no useful purpose to the continuing regeneration of Corby. In addition having regard to this decision it was agreed that the Council Chamber should not be used or made available for the purposes of this Forum. The Committee further emphasised that as a confidential item no comment would be made to the media in respect of these decisions and accordingly all Members of the Council should be made aware of the position," (signed Duncan Hall, who was an appointed, not a political, official; 27th March 1985).

A headline on the front page of that evening's local paper

read: "Council boycotts jobs summit," so much for secrecy. The meeting was attended by two Corby councillors who subsequently had the whip removed by the local Labour group and suffered nine month suspensions from political activity in the town. One councillor has been to the high court to have his case sustained.

It must be stressed that Corby may have the "most successful enterprise zone by most criteria" (R Tym and partners 1984) and have generated an amount of private sector industrial property development but unemployment remains high. The commercial "success" of Corby is not surprising considering its location as the closest development area to London and its proximity to the A1 and M1 routes. It would have been very odd, in a time of considerable manufacturing decentralisation away from the capital, if Corby had not participated in this. The Wonderworld themepark (the great development hope of the early nineteen eighties) is unlikely to get much further than the weathering board which marks the spot, in an abandoned open cast site to the east of the town; City investors looking for such things are better provided at Battersea power station. The most telling quotation from Fred McClenaghan was "many is the time that I think my job is like pouring water into a leaking barrel" (in Weston, 1985). In answer to the hypothetical question: "is it possible that new factories will replace the old industries such as steel?" Weston replied "if Corby is a guide then the answer must be a definite 'no'."

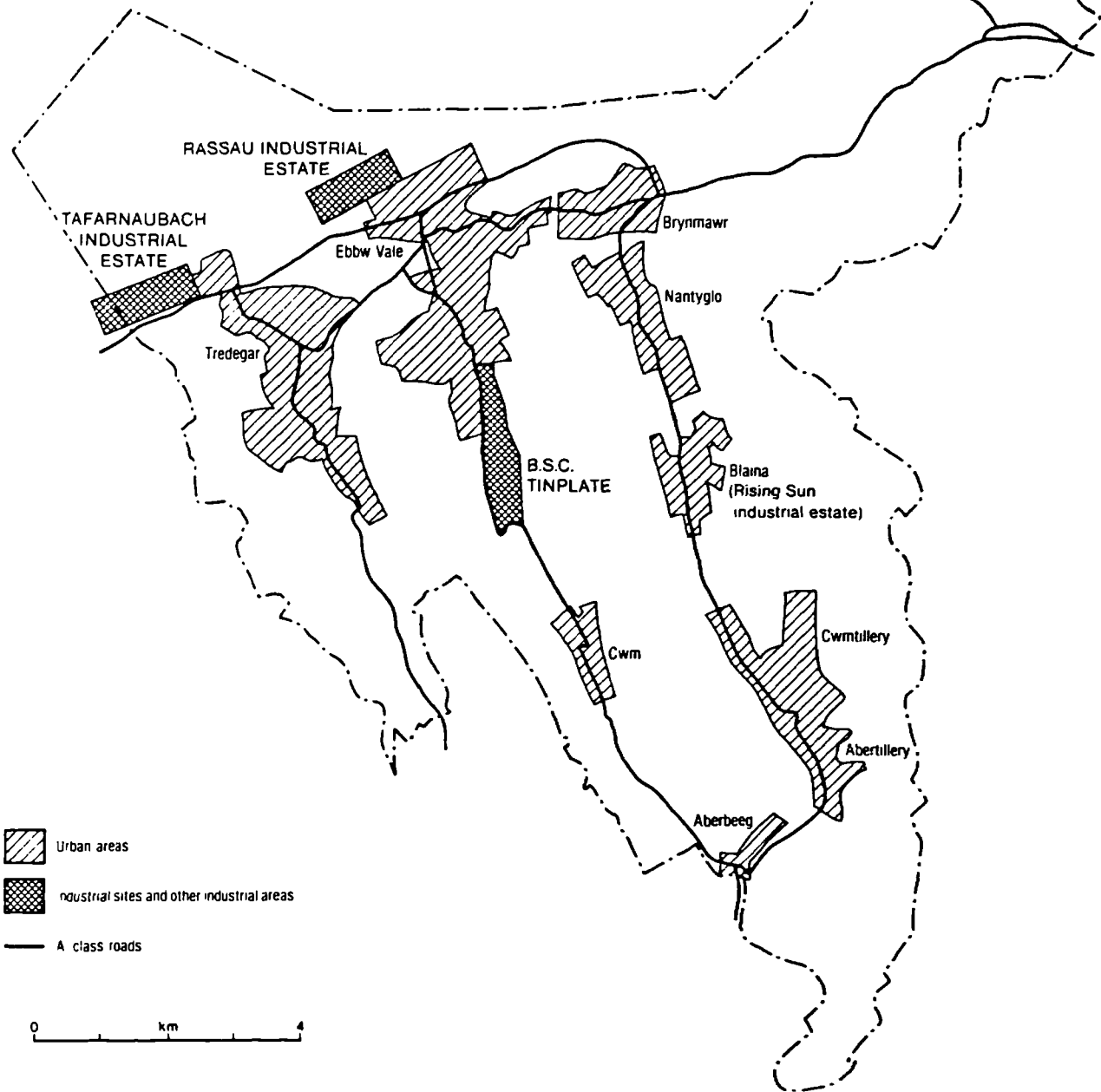
## CHAPTER FIVE

### EBBW VALE

"Stand on the massive flank of Mynydd Carn-y-Cefn at Twynffwrdd, and gaze across the narrow valley to the slopes of Cefn Manmoel. Below, elbowing its way along the valley floor for almost three miles, and burrowing its way into the valley wall in parts, lies the British Steel Corporation Ebbw Vale Steelworks. Beyond and below the steelworks to the south lies the village of Cwm and the Marine Colliery."

(H. Burgess and Partners, April, 1973).

**BOROUGH OF BLAENAU GWENT —  
INDUSTRIAL ESTATES**



## 5.1 THE PRE-1930S CONTEXT

Ebbw Vale is one of several "Heads of the Valleys" towns with long histories of iron and steel production (nearby Merthyr is another). Initially production was based on local raw materials; water-power, limestone, ironstone and charcoal (replaced through the nineteenth century by deep mined coal). Watkins and Homfrey built the first Ebbw Vale iron furnace in the 1780's at Beaufort (much of the land was owned by the Duke of the same name) eventually to be taken over by Bailey of Nantyglo (a slightly earlier iron site in a neighbouring valley). The Harford family established the Ebbw Vale Company in 1792 (on the present works site) and were responsible for promoting the Non-Conformist character of the area. Other ironworks at Victoria (to the south of the town) dating from 1837 were absorbed by the Company in 1844. The Quaker heritage of the Harfords and the Darbys (Abraham Darby IV succeeded the Harfords in 1842) is reflected in the present social geography of the town because public houses were forbidden on Company land but there remains a concentration of them on Briery Hill, an area owned by less high minded landlords.

Despite the paternalistic nature of the Ebbw Vale Iron, Steel and Coal Company (a title confirming its control over the complete Valley economy) the mid-nineteenth century would qualify Ebbw Vale for inclusion in Cooke's "radical region" category. There was considerable local involvement in the Merthyr Rising (1831), and the Chartist Movement (1839) when

14000 men from Ebbw Vale marched on Newport to release some imprisoned strikers. The Company's paternalism was by no means benign. There were a number of very genuine grievances over: pay being linked to product prices, the "truck" system (monopolistic Company shops operating wages credit systems which meant that no actual cash was paid), and atrocious working conditions (it is recorded that women and children continued to work underground in Ebbw Vale 20 years after the passing of prohibitive legislation).

Employment in coal production tended to be more important than that in steel production throughout the nineteenth century. There was a transition from the smaller drift working at the head of the valley (with the exhaustion of easily worked seams) to deep mines further down the valley. The last and only remaining colliery, Marine Cwm, was sunk in 1889 by German mining engineers. It produces high-grade coking coal. Two major pit disasters have occurred in Ebbw Vale, firstly at Victoria No. 1 pit in 1871 (18 deaths) and secondly at Marine in 1927 (52 deaths) both due to underground explosions. In 1901 in the Ebbw Vale Urban District miners outnumbered iron and steelworkers by over 2 to 1 (3,684 to 1,685).

The political transformation from Liberal to Labour was achieved in 1904 when Tom Richards the sitting M.P. abandoned the Liberal Party and was returned as a Labour M.P. in the General Election of the following year (with a majority of 10,250). The Labour hegemony has never subsequently been

interrupted. Aneurin Bevan succeeded Richards in 1929.

The first two decades of the twentieth century, although marking the high point of the area's coal-based economy (production and population peaked in 1921), were not without social upheavals- the Riot Act was last read in Ebbw Vale in 1911. At the same time a civic consciousness was evolving; the town boasted Britain's first electric street lighting in 1908 and Wales's first council house construction in 1909.

The post-Great War depression exposed the real vulnerability of the Ebbw Vale works. Situated 20 miles from the coast, 1000 ft. above sea level and with an increasing reliance upon imported ores (from Northamptonshire or overseas) the advantages of a coastal site such as was being developed at Port Talbot were becoming apparent as the world recession deepened. During the 1920's throughout the Heads of the Valleys area (from Merthyr to Blaenavon) coal, steel and tinplate closures and "temporary stoppages" resulted in high rates of male unemployment. The closure of the Ebbw Vale steelworks (which had been employing 6,000 people) in 1929 was by no means an unusual event for the area. The unemployment effects were predictable: Ebbw Vale had a rate of 35% whilst Brynmawr had a staggering 74% male rate (Ministry of Labour, 1934).

## 5.2 PRE-WAR REGIONAL INITIATIVES

The South Wales section of The Report of Investigations into the Industrial Conditions in Certain Depressed Areas (Cmnd. 4728), 1934, was compiled by Lord Portal. He identified Ebbw Vale as a "black spot" because of record levels of employment decline derived from the coal and steel closures, even though neighbouring districts suffered even higher unemployment rates (Blaina 72% and Abertillery 55%, both now part of Blaenau Gwent).

A somewhat confusing picture has emerged of the background to the rebuilding of the Ebbw Vale steel industry in the mid-to late 1930's. Sir William Firth, chairman of Richard Thomas & Co. decided on the necessity of rationalising the British tinsplate industry around a recently designed American wide strip mill. He announced plans to establish a new integrated works at Redbourn in Lincolnshire to utilise the same type of plentiful (low grade ores) that had attracted Stewarts and Lloyds to Corby a few years previously. Such a move had severe implications for the traditional centres of the tinsplate industry in the south west of industrial Wales around Swansea and Llanelli. The ambiguity, mentioned above, arises out of whether Firth's post-hoc rationalisation that the Lincolnshire plan was a commercial feint or whether, as is more likely, political pressure (from Lord Baldwin) with promises of future subsidy was more influential. Whatever the instigation, the move to Ebbw Vale was unexpected and greeted with local rejoicing (though not in the traditional



tinplate areas further west). The Portal "black spot" designation (the only other being at Blaenavon in the neighbouring valley) and the change of government attitude exemplified by the Special Areas Act 1934 probably induced the intervention. A 40000 signature petition, presented by a deputation of "commercial, trading and industrial interests of Monmouthshire" (Times, 23rd October 1935) urged the government to take steps to reopen the Ebbw Vale steelworks and was probably significant in drawing attention to the area. Baldwin claimed responsibility for intervening for Ebbw Vale himself but there is evidence that Firth was the first to suggest the town as suitable for his new plant (2nd Report of the Commissioners for Special Areas 1935-36). Construction expenses were supported from the public sector by a consortium of Banks led by the Bank of England (6 million pounds was involved).

The demolition of the old works and construction of the new (1936-38) employed over 8,000 men but only 3500 were employed by Richard Thomas when the plant opened in 1938. The imported Irish construction workers "imparted an unwonted liveliness to the streets" on Saturday nights (reported the Mayor of the time). By the outbreak of war 6000 were employed. Ebbw Vale was briefly a British centre of technological innovation (as previously it had been with the location for the country's first Bessemer plant): iron and steel production was integrated with continuous hot and cold reduction, strip, sheet and tinplate mills.

The other Heads of the Valley towns (later to form the Borough of Blaenau Gwent) suffered continuing high levels of unemployment until the lead up to the 1939 war. Perhaps the hardest hit town (by the decline of the coal industry) was Brynmawr where the Society of Friends initiated an experiment in 1929 by introducing semi-charitable boot and furniture making to occupy the unemployed. These industrial activities are still to be found in the town.

Two quotations from the 1938 Ebbw Vale town guide indicate, in what are now familiar place promotional terms, the Council's perception of the dangers of dependence upon a single industry:

"With great natural resources at command, excellent road and railway communications with all parts of the country, and quick access to ports of the British Channel, the town has many unexplored possibilities well worth examination by those interested in securing sites for new industries, particularly such as depend upon cheap power, suitable supplies of labour and first class facilities for importation and exportation"  
p.11.

"the air has a mountain freshness, and the keenness of the climate accordingly breeds an energetic and virile populace"  
p.13 (A. Gray Jones).

The last statement must be considered somewhat ludicrous in terms of its climatic determinism as the population consisted mostly of migrants; the period between 1891 and 1921 saw a growth of nearly 75%.

### 5.3 THE POST-WAR CONSENSUS: REGIONAL POLICY UNTIL THE 1970S

It is ironic that, as Morgan (1980) suggests, that the steel industry was not used as a tool for regional policy after nationalisation as it had been in the 1930's. The Ebbw Vale locational decision was a private sector deal "encouraged" by the government. Ebbw Vale stands out in that the works were not denationalised in 1952 with the rest of the steel industry. Such was the prior commitment of public funds (see above) that the Ebbw Vale works remained in the public sector until joined by the other major steel companies in 1967.

Employment at the works peaked shortly after the end of the war, at approximately 12,000. By the early 1950's it was down to 9,000 where it remained for the subsequent twenty years. Despite designation as a special development area and always being in receipt of the highest levels of regional aid available, little was achieved in diversifying the local economy between the 1940's and 1960's. In Ebbw Vale itself the only major new employer in this period was Berlei, the hosiery manufacturer, who have since contracted from the provision of 400 jobs to about 30 and have faced liquidation. Tredegar and Brynmawr, whose reliance on the coal industry was almost totally eroded during the 1960's, managed to attract a few new employers during this period. At one stage the Dunlop Semtex factory in Brynmawr employed over 3,000 people, it is now an empty listed building, the subject of a recent public enquiry. The Beeching "axe" cut the

Abergavenny to Merthyr heads of the valleys rail link and brought about the cessation of passenger services in the valley, badly affecting employment as well as transportation. The situation thus arose that the Ebbw Vale locality was increasingly dependent upon the steelworks during a time (from 1962) when Llanwern (Newport) was being developed as a preferred coastal location for basic oxygen steelmaking. Ebbw Vale relied on the outdated open hearth technology.

It appears that whilst the steelworks in Ebbw Vale was operational, and employing 9,000 at relatively high wages, a "boomtown" air of complacency prevailed. A branch plant economy did not develop there. It is possible, although there is little hard evidence to prove it, that the Richard Thomas Baldwins Company and later BSC took active measures to discourage the provision of alternative, competing male employment during the 1950's and 1960's when many firms decentralised from the South East and West Midlands. The only major employer to come to Ebbw Vale at this time employed predominantly women. The town and district remained reliant upon the "Works" until after the end of steelmaking.

Before embarking on an analysis of the closure, the agencies and issues involved in the subsequent attraction of industry to Ebbw Vale, it is worth establishing the industrial structure and labour market conditions immediately prior to the closure announcement. The consultants' impact study (H. Burgess and Partners, 1973) identified six major employers who accounted for 90% of the employment in the Ebbw

Vale Urban District in 1972: BSC- 9,000, NCB-Marine Colliery- 630, Monmouthshire County Council (Education)- 470, Ebbw Vale UDC- 420, and Construction firms (Hecketts, Birds etc)- 600. The residential distribution of BSC workers shows the dominance of Ebbw Vale and Tredegar but the importance of the works for some of the smaller settlements, particularly Brynmawr (467 BSC employees) and Nantyglo-Blaina (374), cannot be over stressed. In 1970, 59% of the 9343 BSC employees lived in Ebbw Vale, 19% in Tredegar, 5% in Brynmawr, 4% in Nantyglo-Blaina, 3.2% in Abergavenny, 2.8% in Abertillery, 2.4% in Rhymney-Pontlottyn-Bargoed, 1.7% in Merthyr and 2.7% elsewhere. The study identified a 9:1 ratio of dependency of public to private sector industry in Ebbw Vale.

Between 1966 and 1971 there were 15 new industrial establishments in the Ebbw Vale Travel To Work Area (6 in Ebbw Vale Urban District), providing an employment total of 790 (410 female and 380 male jobs). This was at a time of increasing regional development activity. The impact study suggested that instead of creating 100 jobs per year (as in the previous seven years) 1000 per year would now be required for the four subsequent years. The study offered few ideas as to how to cater for the predominantly male workforce likely to be made redundant.

The age structure of the BSC workers is also of note because it shows a relatively youthful distribution and thus any effects of "natural wastage", through early retirement,

will be minimised (even if 55 rather than 60 is taken as the retirement age). The age structure immediately prior to closure (December, 1972) was: under 18 years- 2.8% (254 workers), 18-21 years- 7.1% (638), 21-26 years- 12.4% (1,122), 26-41 years- 29.8% (2698), 41-46 years-10.4% (944), 46-55 years- 20.9% (1,887), 55-60 years- 9.7% (874), 60 and over- 6.9% (624), total workforce- 9,041. Even in 1972 the steel industry accounted for 25% of male school leaver employment for Ebbw Vale and Abertillery and over 50% of the apprenticeships (64/117). The average weekly earnings of BSC workers (production, maintenance and ancillary) were considerably higher at Ebbw Vale than the national averages for manufacturing, coal and other industries in 1972: BSC- 40.20, NCB- 30.00, GB adult male manufacturing (manual)- 33.60, GB adult male all industries- 32.10.

The rateable value of the parts of the works to be closed, stood, in 1972 at 341,775 pounds i.e. 49% out of a works total of 702500 pounds (a figure which in turn represented 50% of the Urban District's total rateable value). Thus the closure equated to a direct loss to the local authority of between 25 and 30% of its rateable income (its major source of funding). The compensation for the loss of rates due to steel closure proved only to be of short term duration.

#### 5.4 THE SECOND STEEL CLOSURE IN 50 YEARS; A GRADUAL AFFAIR

The nationalisation of the rest of the steel industry in Britain and, more significantly, the subsequent reorganisation from regional to product group control in 1970 (Ebbw Vale was moved from the South Wales Group to form part of the Strip Mills Division- thus becoming more vulnerable to rationalisation on capacity rather than regional grounds), made possible the dreaded events that had been the subject of speculation over the previous decade. It is not the remit of this study to examine in great depth the reasons for closure (see, for example, Sadler, 1984) of inland sites, but a number of technical and economic factors had been causing concern throughout the 1960's. These included: the exhaustion of local ores and limestone, distance from deep water access for bulk carriers, increasing international competition for domestic steel markets, the technological inferiority of the open hearth process compared with basic oxygen steelmaking (BOS) and a continuing lack of investment in new plant.

Lord Melchett (BSC Chairman) made the first announcement on the future of Ebbw Vale in 1970 as he opened the new ore terminal at the Port Talbot works, where basic oxygen steelmaking (BOS) had just been introduced. Bulk iron and steelmaking had no long term future in Ebbw Vale, but the changes announced would only result in the loss of 1,000 jobs because of new investment in tinplating. This has to be viewed in the light of the expansive national plans BSC had

at the time. However, only two years later (16th November 1972) at a meeting with the Ebbw Vale Works Council Lord Melchett announced more drastic measures. The scale and timing of closures was far more serious than first imagined; the blast furnaces were to close in 1975, the open hearth furnaces in 1976 and the hot strip mill "before 1980". These would be partially compensated for by 50 million pounds worth of investment in tinsplating, creating only 400 jobs. The workforce was to be halved to 4,500 over the eight year period. New job opportunities, eg 200 at Llanwern, would arise at the two expanding coastal sites. The BSC press release of the time is a model of assured social concern, a reflection of the widely held belief that mass unemployment had been controlled and that foresight was all that was needed:

"This forward planning by the Corporation in relation to Ebbw Vale will ensure that a reasonable period of time exists to enable all concerned with social and regional policies to take steps to provide alternative job opportunities for those affected. This will involve both the Corporation and Government agencies, in London and in Wales, and the steps will include the maximum degree of redeployment and the provision of alternative work and new industry in the area," (quoted in Burgess & Partners, 1973).

The Ebbw Vale announcement was the first indication of BSC's ten year development strategy for the concentration of steelmaking in 5 sites (including Llanwern and Port Talbot). This strategy was confirmed by Cmnd.5226 in February 1973,



which also outlined attempts to alleviate the social consequences of closure. There would be significant job losses elsewhere in Wales (6500 at Shotton, 4500 at East Moors Cardiff). The implications of the other closures for the nascent place market were not lost in Ebbw Vale- as the consultants impact study noted caustically:

"Significantly, however the case for special government action and intervention in Ebbw Vale to provide alternative job opportunities, and its likely success, has thus been greatly jeopardised at the outset by the competing claims for resources by other steel towns similarly affected or potentially similarly affected," (H. Burgess and Partners, 1973).

The Urban District Council's (with the MP Michael Foot, who had superseded Bevan, in 1960) response to the closure proposals of November 1972 was to embark on a dual course of action. With the Works Council efforts were made to retain an integrated steelworks at Ebbw Vale. The second course, seemingly inconsistent with the former, was to lobby the Corporation and the Government to put back the dates of the proposed closures to allow time for reindustrialization.

The review of the Corporation's closure plans undertaken by Lord Beswick on the installation of the Labour government in 1974 offered no temporary salvation for the Ebbw Vale works. On February 9th 1975 the council of the newly formed Borough of Blaenau Gwent (consisting of the Urban Districts of Ebbw Vale, Tredegar, Abertillery, Brynmawr and

Nantyglo/Blaina) met and accepted the closure proposals. Michael Foot and John Morris, Secretary of State for Wales, addressed the meeting, and had the difficult task of demonstrating that opposition was "unrealistic" and that the government was committed to "no redundancies without alternative employment". The Labour Secretary of State said that there was "no viable alternative" to confirmation of the Corporation's plans. Reindustrialization- the attraction of "new industry to the area to provide alternative employment"- was the top priority for government departments. Ebbw Vale would be "more equal than other" Welsh areas. Mr. Morris announced that since 1972, seven firms had moved to the area (including Alfred Teves, Midland Oil, and Control Data) and that a further five (including Winstone Rollers and BSC Coated Strip Products) had yet to begin operations. 1950 jobs were in the "pipeline", of which 1350 were for men. Accordingly "never again would there be total dependence upon one employer". Throughout the meeting the need for industrial diversification was stressed, as was the obligation of the government and the Corporation to provide alternative jobs. This echoes the sentiments as reported by Lord Portal (1934, s.V para. 3) that Welsh councils "go as far as to say that the Government should be in a position to compel people starting new industries to do so in their districts". The magniloquence of Mr. Foot's conclusion has evaded even the minute-taker's blunting: "the choice is not whether we accept the closures but whether we accept a lingering death, thinking of the past, or work for an industrial resurrection". On 4th April 1975 the first blast furnace was

shut down. On the 19th April a further 700 BSC employees were given termination of employment notices: what was to be a lengthy closure process had begun.

## 5.5 THE EXPERIENCE OF REINDUSTRIALIZATION

### 5.5.1 Trends in Employment and Unemployment

The NOMIS data shown for Blaenau Gwent (it includes the Abergavenny rural area for the employment and late unemployment data due to problems in maintaining consistent geographical areas over the time period) in table 5.1 shows, like that for Hartlepool, that reindustrialization has not been notably successful. The total workforce continues to decline in numbers (by nearly 20% between 1971 and 1984). The level of unemployment has fallen but remains stubbornly high and well above the national average. The time delay on receipt of employment data means that 1987 figures to compare with unemployment will not be available for some time. Certainly the latest round of colliery closures (1987-88) will have a marked effect on the total employed in Blaenau Gwent and the privatisation of British Steel could mean the end of tinplate production at the Ebbw Vale works.

TABLE 5.1 TRENDS IN EMPLOYMENT AND UNEMPLOYMENT

BLAENAU GWENT

	EMPLOYMENT		UNEMPLOYMENT	
YEAR	TOTAL WORKFORCE		TOTAL UNEMPLOYED	RATE
(JUNE)				
1971	35,849		-	-
1972	35,678		1,579	5.3
1973	36,852		1,030	3.4
1974	37,825		1,030	3.4
1975	37,015		1,948	6.4
1976	35,611		3,120	10.2
1977	34,215		2,730	9.5
1978	31,911		3,448	12.8
(SEPT)				
1981	29,527		6,103	22.7
1984	28,895		7,497	21.0
1988	-		5,106	15.4

SOURCE: NOMIS

### 5.5.2 The Agencies Involved

1975 was a bumper year for agency formation with both the Welsh Development Agency (WDA) and British Steel Corporation (Industry) (BSC(I)) coming into existence. BSC(I)'s mainfestation in Ebbw Vale was very much an endorsement of the locally determined strategy to provide alternative employment as outlined by Michael Foot. The purpose of the BSC subsidiary was defined in simple but idealistic terms: "the company has a single mandate, which is to create jobs in designated steel closure areas. Its ultimate task (stemming from a sense of social responsibility) is to safeguard the well being of these communities affected by industrial change" (press release 1984). In Ebbw Vale the BSC(I) involvement stemmed from the New Jobs Team, established in 1971, under the aegis of the Board Member for Social Responsibility. The notion of social responsibility, currently exemplified by the Business In The Community Movement, was adumbrated in Ken Jones' "The Human Face of Change- social responsibility and rationalisation at British Steel", in 1974. BSC(I)'s activities have since been regarded as little more than of palliative value. At the height of its influence (1978-1984) BSC(I) in Blaenau Gwent was providing loans, grants, industrial land, managed workshops and the wages of the Director of the Business Advisory Centre. In this period BSC(I) dealt with over 50 firms involving an expenditure of over 1.5 million pounds. The only direct provision of employment by BSC(I) has been at the small workshop units which were designed to provide local

entrepreneurial stimulus rather than a panacea for the locality. The 19 units at Brynmawr, BSC(I)'s smallest workshops in Britain and located in a converted sports centre, provide employment for a total which fluctuates between 50 and 60. Small businesses are encouraged to leave as they "expand into new premises". Since 1984 BSC(I) has reverted to direct control by the Corporation but has had to operate on a self financing basis. The effects of this, in Blaenau Gwent and the other "opportunity areas" have been the termination of all grant activity, a marked diminution in loan activity (BSC(I) has become a "lender of last resort") and that the rates of interest compare unfavourably with those commercially available. Nationally, the job creation claims of BSC(I) are almost impossible to verify (a figure of 90,000 jobs assisted has been put forward) but at the local scale the social conscience of the Corporation appears to have expired. Imitation of BSC(I), even to the point of commerciality, has been a recent feature of other declining nationalised industries (eg British Shipbuilders and British Coal- NCB). Further evaluation of BSC(I) will be undertaken later.

The Welsh Development Agency (WDA) formally came into existence on 1st January 1976. The first calls for a regional investment agency came from the Welsh Labour Party in 1968 and were followed by demands from Plaid Cwmru for a national development agency principally to exercise control over capital. The practical interpretation of the statutory obligations of the Agency proved to be non-interventionary,

but there was considerable Conservative Party anxiety over the allowance "to establish and carry on new industrial undertakings". Morgan (1980) has noted that the agency preferred to operate in alliance with existing enterprise rather than actually take equity in companies. The Welsh Development Agency Act, 1975, charged the public body to:

- "a) further the economic development of Wales or any part of Wales and, in that connection, to provide, maintain, or safeguard employment;
- b) to promote industrial efficiency and international competitiveness in Wales;
- c) to further the improvement of the environment in Wales, having regard for existing amenity."

The first two (a) and b) are implicitly contradictory (manufacturing efficiency being usually associated with employment reductions). The "completely new role in stimulating industrial development and employment in Wales" (WDA, Annual Report, 1976) never materialised. The self-analysis of the first 5 years of WDA operation demonstrated the Agency's view of its priorities:

"the task set us by Parliament was to make Wales a more prosperous country- by developing industrial estates and sites, building factories, investing in new and expanding enterprises in Wales, providing business advisory services and promoting Wales as a location for industrial development- and by sweeping away industrial dereliction and improving the environment, to create a still more pleasant and attractive land," (WDA, 1981).

Employment generation, despite the statutory requirement, is

definitely secondary: "in so doing we have helped to create 11,000 jobs with prospects for a further 9,000....We have responded quickly to redundancies in the steel industry by launching programmes to build more than 400 extra factories in order to attract new job opportunities to these hard hit parts of Wales" (WDA 1981). Blaenau Gwent was the first steel closure area to be granted "special project" status for advance factory building for 48 units (464,000 square feet) in 1978. The agency absorbed and accelerated projects that were already going ahead with BSC(I), County and Borough council support; e.g. Rassau and Tafarnaubach industrial estates.

If a more than merely nominal usage of the term "agency" is adopted the Welsh Office, County and Borough Councils must all be given consideration with regard to industrial development and promotion. Each has an industrial development role which it is keen to demonstrate does not overlap with the others.

The Welsh Office came into being in 1964, headed by a Minister (Secretary of State) of Cabinet rank. It gradually assumed all the central government roles apart from Defence and Health and Social Security. Its particular importance, in this context, continues to be the handling of regional policy measures (RDG's and RSA's) which form the bulk of financial aid to industry- over 40 million pounds to the Ebbw Vale development area since the 1972 Industry Act came into force. Claims that 2,500 jobs were established because of



Welsh Office involvement in Ebbw Vale between 1973 and 1981 will be examined below.

Gwent County Council, the strategic planning authority for Blaenau Gwent (first strategic plan using 1976 data finally approved by 1981) operates a small industrial development section. The county publishes a glossy "high tech" style promotional brochure as well as taking advertising space in the national press. It adopts a "professional" approach to the various enquiring company "projects", acting as coordinating consultant.

It is, however, the Blaenau Gwent Borough Council Industrial Development Committee (IDC) which has come to dominate the reindustrialization programme in Ebbw Vale and the surrounding towns that make up BSC(I)'s "opportunity area". Sources in the Welsh Office have described the Blaenau Gwent Council as "the most progressive in Wales" in terms of giving priority to industry (interview 1986). Certainly the IDC is one of the largest and most active committees in the Borough, with the Chairman and his deputy having complete executive powers. The minutes of the Monitoring Committee (chaired by the Welsh Office but including representatives of BSC and all the other agencies mentioned above) indicate the determined bargaining stance undertaken by the Councillors for every scrap of economic assistance that can be mustered. The chairman of the committee has been quoted in the local press as saying that he would "sell his grandmother" (Blaenau Gwent Gazette, April

1986) to attract new industry. The motivation behind this devotion to industrial development is the perception of the threat to the existence of the Valley communities that further deindustrialization represents. It is not inconceivable that the desire for institutional self-perpetuation has overridden the radical socialist traditions of the area despite continued electoral support for the Labour Party. The establishment of a local development agency was not, as might first be supposed, prohibited on ideological grounds (i.e. as a tool of the Thatcherite enterprise culture) but on the grounds that control of certain functions might be lost by the elected representatives. The keenness of the industrial development committee to promote Blaenau Gwent has resulted in occasional over enthusiasm. Speculative enquiries from industrialists, instead of being dealt with in a quiet commercially confident manner, are often greeted by a daunting delegation of maybe 15 experts ready to convince them of the location's attractions.

### 5.5.3 The recent historical impact of reindustrialization

It is no surprise that precise information regarding factory closures, liquidations, and job losses is difficult to obtain. Such information counters the careful image building of the place promoters; that theirs is the ideal location for profitable business. It is worth remembering that in many cases the number of jobs lost at closure is considerably fewer than previously existed when the plant was

in full production. It is also a fact that some firms take on higher numbers of staff than they can sustain in order to qualify for certain grant aid. The annual census of employment (from NOMIS) provides a fairly accurate picture of employment change by minimum list heading (MLH) until 1981. For the four constituent amalgamated office areas comprising the Blaenau Gwent steel closure area the change between 1975 and 1981 was ranked and the top and bottom 5 cases and totals summarised as follows in table 5.2.

TABLE 5.2

Employment Change 1975-1981

MALE	Change
1.Electronic	} +902
2.Motor Vehicle	
3.Textile Machinery and accessories	
4.Wholesale Food and Drink	
5.Furniture and Upholstery	
5.Construction	} -1,992
4.Other mechanical engineering	
3.Local government service	
2.Linoleum, plastic floor covering	} -4,669
1.Iron and steel (general)	
TOTAL MALE ALL MLH'S CHANGE	19,837-13,604 = -6,233
FEMALE	
1.Electronic Computers	} +930
2.Medical and Dental services	
3.Construction	
4.Other services	
5.Motor Vehicle manufacture	
5.Retail food and drink distribution	} -1,108
4.Linoleum, plastic & floor covering	
3.Educational services	
2.Men & boys tailored outerwear	
1.Iron & steel (general)	} -395
FEMALE TOTALS ALL MLH'S CHANGE	8,654 - 7,742 = -902

Table 5.2 (continued)

ALL WORKERS	Change
1.Electronic computers	} +1,629
2.Motor Vehicle manufacture	
3.Medical & dental services	
4.Furniture & Upholstery	
5.Other services	
5.Educational services	} -2,489
4.Other mechanical engineering nes	
3.Local government service	
2.Linoleum, plastic & floor covering	
1.Iron & steel (general)	} -5,064
ALL WORKERS TOTAL ALL MLH'S CHANGE 28,491 - 21,356 = -7,135	

Table 5.2 demonstrates the problems encountered in Blaenau Gwent during the first few years of reindustrialization activity. The most alarming feature of these figures is that in no single case does the number of jobs "created" compensate for the numbers lost even outside the steel industry. This is also true for female employment which during this period provided nearly 60% of the new jobs. The major element missing from these statistics is the coal industry which was, in this district, going through a surprisingly stable period employing a consistent 3,430. Two of the four pits that this represents (Abertillery New Mine and Rose Heyworth) have been shut since 1981, Six Bells will soon (1987/1988) close leaving only Marine Cwm (employing 700) operational. The workforce at the NCB central workshops at Tredegar has been halved to approximately 200.

The European Regional Development Fund submission by HM Government (ERDF, 1986) provides some information for travel to work areas (TTWA) which means that Blaenau Gwent is now included in the more prosperous agricultural area of Abergavenny, but manufacturing information should not be too distorted. In Blaenau Gwent/Abergavenny the 23 manufacturing plants known to have opened since May 31st 1981 (and are still in production, mid-1986) employed 1,050 people. Manufacturing plants known to have closed which were in production before 31st May 1981 number 26 and had a peak employment of 2,400. These figures, therefore, do not include those plants which have established and shut since May 1981, i.e. some of the more short-lived and volatile firms. In these categories for South Wales only Newport shows any job gain (but a fall of 91 in the number of plants). The totals for industrial South Wales shows 152 plants still in production employing 6,700 against 250 closures employing 22,400. Blaenau Gwent's industrial experiences are by no means atypical of its sub-region.

#### 5.5.4 Current activity- the Agencies

The most striking recent change in the South Wales industrial development scene has been the November 1984 changes in regional development measures. There have been reductions in the percentages of grants available for capital expenditure (from 22% to 15% in special development, now development, areas such as Blaenau Gwent). The impact in Ebbw Vale of the new "job creation" qualifications has been

particularly felt by BSC Tinsplate, who had received, under the old system; 15.5 million pounds (62% of the RDG total for Blaenau Gwent 1975-86) for the new tinsplating and galvanising plants, but now qualify for much less. This is a further disincentive for BSC to remain in Ebbw Vale. The spatial implications for smaller firms are slightly more favourable for the Heads of the Valleys area. The M4 coastal plain area between Newport and Cardiff (traditionally the most attractive part of South Wales for inward investment; see Morgan, 1980) has been downgraded to intermediate status therefore not qualifying for RDG's but only for Selective Assistance. This has led to a reversal of the early 1980's situation where there was an excessive number of empty advance factories; the Borough and County Councils now have to lobby the WDA for an accelerated factory building programme. Both tiers of local government have reported that a number of industrialists have gone elsewhere because of a lack of suitable factory accommodation, but verification of this has proved impossible. Regional financial assistance has been coming into Blaenau Gwent at a rate of 4 million pounds per year since 1975 (this only includes the figures published by area- RDG and RSA). The new 15% ceiling (or 3,000 pounds per job) may well have been expected to reduce this. However the reverse appears to have been the case, the 1984 changes were quite widely debated and thus publicised, to the extent that take up of regional development grants, particularly by smaller firms, exceeded expectations, causing a temporary moratorium on this expenditure. The Welsh Office and Gwent County recommend the capitalisation of factory

costs (a calculation involving construction costs, rent and area occupied) to increase the amount of qualifying equity.

European Community money is available, but has in practice, proved hard to obtain. The interest rates offered by the European Investment Bank are not commercially competitive, though other commercial European Banks currently offer rates that undercut most British sources. The European Coal and Steel Community (ECSC) loans, only available in designated coal or steel closure areas (Blaenau Gwent is both) are sourced from central Community funds and have been subject to delays and suspensions (particularly as the Common Agricultural Policy continues to denude the Community of funds). An example of the problems local to Ebbw Vale was experienced by Yuasa Batteries. ECSC freezing of loans in mid-1986 caused this Japanese firm to seek help from NCB(Enterprise); the coal industry's "job creation arm" responded by providing its first million pound loan.

A large questionmark remains over the continued involvement of BSC(I)- outside its small workshop units at Brynmawr- because in 1987 the contract to employ the Business Advisory Centre Director expired and the intention is to halve the declining financial commitment to loan provision. The increasing trend for BSC(I) and the other "lenders of last resort" is to syndicate loans; ie spread the risk amongst a number of donor bodies- eg NCB(E) and the County Council. It is claimed that the NCB(E) imitation of BSC(I) evolved in South Wales (interview with Tony Fox, NCB(E) local



manager). NCB(E) was founded in 1984 and has a dual role: the provision of loans and the provision of coal board land for industrial activity (though little has actually been achieved). NCB(E) (now known as British Coal (Enterprise)) has converted far more rapidly to commerciality than BSC(I) by progressively tightening demands for loan security for all but the smallest amounts. Both agencies experience problems being "lenders of last resort" because of the poor quality of the firms encountered- these are distinctly not of the "blue chip" variety. "We are operating at the margin, sometimes below the margin"- Tony Fox, NCB(E) local representative (interview 1986).

The Blaenau Gwent Borough Council- described as "the most switched on" Council by a County Officer- has a (1986) glossy "Action Valley" promotional presentation. It highlights the borough's special set of industrial initiatives. Economic development grants offer up to 2,500 pounds for firms too small to qualify for regional development assistance. The business improvement scheme offers a 15% top up (of the 55% already provided by central government) for the cost of feasibility studies and business plans. Employment subsidies (in conjunction with the EC) provide firms with 30% of the wages of new employees (up to a total of 70 per annum in the Borough) for the first 6 months of employment. Facilities for specialised training are available at the Opportunities Centre- an ex-Skillcentre the Council took over when the MSC withdrew. Other, more standard, incentives include the provision of housing for key workers and the negotiation of

"competitive" terms for factory units and sites. The imminent dissolution of the current industrial development team has been brought about by the withdrawal of funding of the Business Advisory Centre's Director by BSC(I) and changes in councillors. This has led to a reopening of the debate on the formation of a development agency through the establishment of an Enterprise Trust (despite the ill-fated Neath Business Venture, as a local model).

#### 5.5.5 Current Activity- The impacts upon Industry and Employment

Much of the information in this section is derived from a questionnaire survey of 90 firms undertaken in Blaenau Gwent in February 1986, a response rate of 66%.

TABLE 5.3.

Survey Employment Types

WORKER TYPE	All Firms (90)	Pre-1975 (12)	Post 1975 (78)
Total Workers	5,807	3,560	2,247
Fulltime Male	4,717	3,132	1,585
Fulltime Female	907	413	494
Parttime Male	29	3	26
Parttime Female	69	8	61
Temp. Male	36	0	36
Temp. Female	21	4	17

Table 5.3 reemphasises what has already been stated; the incoming jobs fail to redress the balance of even the non-steel sector job losses over the period. In fact the new jobs do not even compensate for the 3,200 jobs lost in the mining industry since 1981 in Blaenau Gwent.

The BSC Ebbw Vale Works is still by far the largest employer in the Borough of Blaenau Gwent with 2,086 workers. The second largest private employer- Control Data, now the Xidex Corporation, was in the midst of a takeover at the time of the questionnaire and did not complete it. As elsewhere (eg NCB Workshops, Tredegar) reticence to participate in such an innocuous study proved ominous for jobs. The computer disk manufacturer announced a 200 reduction in employees (temporaries mainly) to leave 900 remaining. Despite massive reductions the third largest employer is still the NCB at Marine Colliery with a total of 726 (this has shown a slight rise with the redeployment of men from neighbouring pits). The next largest industrial employer has only 226 workers.

The reliance upon the traditional sectors, albeit in much reduced states, has not been challenged. It is unlikely to be, at any rate by Xidex, because of the nature of the Brynmawr company's product and the takeover's implications for its previously philanthropic management style (a sense of social responsibility is held to be partly responsible for its original- 1978- location decision). The company only has one product- computer disks for mainframes- at Brynmawr but this is rapidly being superseded by micro-technology. It remains to be seen whether the new Californian owners will re-equip the plant in Blaenau Gwent, the portents are not promising. Table 5.4 (table A) gives the questionnaire responses in tabular form.

TABLE A  
BLAENAU GWENT

		ALL FIRMS	FIRMS ESTABLISHED BEFORE CLOSURE	FIRMS ESTABLISHED AFTER CLOSURE
<u>1. Legal Status</u>	plc	7	3	4
	private company	58	5	53
	subsidiary	13	2	11
	other	12	2	10
<u>2. Structure of Organisation</u>	multinational	36	3	9
	UK multiplant	23	5	18
	single plant	53	2	51
	other	2	2	0
<u>3. Functions</u>	headquarters	36	0	36
	r & d	28	0	28
	branch office	16	4	12
	services (office)	33	2	31
	sales/marketing	36	2	34
	raw materials processing	43	4	39
	component production	30	4	26
	component assembly	25	3	22
	final product assembly	45	5	40
	warehousing	42	5	37
	retailing	13	2	11
	other	17	3	14

TABLE A  
BLAENAU GWENT

		ALL FIRMS	FIRMS ESTABLISHED BEFORE CLOSURE	FIRMS ESTABLISHED AFTER CLOSURE
<u>4. Movers from</u>	yes	26	3	23
<u>Another</u>	no	60	8	52
<u>Location</u>	other	3	0	3
<u>5. Suppliers by</u>	Blaenau Gwent	22	1	21
<u>Location</u>	Wales	63	6	57
	UK	168	25	143
	EC	33	2	31
	rest of world	17	1	16
<u>6. Main Markets</u>	Blaenau Gwent	19	3	16
<u>by location</u>	Gwent	21	5	16
	neighbouring counties	19	3	16
	Wales	23	4	19
	UK	60	7	53
	EC	24	4	19
	rest of world	17	2	15
<u>7. Distribution</u>	direct to customer	64	7	57
<u>Network</u>	direct to retailer	24	2	22
	to warehouses	8	1	7
	other manufacturers	11	1	10
	another division of firm	8	1	7
	elsewhere	6	0	6

TABLE A  
BLAEANU GWENT

		ALL FIRMS	FIRMS ESTABLISHED BEFORE CLOSURE		FIRMS ESTABLISHED AFTER CLOSURE		
<u>8. Employment</u>	remained stable	29	5		24		
<u>Change in</u>	increased	43	2		41		
<u>past year</u>	decreased	10	3		7		
		aid	adv	aid	adv	aid	adv
<u>9. Financial Aid</u>	banks	28	11	0	0	28	11
<u>and Advice by</u>	BSC(I)	11	5	0	0	11	5
<u>Agency</u>	Borough of Blaenau Gwent	18	17	0	0	18	17
	Chamber of Commerce	0	2	0	0	0	2
	ECSC	9	1	0	0	9	1
	EIB	2	0	0	0	2	0
	ESF	2	0	0	0	2	0
	Dept.of Employment	1	3	0	0	1	3
	Dept.of Environment	0	2	0	0	0	2
	Dept.of Trade & Industry	7	3	0	0	7	3
	ICFC	2	0	0	0	2	0
	MSC	7	6	2	0	5	6
	Small Firms Service	0	4	0	0	0	4
	WDA	29	18	2	0	27	18
	Welsh Office	31	15	1	0	30	15
	other	3	2	0	0	3	2

TABLE A  
BLAENAU GWENT

		ALL FIRMS	FIRMS ESTABLISHED <u>BEFORE</u> CLOSURE	FIRMS ESTABLISHED <u>AFTER</u> CLOSURE
<u>10. Financial Aid</u>	Cash Grants:			
<u>by Type</u>	RDG	52	5	47
	RSA	22	0	22
	NSA -sectoral	0	0	0
	-support for innovation	1	0	1
	-non-sectoral	0	0	0
	enterprise allowance	3	0	3
	local authority	14	0	14
	Low Interest Loans:			
	ECSC	14	0	14
	EIB	3	0	3
	local authority	1	0	1
	small firms guarantee	3	0	3
	BSC(I)	9	0	9
	other	8	0	8
	Advance factory units:			
	WDA	30	0	30
	local authority	8	0	8
	other	2	0	2
	Business Expansion Scheme	2	0	2
	Venture Capital	3	0	3
	other	7	1	6



TABLE A  
BLAENAU GWENT

		ALL FIRMS	FIRMS ESTABLISHED <u>BEFORE</u> CLOSURE	FIRMS ESTABLISHED <u>AFTER</u> CLOSURE
<u>11. Advice</u>	Location:			
	UK	8	1	7
	Region	14	0	14
	local area	14	0	14
	site	12	0	12
	Financial package	2	0	2
	Firm:			
	creation	3	0	3
	growth	12	0	12
	survival	3	0	3
	other	1	0	1
<u>12. Would you have</u>	yes	31	4	27
<u>established here</u>	no	44	3	41
<u>without incentives ?</u>	other	9	5	4
<u>13. Have the incentives</u>	yes	31	2	29
<u>increased</u>	no	43	7	36
<u>employment ?</u>	other	9	3	6
<u>14. Have the incentives</u>	yes	32	2	30
<u>been crucial for</u>	no	43	7	36
<u>business survival ?</u>	other	8	3	5

Of the 90 firms in the survey only 12 pre-date 1975, the beginning of steel closure and the intensification of reindustrialization efforts. Tinplating and coal dominate the traditional, male labour market. Although the newer firms employ more female labour than their predecessors (it would be difficult for them to employ less!), they still employ three times more men than women. This is something of a contrast to the few "light" manufacturing firms which arrived before 1975 that tended to employ more women than men. This could variously be explained by the BSC's relaxation of controls on incoming male employers, the "success" of the agencies in attracting male employers or the withdrawal of women from the labour market when their husbands become unemployed (associated with qualification for benefits). Low wage rates, small firm size and technical change may well explain the low numbers of temporary and part-time workers in the area because the lower overall costs of employing full time workers outweigh the training and administrative costs of the other categories. The average basic weekly rate for "factory operatives" (May 1985) in Blaenau Gwent, according to the County Council, was 70 pounds (5 pounds less than for shop assistants). With such low wages employers gain little in terms of National Insurance advantage (a major reason for employing part-timers) and, especially if a small firm, lose much in extra administration costs. The increasing capital intensity of production (implying a need to run machines longer to sustain profitability) coupled with duplication of training difficulties mitigate in favour of full-time employment

(albeit for fewer people).

The size distribution of the firms is highly skewed. Over 1/3rd (35%) of the firms surveyed employ fewer than 10 people, and over 1/2 (55%) employ fewer than 20 people. A mere 11% employ over 100 persons. There is a distinct temporal element to the size imbalance: 69% of the firms surveyed were established in Blaenau Gwent since 1980 but they account for a mere 24% of the survey workforce. As the DTI(1986) presentation to the ERDF, see above, suggests, the newer but smaller firms are most vulnerable to closure and liquidation. Indeed their vulnerability is often a fundamental reason for their development area status requirement in the first place, because they cannot be sustained without subsidy. Thus it is that an already weakened local economy can be further undermined by the importation (especially if it involves local inter-trading) of firms susceptible to closure.

The companies responding to the questionnaire showed a marked reluctance to admit to employment decline over the year 1985-86. Most of the growth experienced was by the new firms, but so too was most of the stability. The latter is most likely to be a reflection of the small firm sector's major management dilemma- the "small is beautiful" ethos that mitigates against expansion. The admission of stability can be a precursor to decline or closure. Of the decreases actually admitted to, there is a slight concentration amongst the more recent UK multi-plant firms, highlighting the

continuing problems for UK capital and the vulnerability of branch plants (associated with external control, "management by motorway" and the attendant liability of the rationalisation of peripheral plants).

In terms of the legal status of participating firms, most, predictably, were private companies. No cooperatives were recorded- possibly as a result of distance decay factors due to the nearest Cooperative Development Agency being in Newport, though this is somewhat surprising given the radical traditions of the area and the local strength of the Cooperative Retail Society. That the "other" category is relatively high could be a function of the advice given by various agencies for "start up" businesses to become sole traders or partnerships, not limited companies, for tax reasons. One respondent even claimed to be "a single garage" business! Publically quoted companies (plc's) are generally rare in Blaenau Gwent but proportionately more numerous amongst the older firms- a function of previous waves of investment and takeovers.

The organisational structure question revealed that single plant firms dominate overall but over 40% of businesses are externally controlled (multi-national corporations and UK multi-plant firms), though the comparable figure is reduced to 34% amongst the newer firms. Thus there has been, numerically, a marked increase in the indigenous control of industry. The problem for the labour market as a whole remains that all the larger firms are controlled externally

(including, the nationalised industries). No single plant firm employs more than 100 people.

The functional analysis of responding firms' activity showed that the older firms registered no headquarters or research and development functions at all, but concentrated upon the various productive, storage and marketing activities. A broader range of higher order activities was evident amongst the newer firms- particularly (and obviously) amongst the single plant firms. The multiples, especially the multi-nationals, do not appear to favour Blaenau Gwent as a location for "top flight" executive activity. This would appear to underline the image problem the area faces (BBC World Service broadcast 06.01.87), not only for the attraction of industry but also for the attraction of office development. The Borough Council has made persistent requests for advance office building (something of a mixed blessing further east along the M4) and government departmental relocation, but to no avail. It would seem that only the small part of the Borough in the Brecon Beacons National Park might offer any potential for these kinds of developments.

Despite the claims of NCB(E) that the large amounts of money distributed in the South Wales area demonstrate a flowering of local entrepreneurism (in Ebbw Vale an assertion countered by the loan to Yuasa of one million pounds) the high proportion of non-moving firms is more a result of branch plant establishments. First time industrialists

reliant upon financial incentives form another important element. Only 15 out of the 26 firms that have moved were non-local to Blaenau Gwent- with less than half of these being complete company moves. The WDA plan for the area (1985) acknowledges the increasing difficulty of attracting large, successful, firms to the Heads of the Valleys area, despite the slight advantages offered by the new regional aid package- these are more popular with companies with solvency problems. The nearby M4 coastal zone has proved far more attractive. A local councillor identified the problem as one of scale- "a 100 job firm is a large one for us". The increasing emphasis on indigenous small business development- promoted by, amongst others, "Business in the Community" the enterprise agency umbrella organisation, is unlikely, on past and present performance, to prove any more successful. Only 5 men out of over 12,000 who left the traditional industries are known to have successfully established businesses in the area. The activities they are involved in- car repairs, general building, electrical contracting and metal work sub-contracting to BSC- tend to be operated on a personal subsistence basis rather than an employment generational basis.

The manufacturing sector remains the norm in the area. The growth in the number of service sector firms since 1975 has partly been a result of steel closure and the subcontracting out of certain services as part of BSC's subsequent restructuring. The services picked out by the questionnaire tend, by the nature of the work, to be

industrial ones (e.g. repairs ,cleaning, plant maintenance) and are more prevalent in the smaller workshop units to be found throughout the borough. The problems confronting office development have already been mentioned- the only new business service job provision has been at the Business Advisory Centre (joint WDA, NCB(E), BSC(I) and Borough Council) but all with imported expertise.

UK located suppliers dominate the upstream networks of the companies examined in Blaenau Gwent. The single plant firms are much more associated with the locality than the other groups- and as such demonstrate the susceptibility to inter-trading referred to above. The post closure establishments have many more international suppliers than the older ones. The multiple site firms have a tendency to be supplied centrally thus minimising any multiplier effects for the local economy. This is evident from the purchasing patterns of the UK multi-plant firms and the multinational corporations in the area.

A similar pattern emerges for the location of major markets. English markets are of greatest significance with the M4 link to the south being more important than the northward route to the West Midlands. "Management by motorway" is a feature of some of the companies with more complex structures. The single plant firms are tied into the local markets. One of BSC(I)'s first occupants of its workshop units exemplifies the problems of local market involvement: the firm is in severe trading trouble because a

change of buyer at Xidex has cost it its staple printing contract. It is no surprise that the newer multiples are involved in more distant markets than the single plant firms.

The distribution network most preferred by the responding firms was that of "direct to customer". Current trends in trading activity indicate a move away from wholesaling and other traditional intermediate selling patterns. Single plant firms are more involved with part finished products, and multiples with other divisions of their organisations.

The agency sources of financial aid and advice show the dominance of the Welsh Office and the WDA as providers of financial assistance and advice, given their roles as described above. The Borough of Blaenau Gwent has a high profile too- higher than BSC(I) which is curtailing its commitment to the "Opportunity Areas". The problems in obtaining European money are reflected in their generally low levels of take up. The newer firms account for almost all the financial aid and all the advice activity, but it must be remembered that some of the older firms qualified for the lion's share of RDG's under the old scheme. Most of the aid is spread evenly amongst the various types of firms with the exception of that derived from the Borough which, has a policy to offer money to the smaller single plant firms unable to obtain it elsewhere.

The type of financial assistance taken up shows predictably that regional development grants were the most



popular. This was probably because of the high degree of certainty involved in obtaining them and the discretionary nature of most other types of "non-automatic" assistance. National Selective Assistance for major projects (involving growth sectors and technological initiatives) is almost totally lacking- another example of the marginal status of the area. The high degree of advance factory building by the WDA is indicative of the lack of any real private sector industrial property market.

The questions referring to advice were less thoroughly completed than those for financial assistance. More than twice as many of the newer firms utilized locational advice as utilized business advice. The longer established firms exhibited a greater degree of conservatism than the newer ones, however there is nothing to suggest that their need for advice is any less. Firm growth strategies appear more important topics for business advice than firm creation or survival (though these topics are by their very nature unlikely to be admitted to by entrepreneurs). All the Blaenau Gwent company types take locational advice but only the single plant firms seek business advice (to any significant degree).

Most of the newer firms indicated that they would not have established in Blaenau Gwent without the incentives. The older firms did not seem to find this set of questions applicable. It is interesting from the policy evaluation point of view, to note that 38% of the newer firms said that

they would have established without incentives anyway. This is particularly and rather surprisingly true of the UK multi-plants though it should be acknowledged that the personnel completing the questionnaire may not have been the decision-makers. The single plant firms were highly dependant upon the incentives- a built in weakness of the post-closure industrial structure. Overall, slightly more firms said that the incentives had not increased employment than said that they had. But amongst the newer single plant firms slightly more firms said that the incentives had increased employment. The recent RDG changes in favour of smaller firms will emphasise this trend. Generally the incentives were not considered crucial for firms' survival. However, if the responses are to be believed, 32 of the existing firms would no longer be trading in the Borough, without the incentives (including 4 multi-nationals and 6 UK multi-plants). Delays in the incentive delivery system may have helped one company into receivership; Tabac Leaf Industries suffered in this way with a 100,000 pound RSA grant in the pipeline.

The first order priority in the locational preference questions given to financial incentives demonstrates their relatively great importance for the companies in this area. The site availability factor probably gains more prominence here because of the many physical constraints to industrial development that exist throughout the Heads of the Valleys area; particularly steep slopes and post-industrial dereliction. The local market is not a prominent locational

reason for any but the single plant firms (indicative of local dependance networks) and neither are communications, despite recent ERDF inspired road improvements. Personal factors are important for the smaller single plant firms- in line with local residence, social and other ties.

#### 5.6 SUMMARY AND CONCLUSIONS

The mining and iron working of the Ebbw Vale area dates back to the 1780's. Through the nineteenth century the town's working people actively participated in a number of radical political and social movements (notably the Merthyr Rising and Chartism). The twentieth century saw Ebbw Vale as a mainstay of the Labour Party as the town produced the largest Labour majority in the UK on a number of occasions. The post-war MP's (Bevan and Foot) have risen to commanding positions in the Party and government. The fortunes of the coal and steel industries have fluctuated considerably with the 1920's and 1930's being the nadir. In 1934 Lord Portal identified Ebbw Vale as a "black spot" in industrial South Wales- the wheel has come full circle. Ebbw Vale is unusual in having experienced two complete steel closures (1929 and 1975-9).

Despite 50 years of regional aid, a host of agencies (from the specifically Welsh to the European), a distressing scene remains. On 6th January 1987 (BBC World Service) Rodry Morgan of the European Commission in Wales stated "I cannot think of anywhere in Wales where we've created- recreated-

more than a quarter of the jobs lost on the heavy industrial side...I don't know how we're going to get it (the high male unemployment rate) down". Many of the hopes currently are being pinned on the development of an indigenous small firms sector by such bodies as the WDA and NCB(E) but the turnover of businesses and risks are high, the success a matter of some conjecture (see Storey, 1982, 1987; Hudson and Sadler, 1987). In the questionnaire survey 55% of the firms responding employed fewer than twenty people. The firms that are often particularly vulnerable to closure also tend to be those most likely to set up in assisted areas because of the necessity of being sustained by subsidy. In Ebbw Vale the BSC plant still dominates the local economy albeit at a much reduced scale but the small firms encouraged to generate new employment are still dependent upon state subsidy. Diversification away from state dependency has not been achieved through reindustrialization (but BSC privatisation, 1988 is another matter). According to a WDA official the main problem for small businesses is one of overtrading (or under capitalisation) e.g. finding a large order irresistible but not having the resources (including labour and materials) to cover a 60 day repayment period. The WDA management adviser stated, of the enterprise culture, "things would be much better if people gave the same amount of consideration to setting up a business as to going on holiday!" (interview, 1985)

There is a strong political element to the location of the various industrial sites in Blaenau Gwent. There are

currently 15 industrial estates in the Borough ranging from the "strategic" such as Rassau (the largest in Wales) and Tafarnaubach to the small blocks of workshop units as at Cwm and Brynmawr (see fig. 4). Despite the logistical and other problems with the small sub-optimal sites, each of the small ex-pit villages of the Borough has had to have physical proof (ie the small units) of its continued viability as a work-based community. The problem is that the nature and amount of work available has now changed dramatically and, in terms of pay, comradeship, and security, if not absolute safety, for the worse.

The good news, as far as the Borough Council was concerned, of December 1986 was the announcement that the Ebbw Vale "heavy end" site had been selected for the 1992 National Garden Festival. The hope is that, apart from the much needed reclamation work to be done on the slag banks' "lunar landscape", the garden festival will provide work for 2,000 people. This may be the case but the problems experienced by Liverpool and Stoke-on-Trent with similar events, do not suggest that such a festival will be the anticipated panacea. The link between the attraction of tourists and the attraction of industrialists has yet to be established. More revealing in the growth of tourism related activity is the tacit admission that reindustrialization will fail (if it has not done so already) and that efforts should be concentrated upon developing a leisure society.

Bleanau Gwent has been the recipient of large amounts of public expenditure for industrial regeneration but the employment problem remains. The jobs "created" in the small firms sector have failed to compensate for local non- steel job losses in numerical, qualitative and remuneration terms. The small firms are very dependent on the incentives offered. Michael Foot's 1975 dream of an "industrial resurrection" for Ebbw Vale has yet to be realised.

## CHAPTER SIX

### COMPARISONS

#### 6.1 INTRODUCTION

This chapter endeavours to draw some comparisons from the empirical material of the preceding three chapters before conclusions with more theoretical implications are attempted in the final chapter. The first section is concerned with historical comparisons and, by implication, the contrasts between the three areas, which came to be dependent upon the steel industry by the midnineteen seventies, in different social and regional settings. The second compares the common experience of reindustrialization by examining its impacts on industry, employment and unemployment after assessing the various agencies involved. The third section, briefly, examines the alternatives to reindustrialization, stressing the limitations of those attempted so far and the increasing dependence of local government upon central authority. Fourthly, other areas, both steel closure and otherwise, are introduced into the comparison in order to demonstrate the differential influence of similar (small area initiatives) and other forms of state intervention (such as defence spending and innovation support). Steel closure areas are by no means the only ones active on the place market, nor are these forms of locally specific initiative unique to Thatcher's Britain, they are to be found in a number of other European settings with different political formations.

Steel closure areas can be said to represent the apex of the pyramid of places attempting to generate new industry. They, as is so frequently asserted in their publicity material, encompass the full range of state industrial incentives. Steel closure areas bear comparison amongst themselves but also with areas where industry is being sought to replace types of activity less monopolistic (of the labour market) and areas where industrialisation is a relatively recent occurrence (such as in certain New Towns and in places on the M4 corridor).

## 6.2 HISTORICAL

Each of the three areas under consideration came to be dependent upon the steel industry by different historical routes. Ebbw Vale has the longest history of steelmaking (dating from the last decade of the eighteenth century) but this had lapsed by the late nineteen twenties. For much of this period coal mining was the dominant economic activity. The opening of an expanded, integrated steelworks in the mid-nineteen thirties (as a regional policy measure) brought about a new dependence upon the steel industry as pit closures proceeded to decimate the coal sector. Hartlepool's steel industry dated from the mid-nineteenth century and came to dominate the local labour market from the late nineteen fifties as other major employers (shipbuilding, heavy engineering and, later, telecommunications) curtailed operations. Hartlepool had the most recent steel plant, of the three, (the South Works; opened in 1962, but with almost



immediately outdated open hearth technology). Corby's involvement with the iron industry dates from the exploitation of local ores in the late nineteenth century followed by the erection of blast furnaces in 1910 and the opening of a large integrated works for tube production in 1934 (previously the locality was characterised by agricultural village conditions). It is easier to compare the historical trajectories of Hartlepool and Ebbw Vale, with their longer traditions of industrial and associated social development, than conditions represented by Corby. Hartlepool and Ebbw Vale both have industrial histories of over 150 years duration with all the associated Labourist power and social structures this implies. Corby's industrial history has lasted little over 50 years so the traditions are less ingrained. The regional industrial histories applying to each of the areas underlines these differences: Hartlepool and Ebbw Vale developed "heavy" industry in relation to the proximity of coal (the former as a port, the latter through mining). Northamptonshire's manufacturing tradition, where it existed, was centred upon small workshop production of footwear and shoes. The responses, to recent steel closures, followed in the three places would seem to bear this out: Hartlepool and Ebbw Vale have conformed very closely to a Labourist consensus of post war Britain, whilst Corby has embraced, to a far greater degree, the New Right "enterprise" ideology of the Thatcherite years.

Before embarking on an analysis of more recent historical events it is perhaps worthwhile to compare economic

conditions in the three areas during the last period of major recession; the nineteen thirties. Hartlepool and Ebbw Vale were suffering the most debilitating impacts of the slump in world trade, both recording levels of unemployment, for the insured population, in excess of 50%. There were crucial differences for all three places in the responses of the state to the various situations. The decision to locate an integrated steelworks on the iron ore site at Corby represented a triumph for the unadulterated commercialism of Stewarts and Lloyds, an example of state "laissez faire" or non-involvement. The commercial economic geography of the time suggested that ore field locations were optimum sites for steel production. The Special Areas Act of 1934 marked an abrupt volte face in government policy considerations with regional aid objectives taking precedence. In Ebbw Vale this involved the inducement of the Richard Thomas Company away from its preferred Lincolnshire site and thus the re-established the dominance of steelmaking. The Hartlepool pre-war assistance was less dramatic but set the pattern for regional development nationally for the ensuing fifty years. Mobile industry was to be attracted (Davy Forge is a remnant) and, in 1946, a trading estate was established. The salient difference between the three steel towns in the nineteen thirties was that Corby was undergoing a massive "boom" whilst the other two places were suffering slump conditions and as a result were recipients of regional aid. In fact some men from both of the other towns moved to Corby in the early 'thirties and faced the accommodation difficulties that could only be solved through labour camps. For at least

twenty years, during the expansion of the tubeworks, Corby had a deserved reputation as a wild "frontier-town" emphasising its separateness from its rural surrounds. Regional policy provided something of a boom for Ebbw Vale but there was more than enough local labour available to man the works after the construction had been completed, so migrants proved to be a temporary social problem. For Hartlepool it was the war that provided the temporary economic salvation in the demand for ships, marine engineering, ship repair and the heavy steel plate that was the speciality of the town's works.

Corby, of all steel areas, accords most closely with the notion of a "company town" with, at the height of employment over 40% of the town's workforce being employed in steel tubes production. This is more a function of its relatively short period of industrial and New Town development for the purpose of promoting the single industry. The steel unions became particularly dominant in Corby (extending influence from the Works to other areas of employees lives through the District Council, the local Labour Party and the various social clubs). In the other areas the steel unions were important but in the context of slightly more diverse industrial structures. There is evidence, particularly from Corby and , to a lesser extent from Ebbw Vale, that the major steel companies and later the nationalised industry acted deliberately to discourage and exclude other male employers from their areas. In the case of Corby this conflict was starkly highlighted during the late nineteen sixties' and

early nineteen seventies' by the problems faced by the Development Corporation in gaining industrial development certificates for new industry. This represents a pertinent example of the inherent conflicts between two arms of the state; the Board of Trade and the New Town Development Corporation.

There is some physical evidence in each of the three areas of the effects of pre-closure regional policy or (in the case of Corby) New Town development policy. Apart from the steel finishing remnants Blaenau Gwent has least to show from the earlier phases of regional policy; a reflection of the overwhelming predominance of steel and coal well into the nineteen seventies'. Hartlepool actually boasts a surviving factory from the interwar years- Davy Forge (1939), but very few of the original occupants of the Oakesway Industrial Estate remain (GEC retains a nominal but vastly reduced presence). In Corby the diversification undertaken by the New Town Development Corporation from the mid-1960's, being more recent, has resulted in more survivors, most notably the first factories on the Earlstrees Estate (including Weetabix) and far fewer from the older St. John's Estate (but including York Trucks). In fact when the Development Corporation handed over to the New Towns Commission in 1980 it transferred nearly 200 completed factories and a well-advanced building programme (none of the other areas had such a head start). Corby did not actually become eligible for regional assistance until granted development area status in November 1979. Thus, despite the protestations of the

Development Corporation and the District Council, Corby was not perceived as a "problem" area, by central government, until immediately prior to closure. Hartlepool and Blaenau Gwent had been designated as such over forty years previously.

The nature, timing and duration of steel closure have been considered important, not only for the labour market effects but also in terms of the political impact on the resources made available to alleviate the situation. It is important to recognise the influence of the local administrative history and parochial loyalties which have shaped local attitudes towards, and support for, anti-closure campaigns. Both Hartlepool and Blaenau Gwent have local authorities which came about as a result of the amalgamation of long established, smaller areal units (the former in 1969, the latter in 1974). For much of the time since 1951 the Corby District Council was dwarfed by the Development Corporation but retained control over a similar area and came to represent a similar set of interests. The transfer of powers from the Development Corporation was not as traumatic as might first have been imagined but involved and allowed for a transition to an almost total concentration upon industrial development under the JIDC- Joint Industrial Development Committee (through the rationalisation of the planning department). The historically parochial tensions between the Boroughs of Hartlepool and West Hartlepool have generated a bitter mythology, with local perspectives tending towards the myopic. The problems are less exaggerated in Blaenau Gwent

but are of a similar nature. The Borough (dating from 1974) is a federation of five small towns (little more than villages) in three separate valleys with a common history of coal and steel closure; these are- Ebbw Vale, Abertillery, Tredegar, Brynmawr and Blaina/Nantyglo. Corby's constituency of common interest, undeterred by long standing territorial complications, provided the social and administrative platform for the most vigorous of the defensive campaigns.

The Ebbw Vale anti- closure campaign, despite being motivated by the charismatic oratory of Mr. Michael Foot MP, foundered on the attractions of the redundancy payments and proved unable to obtain its much vaunted guarantee of employment for all, before the works were relinquished. In Hartlepool steelworkers admitted to being amongst the least militant in BSC, as demonstrated by their phlegmatic acceptance of the inevitability of economic decline that was the norm throughout the town. Maunders (1987) has completed an exhaustive study of internecine complexities of the inter-union rivalries that beset the ROSAC- Retention Of Steelmaking At Corby- campaign. The common feature throughout is that the immediate benefits offered by the BSC (particularly redundancy and "make up" payments) overrode opposition to closure with little regard for future employment prospects. The unions, in most cases, seem to have been unable to generate support within the works compared to that generated in the local communities, but not regions. No response could be found to the cash incentives to take redundancy. At the time of closure the

reindustrialization issue took second place to that of the cessation of steelmaking (except, partially, in Ebbw Vale) because they were incompatible, taking on the former amounting to an admission of defeat by the unions. The palliatives offered by BSC(Industry) seem to have paid off. There is also the internal divisions argument: having lost the anti-closure campaign the opposers were often bitter, divided, and in no position to argue cogently for adequate resources for industrial regeneration.

In each of these cases the closure of iron and steelmaking left an amount of finishing capacity relying on steel from elsewhere (sometimes from non-BSC, even foreign sources). It could be argued that for Corby and Blaenau Gwent steel closure, though drastic, only marked a diminution in BSC dominance of the local labour market as the Corporation remains the largest single employer in both areas. This dependence has, in the light of continuing contractions, to be seen as vulnerability that reindustrialization programmes have not properly addressed.

It is almost impossible to assess the importance of the time element of the closure in terms of generating assistance. However, the administrators where the closure was most prolonged (eg Hartlepool and Blaenau Gwent) consider a short closure duration to be an advantage in terms of publicity and public consciousness raising. If Consett is taken as an example the benefits from this public exposure should be questioned; Consett has a high profile as a steel

closure area but it has not greatly benefitted from this. Although the length of the closure period was short in Corby it had been widely anticipated (from at least 1973) within the works, as investment declined and certain workers returned to Scotland (Grieco, 1985). Certainly the levels of incentives available to industry in each of the areas was roughly equal (from the central government and BSC(Industry)), but with certain administrative nuances. In terms of regional assistance, Corby was a development area, whilst the other two were special development areas, before the reorganisation of November 1984. This is reflected in the higher levels of selective assistance in Corby than elsewhere. It is important also to recognise the regional departmental organisation of the DTI (or Welsh Office) for each area. Hartlepool and Blaenau Gwent are both set in traditionally declining industrial regions with many other assisted areas competing for attention, often within the same county. Corby, on the other hand, is the only development area wholly within the East Midlands Standard Planning Region and as such has been the natural focus of the DTI regional office; to the degree that a permanent Corby exhibition has been established there. As a corollary, Corby's reindustrialization efforts are less well supported by its Conservative Northamptonshire County Council, than those of the other two's Labour controlled counties.

If the vigour of the three anti-closure campaigns could be ranked Corby might come at the top, Blaenau Gwent second and Hartlepool third. The Corby campaign involved several



mass demonstrations, marches to London and lobbying of MP's; all facilitated by relative proximity to the capital. However, the campaign and the reindustrialization efforts of the District Council retained almost completely separate identities, unlike in Blaenau Gwent (in 1983 the safest Labour parliamentary seat) where traditional Labourist loyalties were slightly harder to dispell. In Hartlepool, where the weakest campaign was fought, the Labour and trade union politics are notoriously right wing and male unemployment recently exceeded 30%, the "beggars can't be choosers" philosophy prevailed and the enterprise culture has come to be embraced with almost as much energy as in Corby. In most respects local attitudes had little or no influence on the amount of state assistance given to regenerate industry and compensate ex-steelworkers. The major exception being the allocation of enterprise zones in 1981 and 1983. Here the willingness of the local authority to cooperate with Thatcherite ideology and policies was crucial. Corby was the first English zone to be designated and was declared open by the then Secretary of State for the Environment, Michael Heseltine as he cut the infamous "last piece of red tape in Corby" in June 1981. Hartlepool was granted a zone in October of the same year, not only as a response to the scale of economic hardship, but also for regional reasons, as it offered one of the least challenging administrations in Cleveland, and, indeed, the North East. The Hartlepool Labour hierarchy has always been somewhat to the Right; as exemplified by the MP Ted Leadbetter being the only Labour MP to declare his purchase of British Telecom shares. Blaenau

Gwent's MP, on the other hand, was at the time of designation, Leader of the Opposition and villified by the Thatcher regime. Thatcher's Secretary of State for Wales, however, represented the marginal seat of Pembroke Dock and it was thought prudent to boost his chances (according to political opinion prevalent in Blaenau Gwent) by awarding his constituency the second Welsh enterprise zone- the first having gone to Swansea. Had the criteria of selection for enterprise zone status been those of most need, as represented by industrial degeneration, unemployment or other, more objective measures, Blaenau Gwent would have been at the top of most Welsh lists. As it was, Blaenau Gwent Borough Council felt aggrieved at having missed out on the marketing opportunity that enterprise zone status was thought to represent (few other lasting benefits have been identified).

A common feature of the three areas has been the desire to eradicate the memory of steel production from the local environment by bringing about the rapid demolition of the steelmaking sites. In Corby and Blaenau Gwent the councils have actually purchased the "heavy end" and undertaken the demolition and attempted landscaping with European Community aid. In Hartlepool demolition has taken place on the BSC site but landscaping has only recently been undertaken, in the view of union leaders, as a prelude to privatisation of the remaining mills. Only in Corby has there been any development of the steel site; a Dutch plastics factory and two hypermarkets (one food and one DIY), with other

developments to follow. Retailing facilities seem to be land users of last resort, as exemplified by the Tees Bay shopping centre currently (June 1987) under construction on Hartlepool's long unused Brenda Road slag bank (enterprise zone designated). The councillors of Blaenau Gwent are optimistic that the 1992 National Garden Festival will be responsible for the renovation of the scarred steel site. Time will tell if their optimism is well-founded.

### 6.3 THE COMMON EXPERIENCE OF REINDUSTRIALIZATION

The responses to steel closure have been broadly similar in each of the three areas under consideration, due, in no small measure, to the activities of BSC(Industry). It should be noted that although Hartlepool, Corby and Blaenau Gwent each have BSC(I) workshop units only six out of the fifteen other steel closure areas have them too. The three areas studied have each experienced the full range of BSC(I) activity as well as that of a host of other agencies. Each area has had the attention of an average of fifteen different state agencies; dealing with a range of activities, sometimes overlapping. Mainstream reindustrialization can be described as the attempted regeneration of the previously dominant mode of economic activity, in this case manufacturing industry. The aims of most of the agencies involved are not concerned with the regeneration of employment opportunities per se, but with the generation and sustenance of business enterprises, with employment creation part of a secondary "knock on" effect. There appears to have been little in the way of well

defined strategies but plenty of uncoordinated "ad hoc" measures.

### 6.3.1 The Agencies

Perhaps the most uncoordinated aspect of the work of the various agencies is that of place promotion and activities on the place market. It is here that the Thatcherite vision of competition is carried to its greatest heights. The steel closure areas compete, not only amongst themselves, but also against a multitude of other places (deprived or otherwise) seeking a decreasing amount of mobile industry. The most striking recent example of the place market in operation was provided by the cut-throat competition for the Nissan plant, but such activities, at perhaps a less intense level, are part of the daily routine of industrial development officers and enterprise agency staff. There are currently over four hundred local enterprise agencies and trusts operating at a time of continuing manufacturing employment decline (as exemplified by what little of the 1984 census of employment has been published). The evidence from many of the industrialists interviewed during the course of this study seems to indicate that much of the slick marketing (a wide range of promotional tools was discovered) effort of local agencies was wasted and that personal contact and willingness to cooperate was more highly prized.

In terms of the character, aims and scope of the agencies operating in the steel closure areas there seem to be few

material differences. The contrasts are mainly titular rather than functional. Each of the three borough or district councils have industrial development committees served by a number of full time officers who report directly to the Chief Executive. In strictly formal terms industrial development budgets and activities remain associated with planning sections on a subcommittee basis. The minutes and reports of industrial development subcommittees are treated with great confidentiality. The desire to protect individuals and companies is understandable but there is more than a suspicion of political motivation behind the excessive secrecy surrounding these powerful committees. Are the councillors concerned to preserve the mystique of their positions, to keep their methods secret from others in the place market or merely to avoid embarrassing criticism? Such questions remain unresolved, but some clues as to which are the more plausible interpretations emerge from the analysis below.

The county agencies involved in reindustrialization tend to be less important than the more local agencies and may actually overlap, particularly in the type of promotional activity undertaken. They are usually represented on the joint committees in some planning capacity. This is especially true of Gwent and Cleveland Counties where the industrial development and economic initiatives departments are part of the planning arrangements. In Northamptonshire much of the industrial promotion work and budget has, in effect, been "privatised" to the Northamptonshire Enterprise

Agency.

BSC(Industry) spawned a similar set of initiatives in each of the areas when closure or severe manpower reductions were announced. The most common feature was the establishment of "Task Forces" of civil servants, local government officers and councillors and representatives of other interested agencies. In Corby this evolved into the Joint Industrial Development Committee but in the other two areas the same label remains but the role has changed to a more advisory one (in Hartlepool the task force concept is used as a marketing tool under the banner of the "H- Team"! ). The BSC(I) legacy remains in the enterprise agencies it now supports, with some private sector involvement. In Hartlepool and Blaenau Gwent these (the Hartlepool Enterprise Agency and the Blaenau Gwent Business Advisory Centre) retain a close working relationship with, but a distinct identity from, the local authority. In Corby the distinction is less apparent as the Council's Director of Industry is also the BSC(I) nominated representative but is based at the industrial development centre rather than in council offices.

The only other nationalised industry "job creation" agency represented in the three areas is British Coal (Enterprise) in Blaenau Gwent (British Shipbuilders' (Enterprise) Ltd evolved twenty five years too late to be of any use for Hartlepool). BC (Enterprise) (ex-NCB(E)) has a narrower loan giving remit than BSC(Industry) but is open to similar criticisms of being incapable of replacing the jobs lost

through cutbacks in the previously dominant nationalised industry.

Each area has a different state industrial property agency with the same basic functions of providing serviced advance (and occasionally purpose built) factory units in a variety of sizes. In Hartlepool the English Estates Corporation has been the principal industrial property developer (in the absence of any effective kind of private sector provision) but has been involved with little outside the perceived confines of its statutory framework. Corby's Commission for New Towns (CNT) is a "rump" organisation that is (1986- 1987) increasingly winding down its operation but was responsible for an enormous amount of industrial construction before and after steel closure in 1980. Corby's position as the nearest development area to London has proved attractive to a limited number of private sector interventions not found elsewhere; on the enterprise zone the CNT have undertaken a number of lease-back arrangements for tax concessions by investors and outside the zone the Prudential Assurance Company has developed a small units complex, as well as a number of firms' commissioning their own factories (OUP, BAT, Hunterprint and Pilkington to name the largest four). Blaenau Gwent's industrial property development, beset by difficulties of the availability of suitable land, remains firmly in the hands of the Welsh Development Agency. The WDA also has other investment, advisory and environmental roles which are the envy (albeit with little evidence of dramatically improved results) of the English regions,

particularly the North. Ebbw Vale was also the subject of a special WDA factory building project in 1978 as a direct result of steel closure. WDA powers to take control of equity through direct intervention and participation in company management have not been utilised (Morgan, 1980 and WDA Annual Reports to 1987).

Blaenau Gwent differs from the others in its access to central government departments because of the umbrella of the Welsh Office. All departments, apart from defence and DHSS are operated on a regional basis from Cardiff with the only salient difference being that they are under the jurisdiction of a minister of cabinet rank. As mentioned above, Corby has unique assisted area status within its region, especially as far as the DTI is concerned, but has to deal with the normal regional networks of other departments. Hartlepool is, of the three, least favourably situated, with regard to ministries of state because of its location in a county and region with many other "black spots" of dereliction, decay and deprivation.

Blame for the predicament of steel closure is sometimes levelled at the European Community, but, as will be revealed below, European relief agencies do not appear to have been very active in the three areas considered. The ECSC, the EIB and the ESF are really noticeable by their absence from the consciousness of firms. There have been problems of delivery for European loans in the face of budgetary constraints and even freezes, coupled with generally lengthy administrative



procedures. In the case of EIB loans there are quantitative difficulties in that lower rates of interest can be readily obtained from the private market. Another difficulty may be that of identifying the original source of funds: central government departments have to bid for certain money (for example to the ECSC or the ESF) and, if passed on, these funds may well masquerade as emanating from national sources. Corby appears to be the most successful of the three in capturing European assistance, with Blaenau Gwent second and Hartlepool somewhat further behind. The Chief Executive of Corby District Council (Duncan Hall) attributes this to sending delegations to and lobbying of the European Parliament.

Apart from the banks, which appear to be universal adjuncts to industry, there is little sign of other private sector investment activity in these steel closure areas. Recent reports in the Financial Times (1986) have highlighted the concentration of venture capital in the more prosperous regions of the country. Venture Capitalists are noticeable by their absence from the steel closure areas, seemingly conditioned by negative environmental, social and economic success images. Although DIDA at Consett claims contacts with over 60 venture capital organisations in the City of London, there is little evidence of a positive impact resulting from this within north west Durham. The WDA has established a venture capital section but its activities seem confined to the Cardiff and M4 areas, not the Heads of the Valleys, such as Blaenau Gwent. Some industrialists

encountered were angered by the disparity between the amounts of venture capital available in competing countries such as Germany and Japan, whereas in Britain a very common way of raising start-up funds is through remortgaging or selling property. The North-South housing price differential may work to the advantage of the North in terms of small industry provision because of the release of capital involved by a northward move and the cheaper house prices in the new location. The principal effect of the house price differential in practise is to reinforce the status quo. Home owners are reluctant to relinquish highly profitable (recently over 20% annual gains) domestic investments in the South East in "once and for all" moves elsewhere. For many moving away from London is equated with "burning the boats" because nowhere else can match the growth rates in house prices experienced there, and to return would be financially crippling.

#### 6.3.2 The impacts of reindustrialization on industry

Much of the material presented here relates to a questionnaire survey of 278 firms undertaken in the three areas in 1985 and 1986. Each area was surveyed using the prime criterion of trying to contact pre- and post- closure manufacturing firms using the lists available from the various local authorities. There proved to be a wide variance in the the quality and accuracy of the industrialists lists, with surprisingly, Corby, proving the worst with over 150 companies having moved or gone out of

business out of a total of over 300. Table 6.1 below shows the percentage of firms in each area dating from before and after steel closure. It gives a fairly accurate impression of the established industrial structures of the three areas (thus the levels of dependence upon a few industries prior to closure) and the subsequent degree of diversification represented the numbers of new firms arriving.

Table 6.1.

Firms Established Before and After Closure (%)

Area	Before	After
Hartlepool	35.1	64.9
Corby	20.2	79.8
Blaenau Gwent	13.3	86.7

Source: questionnaire survey.

These figures should not be read solely as an index of attractiveness to incoming firms but more as demonstrations of the diversity or lack of it prior to steel closure. Basically Blaenau Gwent and Corby had less to build upon so are now more dependent upon the newer firms. In absolute terms Corby has the highest number of new firms (87) recorded on a more substantial base (than Blaenau Gwent) of twenty two firms dating from the 1960's.

It seems remarkable that in each of the areas 64% of the firms surveyed were private companies. Hartlepool and Corby have very similar percentages in public companies and subsidiaries but Blaenau Gwent has fewer of both. In Blaenau Gwent there tend to be more companies whose legal status can be described merely as "other"- a category that includes sole traders and small business arrangements outside standard limited companies. The WDA has deliberately encouraged start-up enterprises not to go the whole way and become private limited companies in order to avoid expensive accounting and initial administrative overheads.

In terms of administrative structure there is a broadly similar pattern between the three areas. Single plant firms are by far the most common form of industrial organisation experienced. Again Hartlepool and Corby are similar in terms of hosting higher percentages of multi-nationals than UK multi-plants. Blaenau Gwent has a far lower percentage of multi-national firms but compensates with the largest share of UK multi-plant firms. This could be a reflection of slightly differing marketing strategies between the three areas rather than major differences in the locational preferences of such organisations.

The functions undertaken by each firm in the areas show a few similarities and some important contrasts. Branch office services and retailing functions tend to be less prominent than, manufacturing, sales/ marketing, headquarters, and research and development. Corby tops the rankings for all the "higher order" functions particularly headquarters and sales/ marketing. This could be a regional spin off because the East Midlands is regarded as a somewhat progressive economic region where such functions tend to prevail, and has attracted some overspill from London and the South East. Blaenau Gwent is at the other end of the scale with the lowest involvement in these activities but the highest in final product assembly and raw material processing. Thus there is something of a tendency for the more traditional manufacturing activities to be found in Blaenau Gwent whilst Corby has a more diverse industrial structure (some purely research or trial product and process development plants are

solely to be found in Corby). The greatest differentials occur when the figures for sales/ marketing are examined; in Corby 65% of firms indicated this function, in Hartlepool, 48%, whilst in Blaenau Gwent only 40% did so. This points to more dynamic and vigorous business conditions existing in Corby, and the adjacent region, compared with the other areas, as well as being highly correlated with the headquarters function which shows a similar pattern, except at a slightly lower level.

The pattern of movers (firms which indicated that they had relocated to the steel closure areas rather than established in situ) again shows an extraordinarily high degree of correlation between the experience of Hartlepool and Corby (though with numerically fewer firms involved in Hartlepool). In both towns 44% of the firms responding declared that they had relocated and 56% said that they had not. This appears to be a statistical quirk rather than a more telling similarity because there are distinct qualitative differences between the two towns' (identified by R. Tym & Partners enterprise zone analysis, 1984) recent industrial attractiveness to incoming firms. Corby has proved uniquely attractive to extra- regional relocations. The non- movers in the above figures include new firms whose productive capacity was established at that place for the first time. The figures for Blaenau Gwent show a 30/70 ratio against movers giving the impression that the area is even less attractive to mobile industry than the other two. What these figures do represent, however, is the relatively small (well

under fifty per cent) amount of mobile industry actually attracted to these areas. This raises questions as to whether the efforts to attract footloose industry are worthwhile and whether the emphasis could be better directed to the encouragement of new, but essential investment in all functional areas (not necessarily routine production branch plants with few higher order functions). Some of the other questions examined later will throw more light on the "deadweight effect", the problem of a number of firms getting assistance to undertake projects that they would have followed through anyway.

Some minor differences appear in the comparative patterns of the locations of suppliers for the three areas. In each case most firms are supplied from within the UK, but outside the region, with Blaenau Gwent particularly so (over 55% of responding firms indicating this). Hartlepool has the strongest regional supply network, a function of its longer established diversity; it also, more difficult to comprehend, has slightly a slightly higher percentage of suppliers from the rest of the world (outside the EC), perhaps a relict of its port heritage? Here, as with most of these figures, sample size deficiencies must be noted. Corby firms have the highest percentage of suppliers from their own district, but more significantly have the highest ratio from the EC.

The location of major markets shows little variation between the patterns for Blaenau Gwent and Corby with local and regional markets important but not as much, collectively,

as for the rest of the UK. Corby and Blaenau Gwent also tend to have more vigorous European markets than Hartlepool. Hartlepool firms tend to have much stronger local and regional links than national or international ones. Corby has a fairly weakly developed industrial hinterland with agriculture being generally more important whilst Blaenau Gwent's local industrial structure has traditionally rested in a very small range of industries.

The analysis of the information for employment change (see table 6.2) highlights the difference between Hartlepool and the other areas. In Hartlepool most of the firms responding to this question indicated that their employment had remained stable over the past year, but it also showed the highest percentage of decreasing firms. Of the other two cases, Corby had the largest percentage of firms showing increases and the fewest decreases. Blaenau Gwent had a similar pattern to Corby but with more signs of stability and employment decrease. This would appear to indicate that Corby has the most buoyant and successful economy of the three, but it must be remembered that figures for increases include 100% increases (ie start ups) and that the reliability of this information can be questioned because it measures a firm's self image (susceptible to executive manipulation).



Table 6.2.

Employment Change: Over preceeding year

(% of firms answering this question)

Area	Stable	Increase	Decrease
Hartlepool	47.1	38.6	14.3
Corby	29.0	61.7	9.4
Blaenau Gwent	35.4	52.4	12.2

As mentioned before, the figures indicating stability should not necessarily be read as indicies of economic wellbeing. A stable situation tends to be the prelude to decline rather than increase: this is borne out by the correspondance between levels of stability and levels of decrease in table 6.2.

When it comes to comparing the experiences of the steel closure area firms in terms of financial aid by agency, Blaenau Gwent and Hartlepool are very similar indeed. Both are very similarly served by the banks (in the 31-37% range) and BSC(I) (12% each); also in terms of levels of service provided by central government through the DTI and the Welsh Office. Corby has higher levels of firms receiving aid from banks, BSC(I) and particularly from the DTI (over 20% higher than the other two). As mentioned above, this could well be a result of Corby receiving the almost undivided attention of the DTI regional office in Nottingham. Corby firms also receive over twice as much ECSC assistance as those in the other areas (21% against c. 10% for the others). Corby firms use their local authority much less than the others (only 3.7% compared with 11.7% of all firms in Hartlepool and 20.0%

of firms in Blaenau Gwent), for financial aid. It would appear that a higher proportion of Corby firms gain access to financial assistance than in the other areas. This points to a more successful business advisory service coupled with a local authority unconcerned as to the terms of employment which new industries establish. These conditions are more appropriate to the Thatcherite enterprise culture model than the "Labourist" culture of the councils in traditional working class areas. As alluded to above, very little financial aid anywhere is obtained from venture capital companies such as the Industrial and Commercial Finance Corporation (ICFC also now known as Investors in Industry, the "3i's" Group).

A similar, but less distinctively Corby centred, arrangement is observed when the financial aid available to firms is analysed by type. A higher proportion of Corby firms than the others obtain most types of assistance. The fact that Corby firms seem able to obtain a higher proportion of regional selective assistance may relate to its previous status as a development area when the other two localities were designated as special development areas, and therefore concentrated more upon regional development grants. However since equalisation of status, Corby has overtaken the others, not in the total amount of regional development grant allocated, but in the percentage of firms receiving payments. Firms in Corby are more likely to receive regional development grants but in smaller amounts than in Hartlepool and Blaenau Gwent. Table 6.3 shows the totals for the

published regional aid figures by area. It must be noted that in both Hartlepool and Blaenau Gwent there were major multi-million pound recipients, BTP Tiioxide 11.6, and BSC Tinplate 15.6, which somewhat distort the figures. It is also ironic to discover that BSC received a total of nearly 23 million pounds in regional development grants for new plant and machinery in these three areas where its closure decisions had been instrumental in bringing about, or at least maintaining, assisted area status.

Table 6.3.

Regional Aid Totals '000's Pounds sterling (to end Dec. 1986)

Area	RDG	RSA	TOTAL	BSC	Max.Private Co.
Hartlepool	29,459	5,012	34,471	3,429	11,557(*)
Corby	22,830	20,538	43,368	3,782	4,250(#)
Blaenau Gwent	26,836	16,376	43,412	15,594	2,983(\$)

KEY

\* = BTP Tioxide

# = RS Components (RSA)

\$ = Control Data

Source: DTI, British Business.

Levels of national selective assistance are uniformly low (never more than 4% of the total number of firms responding to the questionnaire). Local authority grants are taken up far more readily in Hartlepool and Blaenau Gwent than in Corby. These grants are the dominant form of local authority financial aid to industry, as very low levels of loan take up have been found. Enterprise allowance scheme assistance for previously unemployed "entrepreneurs" is used by a mere 5.5% of Corby firms and even less elsewhere. Overall the ECSC is the most important source of loans but even so at quite low levels of usage: Corby has 22% of firms, Blaenau Gwent 15.5% and Hartlepool 7.8%, utilising these loans. These differences may be attributed to the factors mentioned above; that Corby has made exceptional efforts to get European aid and is also the focus for DTI (often an agent of European finance) activity, whilst Blaenau Gwent has benefited from WDA influence.

These comparisons confirm that the regional development grant is the most important and influential regional policy instrument in Britain. It is liked by industrialists because of the degree of certainty involved in its operation; unlike the more discretionary regional selective assistance (of which only section 7 monies over 5,000 pounds are totalised in table 6.3). BSC(I) loans are utilised but at what appears to be far lower levels (by 10-14 % of firms) than prior to the 1984 reorganisation (information derived from interviews with BSC(I) personnel). The financial assistance by type table also confirms the lack of penetration of venture capital and the government's business expansion scheme into these areas.

Some of the qualitative questions asked of the firms show significant areal differences. When asked whether they would have established without the package of advice and incentives nearly sixty per cent of the Hartlepool firms announced that they would have done so anyway (it must be remembered that a larger proportion of them were founded before steel closure incentives became available). In Corby and Blaenau Gwent, by contrast, a majority of firms said that they would not have established without the incentives. Further analysis of these results by size of firms reveals, that Hartlepool is not any more successful as a nursery for entrepreneurs (the attachment to place is so strong that they feel obliged to do business there) but that the north eastern town seems to be lacking a whole cohort of newly established middle sized (employing over 11 people) and larger (over 31) firms present

in the other two areas. Thus, in Hartlepool, the firms most likely to be interested in industrial incentives are not present, making the opinions of the residual element of local entrepreneurs more statistically influential. This dependence upon incentives, demonstrated by Corby and Blaenau Gwent, can be interpreted in two conflicting ways. Firstly it could narrowly be seen as a measure of the success of the industrial development marketing strategies of the agencies because firms have come to the areas on the strength of the incentives. Secondly, this dependence can be seen as a sign of the inherent weakness and vulnerability of these local economies; marginal forms of capital tend to be reliant upon incentives (as evidenced by the frequent occurrence of firms leaving these areas, or becoming insolvent, when entitlement to rent and rate free periods ceases). This is held to be a particular problem under the Thatcher administration which, whilst making strenuous efforts to encourage individual enterprise, has proved unsympathetic to more general support of industry (particularly loss making, highly unionised ones). Some of the incentives have finite durations; for example enterprise zones which have little prospect of being renewed in their present forms after 1991 when the first generation (including Corby and Hartlepool) expire, as a result of National Audit Office and Public Accounts Committee criticism. Local authority rental subsidies are often of much shorter duration- up to a maximum of two years. A WDA business advisor identified these rent/ rate "holidays" as being potentially dangerous for the trading habits of certain companies because after they are over, some companies

realise, too late, that their profit margins were too narrow to cover the additional cost burden of rents (particularly when they were occupying over- large premises).

A much more uniform picture of the impact of the incentives emerges when their effects on firms' employment change are analysed. In all cases more firms declared that the incentives had not increased employment than had. The firms most likely to show increases as a result of the incentives were those in the employment size range 11-30 in Corby and Blaenau Gwent and in the over 31 range in Hartlepool (but with a smaller sample). These are the sizes of firms most likely to show increases in employment anyway. There is a tendency for the small one man businesses not to grow (see Storey et al 1987) because many entrepreneurs (to make a very broad generalisation) prefer to retain control of all aspects of their business and may find the transition to employing several people impossible to make. The medium size band (11-30) are the firms that have already made the breakthrough and are more likely to be expansive. Growth oriented small firms are the targets for much of the enterprise marketing of the industrial development officers and agents. The impression derived from this survey is that industrial incentives are failing to increase employment, which is, in most cases, their ultimate declared intention.

The other principal aim of most industrial policy is the safeguarding of existing employment. To discern this the firms were asked if the incentives had been crucial for their

survival. In each area over 50% of the firms said that they had not been crucial but there was more variation in the percentages who replied that the incentives had been crucial. Corby had the highest dependency rate of 40% followed by Blaenau Gwent with 38.6%, Hartlepool had 29.9% of firms in this position. These rates of reliance upon incentives should be the cause of concern for local administrators and politicians. In these steel closure areas a new kind of dependency has been created. Instead of resting upon a single dominant industry the industrial structure now depends on a variety of much smaller units of which a large proportion, in turn, are dependent upon incentives and subsidy. It is no coincidence that Corby, the place which is regarded as having been the most successful of the steel closure areas, should be the most dependent upon industrial incentives for the survival of a significant proportion of its new firms (particularly in the 11-30 size range). The fragility of these local economies is reflected by the high turnover of companies, a recurring subject of conversation with many industrialists but difficult to address in the questionnaire format. Several firms, again most noticeably in Corby, would not trade with other new firms in the area because of the high risk of incurring bad debts. It would appear that the more industrial promotion and assistance offered the greater the dependency generated. In the long term it must be counter productive to create an industrial sector that is incapable of sustaining itself, yet is equally as dependent upon state expenditure as the steel industry, but employs fewer people. There is no evidence yet of any



diminution, in the promotional campaigns undertaken in these areas, of the selling of steel closure areas as those which offer the highest levels of incentives. Indeed, Peterlee, a new town neighbour of Hartlepool, recently ran a competitive cartoon publicity campaign featuring a gentleman called "Max Grant".

Interpretation of these questions has to recognise some of their weaknesses. The last three questions in the questionnaire (see Appendix 1) dealt with quite subjective, almost hypothetical, issues; concerning events that may or may not have happened. They are all subject to problems of recall and post hoc rationalisation. There is also an element of prejudice in that entrepreneurs might tend to suggest that they acted for the best motives and play down the role of financial incentives. These questions tend to amplify what has become known as the "deadweight effect"; industrial development, difficult to pin-point, that would have taken place without any state intervention. Obviously, this phenomenon exists, but assessing its true extent is beset with problems of measurement and interpretation because of the particular (single industry dominated areas do not tend to foster entrepreneurship) and general (discerning alternatives not undertaken) difficulties involved. As a corollary to this, it is also impossible to interview personnel from firms which were not created or very difficult to trace companies no longer trading or who took decisions not to locate activity in steel closure areas. Given all these interpretive difficulties these questions provide a

useful qualitative insight into the attitudes of industrialists towards measures taken supposedly in their favour.

### 6.3.3 The impacts of reindustrialization on employment and unemployment

The 1984 (10% sample census) census of employment levels of accuracy are expected to be unacceptably low (personal communication, M.Blakemore June 1987). 1981 is not a particularly convenient year from which to analyse employment change in these steel closure areas. In Corby the full impact of the closure had yet to be felt and reindustrialization measures had not been implemented. Similarly in Hartlepool, where most of the closure of the steelmaking had been completed by 1981, but the rolling mill was still in operation. In both these areas 1981 figures fail to show the effects of enterprise zone designation in that year. Probably the most useful set of figures for 1981 comes from Blaenau Gwent where reindustrialization efforts had been in motion from the middle of the previous decade and most steel redundancies completed. Table 6.4 shows the changes in total employment for the three areas as recorded by the Department of Employment between 1975 and 1981. These are workplace figures and so include people who commute from other areas and do not include residents who work elsewhere.

Table 6.4.

Total Employment Change 1975-1981

Area	1975	1981	Change	%	Steel
Hartlepool	41,383	32,981	-8,402	-20.3	-2,901
Corby	30,052	19,384	-10,668	-35.5	-8,084
Blaenau Gwent	28,491	21,356	-7,135	-25.0	-5,064

Source: NOMIS

Each place has faced a drop in total employment of over twenty per cent in six years due, in varying degrees, to steel job losses. The influence of reindustrialization measures had failed to show by 1981, as evidenced by the paucity of job gains. In Corby, for the same period, the largest gain was only 403 in the printing, publishing and bookbinding mlh. The biggest gain in Hartlepool was 1,045 for the electricity mlh involved in the construction of the nuclear power station (total employment 1985, 664). The electronic computer mlh provided the largest employment rise in Blaenau Gwent over the period 1975-81, a gain of 669. There appear to be problems matching the employment gains claimed subsequently with the unemployment figures. Corby District council claim to have created over 8,000 jobs between 1981 and mid-1987, in Blaenau Gwent the figure is 2,500 jobs and in Hartlepool it is 2,000 jobs.

The mismatch between numbers of jobs claimed to have been created and the unemployment totals can partly be attributed to the importation of key workers by newly arrived firms, the attraction of workers not registered for unemployment benefit and creative accounting by some of the more unscrupulous

individuals, keen to emphasise the success of their initiatives. Producing an accurate time series for the same area for unemployment data is beset by the well publicised problems regarding changes in methods of counting (most noticeably from registrants to claimants in 1982) and in boundary changes for travel to work areas. The ten year period between 1972 and 1982 is probably the best recently comparable decade of unemployment statistics available. Table 6.5 summarises the available information.

Table 6.5.

## Unemployment Change 1972-1982 1978TTWA Unemployed Persons

Area	Option	1972	%	1982	%
Hartlepool	Male	3,140	12.3	6,577	25.2
"	Female	552	3.7	2,385	14.7
"	Total	3,692	9.1	8,962	21.2
Corby	Male	600	3.0	5,058	25.7
"	Female	221	2.3	1,515	14.4
"	Total	821	2.8	6,573	21.8
Ebbw Vale	Male	1,271	5.7	4,358	24.5
"	Female	308	4.0	2,003	22.0
"	Total	1,579	5.3	6,351	23.7

All taken in June (source NOMIS).

Subsequent changes in areal and methodological bases for calculating unemployment rates (for example the inclusion of the largely rural Abergavenny district with Blaenau Gwent in the 1984 TTWA) make continuation of this series impossible. The new TTWA figures, using claimants, show signs of recent falls for Corby and, to a lesser extent, Blaenau Gwent, but not for Hartlepool. Residual rates remain high. It is uncertain how much of the fall in unemployment can be attributable to the changes in calculation, the introduction of new schemes (eg "Restart") or to the attraction of new industry. In Corby, accepting for the moment that the claim of 8,000 jobs is correct, only 2,300 people have been removed from the unemployment register. The similar figure for Blaenau Gwent is not available because of the boundary changes, but it would appear to be little more than 1,000. In Hartlepool the situation has been far worse, with

unemployment rising into 1985 and showing a fall of only 1,000 since then, with little change since the early 1980's.

As has been mentioned above, quantitative assessments of reindustrialization are decidedly problematic (Dept. of Employment figures are treated sceptically even by civil servants and by other bodies e.g. Welsh Office and National Audit Office) but it can be concluded that the measures adopted are generally inappropriate to the scale of the problem. What has, so far, been overlooked have been the qualitative implications of the measures for the characteristics of employment created, and the influence these have on the evolution of the post- steel labour market (including pre- existing firms). It is proposed here to compare the wages, terms and conditions of a selection of the new firms in each area with those prevailing in steel finishing remnants. The figures date from 1985-86 when the bulk of the interviewing was undertaken.

Official figures for wage rates, though often available to provide a guide for incoming firms, are not readily comparable because of different classifications and an absence of definitions. It is, nevertheless, interesting to compare the average wage opportunities for semi- and un- skilled industrial workers in these areas because these are the grades which are applicable to many ex-steelworkers (most have found their original skills untransferable). Many would appear to have found (especially in the post "make up" pay period) the new wage levels unacceptable, as they frequently

involve cuts in pay of in excess of 100 pounds per week. The Corby personnel association (based in the Jobcentre) provided the most detailed breakdown of wage rates by occupation; basic contract rates for unskilled industrial workers ranging between 1.94 and 3.23 (average 2.61) per hour (with shift premiums between 0.69 and 2.92) 1985; (increase in 1986 5.5%, though still to an average of less than 5,000 pounds per annum). The figures for Gwent and Hartlepool are more similar to each other but less well defined. Gwent (no figures for Blaenau Gwent alone are available) has "factory operatives" average weekly rates at 70 pounds per week (an amount that rises to over 85 pounds when overtime and bonus are included). The Hartlepool figures are not aggregated in the same fashion but the personnel association reports that in some of the new firms a 40 hour week is rewarded with 60-70 pounds. This confirms the interview findings where rates of 1.60 per hour (for established personnel) and less were discerned (at CDL44 Foods and Isocom). These extremely low levels of pay (longer established firms in each area can pay double for similar grades of work) are indicative of the new firms' eagerness to exploit the high unemployment situation. They are encouraged to do so by the Thatcherite philosophy for workers to be "priced back into jobs". In 1985 the average gross weekly earnings of male manual workers in Cleveland was 166.7 pounds (Cleveland County Council) with the national average at 160.6 pounds. The Cleveland figure was boosted because of the higher than average wages paid by the chemical and steel industries; albeit to an ever decreasing number of workers. This can be used as a guide to

the wages differentials between pre- and post- steel closure labour markets:

Not all the new companies pay so little in wages. The high paying employers are rare but find that they are rewarded in loyalty and low staff turnover; but competition is severe for jobs (one personnel officer declared: "we daren't even advertise"). Tolaram, one of Hartlepool's newest and most prestigious firms (part of a Singapore multinational) employs 79 fulltime male workers at 160 pounds per week for process and 180 pounds per week for crafts. These rates are allied to, but at a much lower level, the Teesside chemicals industry and are paid to men who mainly live outside Hartlepool. RS Components (Corby) have a basic rate of 120 pounds per week for manual workers and 145 pounds for craftsmen. It should be noted that the standard 40 hour week prevails in most of the firms mentioned in this paragraph. The same cannot be said for some of the others: for example workers at PMA ("Positive Mental Attitude") Textiles in Hartlepool had to do four twelve hour shifts for their 122 pounds (with no supplements) in 1985. Twelve hour shifts and particularly low pay for women (50-55 pounds per week) are a feature of each of the areas.

Bearing in mind the prevalence of small firms in these areas there is a tendency towards low wages and poor conditions of work and employment. The small firms do not have the resources to provide anything but the most basic facilities (and sometimes even less) for their workers. It



was not felt feasible to include questions on the degree of unionisation in the firms' questionnaire, in order to ensure adequate returns. Other evidence, from trade union and personal interviews with industrialists, indicates that the new firms tend to be hostile or at best ambivalent towards trade union recognition of any description. Geoff Jacob (T&GWU Ebbw Vale secretary) noted that out of 16 factories established on the Rassau Estate in 1984 only 3 recognised trade unions: "They (the workers) are persuaded, often very forcibly by the employer, not to join a trade union and are threatened with the sack if they do join a trade union." Such experiences are replicated both within Blaenau Gwent and in each of the other areas. In some cases union organisation has been allowed, but very much on management terms. An example is the Control Data (now Xidex) works at Brynmawr near Ebbw Vale (the largest private company in the area) who have a no strike agreement with their single union (EEPTU) under the title of "compulsory conciliation" (which involves, among other things secret balloting of the employees whilst negotiations are in progress- a high price to pay). Another feature of the Control Data "US style hiring and firing" (Jacob, G. 1984) is the use of "supplementals" a pool of labour used on ten month contracts with no employment security. When the post-takeover rationalization occurred the 100 supplementals were the first to be made redundant (1986).

In Hartlepool three of the larger firms established on the enterprise zone in 1983 (PMA, CDL44 "Mr Chris" Foods and

Isocom) have been explicitly hostile to any suggestion of trade union organisation. The PMA (now taken over by Coates Viyella) image was firmly based upon American management philosophies involving "a progressive industrial culture" and non-union training and re-education. This may most vividly be discerned through the recruitment procedures (at PMA 3,500 people applied for the first 24 jobs); successful applicants were interviewed up to 6 times at various times of the night, day and week for attitude rather than aptitude. Those selected became "associates" and had to be prepared to work flexibly (with on-site training) at any point in the 24 hour, 365 day per year, process (except certain specialist functions). It is tempting to draw comparisons with the Victorian values more appropriate to Dickensian work houses than the late twentieth century conditions. In one Hartlepool case the analogy is most apt, even down to the "larger than life" characterisation of the principal. CDL 44 Foods (brand name "Mr. Chris") has built up a reputation for the harsh treatment of its employees, much of it, for reasons of libel and problems of insubstantiation, uncorroborated. The factory owner, Mr. Chris Liveras, is known to have had two convictions for fraud yet was still given considerable grant aid and assistance to establish his frozen cakes factory in the town. Union activity is expressly forbidden and punishable by dismissal; workers representation is limited to a consultative but not executive "works council". Conditions in the factory (access refused even to Hartlepool's industrial chaplain) have been described as stringent- the threat to deny access to ladies toilets for

alleged time wasting was countered by sabotage of the cakes (according to an employee). Two clauses from a 1986 contract at CDL 44 illustrate the type of conditions experienced:

"8. There will be 1 - 15 minute break, and 1 - 30 minute break (15 minutes of which is unpaid), during an 8 hour shift.

17. TIMEKEEPING

Anyone late more than 5 minutes in any one day will automatically be sent home before starting work and will lose any attendance or productivity bonus, or both, for that week."

Clause 17 inspired a recent and amusing headline,

"CUSTARD PIES FOR CAKE KING Jobless anger at boss's 'lazy' slur," (Hartlepool Mail, 5.9.86 p1).

Mr Chris accused the town's unemployed of being unable to arrive at his factory on time and provoked a reaction from local unemployed groups. According to the employee (who wished to remain anonymous for fear of losing her job) the bonus levels were set so high that they were achieved on extremely rare occasions. It is fact that in his first year of Hartlepool operating Mr. Liveras sacked his entire workforce over the long Christmas and New Year period (a particularly awkward one due to weekends etc.) and proceeded to reemploy them from the 2nd January, thus obviating the need to pay his workforce any holiday money. Isocom, ostensibly a "high tech" firm, actually utilises most of its female labour force on extremely routine machine-minding tasks and pays them low wages (1.54 per hour) for the privilege. Again unions are barred and replaced, in the

minds of the management, with a works council. Another Hartlepool employer, Lab Systems Furniture (the first factory to open on the enterprise zone in 1981) is also non-union and maintains that its profits are too marginal to be able to offer wage rates competitive with the older employers in the town. Although Tolaram offers relatively good wages (see above) one of the few imposed directorial decisions from the Singapore based parent company was that there were to be no trade unions (interview, May 1987).

Antipathy and ambivalence towards trade unions and the provision of adequate (despite problems of definition) terms and conditions was also a feature of many of the new firms in Corby, where the local "Labour" council were adamant that these issues were the concern of agreements to be negotiated between companies and workers. Commodore's denial of union representation was such that even the ever-flexible EEPTU were refused negotiating rights (Weston, 1984). The Commodore management were unwilling to be interviewed just before the company withdrew from the town in 1986. The Trades Council in Corby is still dominated by the ISTC but has come to be associated with the small radical element of the local Labour Party because of its sponsoring of seminars and meetings which question the Council's overt "no strings" promotion of new industry.

The standard response from three of the average sized Corby companies encountered (employing between 11 and 40 people) was that people were very welcome to join trade

unions if they wished to do so but none actually did (Hamlet Circuits, Fresh Fruit Juice Manufacturing and Falcon Crest). Falcon Crest, the smallest of the three, had developed a flexible work culture based on the small size of the plant and the fact that each of the three managers was capable of doing any of the factory tasks and was prepared to "muck in". Any employee was allowed to answer the telephone too. This type of system depends very much on the personality of the managers involved. At Falcon Crest it appeared to have worked well because in the first three years of operation of the caramel food colouring plant, only one out of the eleven employees had left the firm. The exigencies of small business management meant that one night four (including two directors) of the workforce stayed at the factory until 02.00 hours cleaning out a cooker where the caramel had begun to set. It would appear that in larger organisations such rapport is rare. At Hamlet Circuits, for example, the managing director, identified the workforce as his biggest problem- "we train up so many people (in production and inspection of printed circuit boards) and then they go and screw up everything we do." This firm used "low tech" manual production and visual inspection methods for many parts of its "high tech" product- double sided and multi-layered prototype printed circuit boards. Its philosophy being, in two significant areas, that it is cheaper to employ young people than to purchase machinery in excess of 50000 pounds. The Fresh Fruit Juice Manufacturing Co. (the only UK source of poly-bottled freshly squeezed juice for immediate consumption) payed similar wages (70-75 pounds per week) to

the other firms but had a more aggressive management style than Falcon Crest and reported a higher turnover of staff. Fresh Fruit Juice reported an approach from a food industry trade union (Corby promotes itself as a food processing centre) and held a staff meeting to discuss it. The meeting concluded that there was nothing to gain from establishing a recognised branch; the few ex-steel men in the firm have a jaundiced opinion of trade unions general ability to deliver.

It is perhaps significant that the largest and most profitable of the firms encountered in the three steel closure areas actually made the conscious decision to adapt to the Corby conditions and recognise a union- USDAW- for the first time in over fifty years of company history. Out of RS Components 1,200 employees, 500, mostly on the manual side, are members of the union which has negotiating rights, but not a closed shop. The personnel manager indicated that theirs' was not a militant branch, a measure, in his opinion of its non- militant local union antecedents. There have been two stoppages since the same-day distribution centre opened, the longest lasting an hour after the imposition of a smoking ban in the warehouse. The company is also attempting to increase employee involvement in management by inviting union contributions prior to decision making. Although indicating a desire to integrate further into the "social fabric" (Personnel Manager, 1986) of Corby most of the RS managers live outside the town for the declared reason of poor availability of good quality housing. It is admitted that problems remain, for the 150 ex-London managers who

moved with RS, in coming to terms with a Scottish unionised town and that the unionisation allowed was an attempted palliative to the new workforce.

In general the wages, terms and conditions compare unfavourably with those pertaining in the steel works when they were operational. In the case of Corby and Ebbw Vale they also compare unfavourably with the wages existing in the steel finishing remnants but the gaps between the steel industry and the better new employers is diminishing, especially in gross terms (as bonus payments become rarer in some of the steel finishing plants). For example, the range of wages paid by Seamless Tubes Limited (one of Corby's BSC-TI Group joint ventures) is between 130.08 and 161.27 pounds per week compared with RS Components 112 to 145 pounds per week (1986, in both cases). Previously the steel companies made strenuous efforts to dominate the local labour markets to the extent of excluding competing employers. Since closure working conditions have changed within the finishing works- the numbers of unions has been reduced (without blastfurnacemen for example) and more flexible working practices introduced (such as crane drivers having to be prepared to move around the works instead of waiting for work to come to them). Redundancies have continued long after the main steel closure (over 2,000 after 1981 in each of the areas). For example privatisation of the plug mill to Seamless Tubes in Corby resulted in a halving of the workforce to under 250.

Perhaps the most drastic change of conditions has occurred at the 44 inch pipemill at Hartlepool. After the closure of the adjoining plate mill in 1983 (incidentally the only British mill properly equipped to roll the heavy plate required for oil and gas uses) the 44 inch mill was reopened on a core and contract worker basis.

"It was agreed the Corporation would retain the minimum number of employees (to be known as core employees) to keep the mill operational, provide a customer service and who would have the knowledge, expertise to carry out trials and be competent to train and supervise future Mill employees.

It was agreed that the Core Employees would be retained on existing terms and conditions and their range of duties would be the subject of a separate agreement.

It was agreed that Short Term employees would be recruited for an individual customer order or a specific combination of orders in the Mill on an individual contract of employment for the duration of the defined orders." (BSC Enabling Agreement 27th May 1983, signed by ISTC and GMBTU and NCCC representatives).

Rates of pay for the contract workers ranged between 90 and 130 pounds per week from 1983. Maximum flexibility and mobility was stipulated for contract workers from the outset. For certain small orders only six contract workers have been taken on and they have had to undertake each process in tube production, following the work down the line.

Section 24, of the work practises accompanying the agreement reads as follows:

"Semi/non skilled grades will perform any work as directed.



For example:

Pipework

Rigging

Lubrication Duties

Boiler maintenance

Cleaning as required

Slinging as necessary

Chart changing

Crane driving"

BSC claimed that this arrangement was the only way to save the mill, but it certainly resulted in their gaining the upper hand with the trade unions and the large pool of already trained labour that their own redundancy programme had produced.

#### 6.4 ALTERNATIVE RESPONSES TO REINDUSTRIALIZATION

Each of the areas has considered a very similar range of alternative responses to the crisis of steel closure. Most are very much in line with the traditions of urban planning: the promotion of tourism, retailing and office development.

The promotion of tourism and leisure are currently being considered as the most promising methods of generating employment and also attracting interest through casual visits to the areas concerned. Blaenau Gwent markets its tiny fragment of the Brecon Beacons National Park as a key focal point of interest as well as proximity to the Big Pit mining museum at Blaenavon. The main thrust of this Welsh steel

closure area's leisure and recreation department is in connection with the 1992 National Garden Festival which is to be sited on the "heavy end" (the actual iron and steel production sites). The experience of previous British garden festivals does not lead one to be optimistic about the chances of successful commercial spinoffs in Blaenau Gwent. At least it may result in the landscaping of the badly disfigured part of the valley. Corby has Rockingham Castle in its boundaries but the Council is now making strenuous efforts to develop its own tourist attractions (apart from the annual Highland Gathering which is already well established). In 1987 a breakthrough was achieved in that the council managed to reopen Corby station and sponsor a shuttle local train service to Kettering, on the main line to London. This was thought to be the main obstacle to the development of "Wonderworld" a large themepark scheme that has existed only in glossy brochures and as a notice board in a disused iron ore quarry for the past five years. Hartlepool has had more difficulty in developing its tourist potential. The ancient resort of Seaton Carew now caters mainly for day trippers and would require a major face lift to become anything more. It is widely believed that more could be made of Hartlepool's harbour facility, plans for a marina development are being reevaluated. There has recently been a debate in the local press (Hartlepool Mail) about the missed opportunity presented by the HMS Warrior restoration; it is felt that more access could have been provided and that a stronger case made to retain the ship in Hartlepool rather than letting it go to Portsmouth, for permanent exhibition.

Retailing has already been discussed as a land use alternative to industrial development. Both Corby and Hartlepool have now allowed retail developments on their enterprise zones. Blaenau Gwent has not been able to match the grandiosity of these schemes with its single Coop superstore.

Office development has been considered desirable (Michael Foot attempted to have BSC and central government office functions located in Blaenau Gwent to absorb some of the administrative staff made redundant by steel closure) for these areas, but there has been little demand. If the situation is difficult in recognised office centres such as Reading (Boulding, 1984) where there is over-provision of office space then it is compounded in steel closure areas, where there is little or no tradition of commercial activity. It is generally the local administrations and job creating agencies themselves which provide the main demand for office accommodation in these areas. In Corby the council has recently (1986) purchased the only hotel (the "Strathclyde") for conversion to offices for its social services department (at a controversial cost of over one million pounds). In Hartlepool the commercial rents are so low that it is a mathematical impossibility for English Estates, the County and Borough Councils ever to recoup the renovation costs of the Old Municipal Buildings; now available as de luxe suites (one is occupied by the enterprise agency). In Blaenau Gwent the only new office built since steel closure houses the WDA branch office, British Coal (Enterprise), the Business

Advisory Centre and the local representative of "Business in the Community" (the enterprise agency umbrella organisation).

Hartlepool is the only one of the three areas where third sector (ie community, non-market lead) responses have been encouraged. These forms of activity are typically small scale, often chaotically controlled and tend to involve very little employment creation. Hartlepool has a Community Enterprise Trust and Enterprise Centre (directed by Tony Mason) which has evolved out of the Cleveland Council of Churches Unemployment Project's, Community Programme scheme. A recent royal visit to the centre (combined with the opening of two new factories) amounted to official sanctioning of these efforts. The leader of Hartlepool council suggested that he regarded these initiatives as merely temporary measures to occupy the unemployed while awaiting a return to full employment, an indication of the extent to which past attitudes refuse to die. In Corby, although it was the only area to have a workers cooperative operating in industrial premises, the attitude is far more hard line capitalist with attention to third sector activities considered an admission of defeat. The same is true, to a lesser extent in Blaenau Gwent, where the necessarily committed and dynamic leadership has not come forward.

Given the ideological and financial restrictions upon these particular (and many other) local authorities it is not really surprising that reindustrialization should be attempted so readily. The local authorities in these areas

are traditionally Labourist rather than socialist, seeing the capitalist solution as the only way forward. They seem to have taken Thatcher at her most negative: "there is no alternative". In strictly financial terms they are probably correct, as so much (and the amount is increasing to over 80%) of their budget is derived and controlled directly by central government (Hudson and Plum, 1984) and there are severe sanctions for "overspending".

#### 6.5 COMPARISONS WITH OTHER AREAS

It maybe worthwhile including brief comparisons with other areas in order to determine whether the experience of steel closure areas has been unique or whether lessons can be drawn, and applied, for other areas where industrial development is being sought, or is taking place as a result of other forms of state intervention. Some general points arise, firstly through examining other steel closure areas, then other reindustrializing areas and finally industrial growth areas.

Consett (Derwentside) provides an example of another steel closure area in the north east which has had a similar "steel town" social background to Corby. The conditions in Consett have been as severe as any of the three areas selected for this study. In Consett the steel closure was complete; with no finishing capacity remaining at all.

Elements of the Consett story compare strongly with different ones of the three other areas of prime interest. Consett most closely resembles Ebbw Vale in that very little was achieved in terms of industrial diversification prior to closure; but Derwentside's delay in appointing an industrial development officer until July 1980 appears barely diligent (Robinson and Sadler, 1984, p39) even if one has doubts concerning the efficacy of such a move. The role of BSC(I), as elsewhere, was to encourage the formation of a local enterprise trust- the Derwentside Industrial Development Agency (DIDA). A "Task Force" of central and local government institutional representatives was established in Consett to the same pattern as in each of the other areas. Most critically, even using DIDA's figures, there had, by 1984 (and there is little subsequent evidence to the contrary), been insufficient jobs created in the Consett area to cope with other closures, after the steel works shut. The unemployment effects of the steel closure had not even been addressed. English Estates have reported increased lettings in Derwentside but these are not substantial enough to account for the fall of over 1,000 in the unemployed total for the district between February 1986 and May 1987. 100 extra YTS and 250 additional Community Programme places in the same period account for a significant proportion of this reduction. An associated, but unknown dimension, is the effect of the "Restart" scheme in reducing the number of unemployment benefit claimants (whilst offering few material advantages).

Derwentside has experienced a proliferation of community ventures in the first seven years of the 1980's (primarily under the MSC's Community Programme). The biggest agencies in Consett were run by the YMCA and the Boys Brigade (see Robinson and Sadler, 1984). Perhaps the most high profile effort has been the Consett Music Projects (established 1982). This co-operative of local unemployed people began by constructing a small recording studio and rehearsal space. The project has now developed into music promotion and established a regional record label. It has also been involved in a number of local educational projects using the medium of popular music. Judging by the high level of demand for studio time, this project is very popular with the young unemployed but it suffers from the usual funding difficulties of third sector organisations and faces an uncertain future. Chapter 7.6 provides further evaluation of the alternatives.

Derwentside most closely resembles Hartlepool in terms of claimed job creation totals, with 2,000 being indicated (DIDA) but it must be remembered that the effort is far more dispersed because the coal closure areas of Stanley and Lanchester are also included. Blaenau Gwent, another steel and coal closure area, has had a slight advantage over Derwentside in being able to attract a number of motor vehicle parts manufacturers from the West Midlands. The contrasts between Corby and Consett have been highlighted (Boulding, Hudson and Sadler, 1988) particularly in terms of accessibility, but also in the fact that over four times as many jobs have been created in the Northamptonshire town.

The two places represent the extremities of the spectrum of post steel closure experience.

There are eighteen steel closure areas (not including the addition of Merthyr Tydfil in late 1987) and available evidence (from unemployment figures, limited employment data, personal contacts and other studies- eg Storey, 1983) suggests that Blaenau Gwent represents something of a typical level of achievement in terms of job generation (between 2,000 and 2,500 up to mid- 1987). Apart from Corby all the others are a considerable distance from London and have suffered as a result of southern bias in business perceptions.

Of all the area based economic interventions of the Thatcher era the only major one not to include some steel closure areas was, until mid-1986, the idea of Urban Development Corporations (UDC's). The experiences of the two existent ones, in London Docklands and Merseyside could not be more contrasting. London Docklands is heralded as the shape of things to come, in terms of the interaction between public and private sector finance that is the mainstay of the enterprise culture philosophy (where government spending will be minimal and partnerships are expected to materialise between the private and public sectors). The Docklands development can justly be criticised for having offered nothing to the indigenous population, apart from menial janitorial types of employment; but plenty to property speculators and expansive "post- big bang" City finance



companies. It is reported now that rental values have been ramped to such a degree that the manufacturing enterprises are increasingly unable to afford to stay in Docklands and are moving elsewhere in a second stage decentralisation. Although the Merseyside Development Corporation has achieved some environmental improvements to its water front areas it has failed to achieve much in the way of employment generation. This, rather than London Docklands, is more likely to be the model for the second wave of UDCs recently announced for Tyneside, Teesside, Trafford Park and Stoke on Trent. Part of southern Hartlepool is actually designated in the proposal for the Teesside UDC. The words of the regional chief of the Department of the Environment, before being appointed director of the Tyneside UDC, that "we always forget Hartlepool" (A. Balls, 1986), may well prove significant because the lion's share of the Teesside UDC (director, Duncan Hall from Corby) is along the Tees at Billingham, Middlesbrough and Stockton.

It may at first seem spurious to attempt to compare steel closure areas with what are supposedly dynamic high growth, "high tech" concentrations such as the M4 "corridor," but both have been areas of manufacturing decline and the former attempt to imitate the latter. Indeed, in Britain, the industries sought after to provide the new growth prospects do nothing of the sort, in fact they are comparable with the steel industry in their downward trends (if not at the same rate and on the same scale). The EITB (Engineering Industry Training Board) has compiled a set of employment figures from

their statutory returns which shows totals for the electronics industry declining from 395,631 in 1978 to 329,906 in 1986 (though not as rapidly as in the rest of the engineering industry). The only regions to show employment growth over the same period were Wales and Scotland (by 3,000 and 1,500 respectively). When this information is ranked by county, Berkshire and Hampshire show the greatest growth, with other counties of perceived importance (eg Avon and Cambridgeshire) outside the top twenty counties. Avon's modest 1,000 growth came from a low base (smaller than Tyne and Wear, Cumbria and Northumberland) and Cambridgeshire indicated a decline of 1,300. Wiltshire, included in the notional western corridor, also showed a decline.

The findings of the above paragraph are confirmed by the work of the Reading based geographers Hall, Breheny, McQuaid and Hart (1987). Also Hall and Markusen (1985) conclude that "high tech" industrial growth is (apart from being very difficult to define) located in highly specific concentrations (between Cambridge and Hampshire and not all along an elongated "corridor") has demanding environmental and labour market requirements and is unlikely to be replicated elsewhere. A key feature of the development of the Berkshire sector of the "crescent" has been state expenditure on government research establishments in the smaller (to use another geometrical euphemism) "golden triangle" between Reading, Oxford and Newbury. The main elements of employment growth in most of these places has been office services, largely decentralised routine

functions. At the western end of the hypothetical corridor state military expenditure has also been important but directed through the aerospace rather than nuclear or electronics industries (Lovering 1985 and 1987, and Boddy et al, 1986). Considering Bristol the latter authors concluded: "The city's high-tech growth image and Silicon Valley comparisons are largely wishful thinking, with little immediate prospect of fulfilment," p.206.

If this is the situation in areas high on the lists of potential "high tech" investors, what chance is there for places such as Hartlepool with none of the benign images of the Thames valley supposedly necessary to attract the demanding specialist workers? This makes the 1984 press release issued on Isocom's opening all the more improbable:

#### "HI-TECH HARTLEPOOL

Hartlepool is a town well used to adapting to the changing face of industry, and is welcoming the arrival of the microchip with open arms.

Sir Charles Villiers, former chairman of British Steel and now chairman of BSC (Industry) Limited, has compared Hartlepool to California's "Silicon Valley" saying that the town is well on its way to becoming Britain's "Silicon Port." In the past few years no less than seven high technology companies have set up in Hartlepool, providing a thriving nucleus for an even bigger hi-tech "colony" in the future," (Hartlepool Borough Council, 1984a)

Reading has already been mentioned with regard to office accommodation but it has also attracted a large number of

more modern manufacturing developments (particularly in computers and electronics sectors as well as more traditional printing and warehousing) with very little promotion at all. In fact, Reading's planners claim to be among the few actually practising planning, in that their jobs involve selectivity of the developments they approve. Another example of an industrial growth area, but a more local competitor of Corby's, is Milton Keynes. As a London overspill New Town (Corby only acquired that status as an afterthought) Milton Keynes has undertaken a great deal of expensive industrial promotion: expenditure of over 500000 pounds per year, but has been substantially more successful than Corby in generating new jobs (facilitated by its prime M1 location and closer proximity to the capital). For the vast majority of firms in Reading and Milton Keynes the industrial incentives offered by steel closure areas do not outweigh the commercial and business environmental incentives offered by the south east (and do not even outweigh the higher domestic and commercial property prices that are endured as a result).

Reindustrialization is not solely a Thatcherite or even monetarist phenomenon, but is a feature of several capitalist economies most notably France, particularly in the early years of the Mitterand regime. Mitterand built upon the administrative systems of the previous Gaullist eras represented by the DATAR (Delegation a l'Aménagement du Territoire et a l'Action Regionale) regional commissions for reindustrialization (Zukin, 1985). In 1982, in an attempt to

break down the forces of centralisation, so long a feature of the French state, the Socialist regime granted the regions autonomy on local and regional economic issues (Hudson and Sadler, 1986). The two regions primarily concerned are the Nord-Pas de Calais and Lorraine, which hosted concentrations of steel, mining and textiles. The Nord-Pas de Calais now has a regional enterprise agency (Association pour le Renouveau Industriel- ARI) and an economic development directorate which provide direct subsidies to investment (for land, employment, enterprise creation and business advice). The French have also developed a limited number of enterprise zones (three) with one in the steel area of Dunkirk. The French equivalents of BSC(I) and NCB(E) are Sodonor (established by Usinor) and Finorpa (established by Charbonnages de France) (Financial Times 1987b). Both organisations provide loan finance (often unsecured) in very similar ways to their British counterparts. A French variant has been the attempted use of other (newly nationalised) industries to locate in the hardest hit regions. Thus the Thomson electronics group was encouraged to locate a plant at Longwy, the architypal French steel closure town, scene of riots in 1979. This policy has met with only limited success (Zukin, 1985) as unemployment remains high in these localities. The parallels with Britain extend into the absurd too; like Corby, Lorraine has been promoted as a venue for a themepark which has yet to materialise. A site at Hagondange, near the Luxembourg border, has been selected by a group of entrepreneurs for an American style venture centred on the "Smurfs" (or "Schtroumpfs" as they are known

locally).

The first use of the term "reindustrialization" was in the United States of America, hence the americanised spelling of the term used in this study, (attributed to Amitai Erzioni, New York Times, 1980) and something of an intellectual debate has resulted (see, for example, Wolff, 1981, Luria and Russell, 1981, and Block, 1984). It has featured in the policies of both the Carter and Reagan administrations. As one might predict, in America the word has come to be associated "in terms of international productivity comparisons and considerations of enhanced competitiveness" (Lembcke and Hart-Landsberg, 1985), rather than the European concern for employment regeneration. Re-tooling and technological developments are integral to the American corporate vision of reindustrialization. Despite the rhetoric, most recent employment growth in the United States has been in the service sectors (often domestic and personal services) with an emphasis upon part-time, low paid work. There have been efforts on the part of city administrations in the "rust belt" (places such as Cleveland and Pittsburgh) to diversify and regenerate "downtown" areas using measures familiar in Britain. There is a decreasing amount of Federal aid available (though the Urban Development Action Grants are still in use) but money has mostly to be found from the decreasing (as suburbanization continues) metropolitan tax bases or charitable foundations of major corporations left in the heartland areas (Standard Oil in Cleveland, the Rockerfellers in Pittsburgh, Industrial Union Dept., 1986).

Between 1981 and 1984 23 States initiated enterprise zone laws on the British pattern with a few significant changes, namely: exemption from environmental laws and the overt waiving of rights of workers to trade union organisation. Elsewhere the (elected) city administrations have used the inducements of tax abatement to encourage inner city industry. Under this system the city undertakes to relinquish revenue for a decade from newly-arrived industries. This is in marked contrast to the small scale tax incentives offered in Thatcher's enterprise zones. Losses of up to 39% of jobs in "smokestack" industries have not been made up by the various efforts to induce new businesses and demolish ghettos.

#### 6.6 CONCLUSIONS

Overall the most striking aspect of this exercise has been the similarities between the post-closure experiences of Hartlepool, Corby and Blaenau Gwent. With a few minor exceptions the incentives package offered by each of the areas has been very much the same. The differences have been of a mainly local administrative nature, indicating the variety of social traditions these areas represent (these historical differences will be referred to in the final chapter, below). A generalised assessment of the political product of these differences might conclude that Corby could be described as mainstream Thatcherite, Hartlepool as right wing Labourist and Blaenau Gwent as centre Labourist. BSC(I) has been even-handed with its dealings with each of the

areas, but has been reducing its presence since 1984. Perhaps Hartlepool has had least government attention due to the absence of any major intermediate state body (such as the CNT or WDA) because the English Estates Corporation has a much more limited function, despite its recent advertising as an imitation of the Scottish and Welsh Development Agencies.

The nature and extent of the anti-closure campaign, has had very little effect on the resources invested to reindustrialize. Perhaps the main legacy of the anti-closure campaigns has been the degree of urgency given to reparation measures by the local councils. Corby took the most extreme measures, rejecting the predicted socio-democratic route and opting for the New Right expediency of direct control (through the all-powerful JIDC) and by restructuring the local authority, particularly the planning department. Blaenau Gwent (the new council was formed at the time of closure) gave the chairman of the Industrial Development Committee full executive powers and developed the Business Advisory Centre in conjunction with the WDA and BSC(I). The reaction in Hartlepool was more conservative- to continue in much the same way; to support the establishment of the Enterprise Agency but ensure that it was strictly controlled.

There is a considerable imbalance between the relatively small reductions in the unemployment totals and the numbers of jobs claimed to have been "created" in each of the areas. It is a matter for some debate as to whether this is due to a



large residue of "unemployable" ex-steelworkers, as suggested by Corby's director of industry, or whether the jobs have been going to people not registered for benefits or whether the agencies have been "economical with the truth" over the number of jobs "created" (and especially the numbers lost through subsequent closures).

There are common elements to all three areas in the nature of the industries generated by reindustrialization. The firms tend to be small, non-unionised and unstable. Wages and conditions compare, in general, unfavourably with those pertaining previously in the steel industry. The opportunities for organising the labour forces into trade unions are much reduced by: obstructive management practises (playing on the large reserve army of the unemployed), the balkanisation of workers into small units, and by high levels of antipathy towards the union movement amongst workers because of the inefficacy of the steel unions' opposition to closure.

Probably the most telling set of factors in differentiating the ability of the various areas to generate new industrial development has been geographical. In almost the same way as it has been extremely unlikely that the London Docklands would fail to develop in the way that it has, so has Corby, the nearest development area to London, the best chance of attracting the highest proportion of mobile industry amongst steel closure areas. If, as government propaganda would have us believe, we are

experiencing a market led recovery, then proximity to markets seems to be a deciding industrial location factor. Enterprise zones and other incentives have been important for marketing and highlighting the areas rather than being particularly significant in themselves. These steel closure areas have sought to overcome the problems of single industry dependence through reindustrialization but have not been successful in encouraging a stable blend of responsible employers. The prospects for all of them (including Corby as the CNT reduces its commitment) are not promising.

## CHAPTER SEVEN

### CONCLUSIONS

"Surely, the first fact we must face is that all three parties are stuffed with aged tub-thumpers and superannuated windbags. To most intelligent people, politics are synonymous with claptrap. To be a candidate is to submit to a personally humiliating experience, in which the set smile freezes on your face like a grin on a corpse. Dead ideas. Dead thoughts. Dead slogans. All of them sicked up on your doorstep. No wonder people are disgusted by this gruesome charade, this withered apology for the passion and compassion which ought to be slicing through all the apathy, bewilderment and cynicism .....which is there."

Dennis Potter (1967) "Vote Vote Vote For Nigel Barton."

#### 7.1 INTRODUCTION

This final chapter attempts to draw together the preceeding material into some sort of unity. The intention is to reintroduce some of the theoretical material from chapter 2 in such a way as, not only to enhance the understanding of evolving historical situations in the three specified steel closure areas, but also to generalise the lessons learnt for the many other areas in similar predicaments. Evaluation of past events inevitably leads to speculation as to future ones. These speculations tend to the pessimistic because it is felt that reindustrialization

is, at best, a partial solution to the problems of economically declining areas and, at worst, a cynical palliative exercise with sinister overtones for the erosion of workers' rights, the deliberate fostering of mass unemployment and the destabilisation of socialism.

This chapter consists of six sections dealing, in turn, with the salient issues of the thesis. Firstly, methodological issues are discussed, as these impact on the relationship between the theoretical and the empirical. Secondly, attempts are made to condense the abstract theories concerning the web of interactions between the state, civil society and capital. Suggestions will be made as to how and why the UK state has attempted to reindustrialize and whether such policies have come about as a result of pressures from within, from capital or from civil society. In the third section the impacts upon manufacturing capital will be assessed. The questions addressed here will include the variable impacts upon different sizes and types of firms and whether manufacturing itself has become a pawn of the state as it is being increasingly asked to display a social conscience and pay for services previously rendered by the state. The fourth section is concerned with the residual and perhaps perpetual problem of employment generation: the fact that despite the exaggerated claims for numerical success in job "creation" there remain distinct doubts as to the quality and durability of many of the new jobs. It is hoped to show, too, that the relationship between employment and unemployment is becoming increasingly tenuous, on a

statistical basis, as other factors (such as temporary training or "make work" schemes and certain demographic effects) intervene. In section five there is an analysis of the paucity of policy alternatives; both those considered and those ignored. What are the electoral and political obstacles to the implementation of policies more atuned to the needs of such distressed communitites? The final section (the sixth) concludes with an examination of the poverty of the prospects faced by these areas, in the absence of signs of a major structural upturn in the national economy, the likely continuence of jobless growth in manufacturing output (through the application of new technology and ensuing increases in productivity) and the corollary of perpetual high levels of unemployment in traditional manufacturing areas. Given the current electoral predominance of the Thatcherite Tories, are there any signs of hope for anywhere outside the south that does not have very specific dependence upon certain types of manufacturing (particularly military related)?

## 7.2 METHODOLOGICAL IMPLICATIONS

Perhaps the most important initial consideration for methodolgy has to be selection of the topic and secondly the approach adopted in its examination. In this case both were determined, to a large degree, by other people. This study has been undertaken with an Economic and Social Research Council (ESRC) linked award. It is apparent in other cases that there is a considerable degree of laxitude in the

strength of linkages involved: not so here. At the time of specification, the title of the award was designated as: reindustrialization programmes in steel closure areas in the European Community. It was linked to the work of Dr. Ray Hudson and Dr. David Sadler on European steel closures. There was a strong suggestion of opting for a comparative methodology as this had been successfully adopted in Dr. Sadler's thesis. Personally, the linked award was useful as a solution to subject selection problems and provided the basis for further study of material of interest brought to my attention during an undergraduate course of Dr. Hudson's on deindustrialization and regional change. As part of this course a visit to Hartlepool's Industrial Development Officer (Eddie Morley) was arranged; his enthusiasm for the regeneration of industry was memorable, as was the tour of PMA Textiles.

The comparative method in geography can be described as an extensive one, depending upon the location of, and number of places to be studied. The problem was to decide just how many places could manageably be attempted, allowing a reasonably intensive coverage of each, within the three year allocation of the award. After some consideration a total of three British areas was decided upon (it was initially hoped to include a fourth area from elsewhere in the European Community, but this proved to be unworkable). Concurrently, attempts were made to obtain as much secondary information as possible on all the eighteen British steel closure areas. The most important sources of this information were: Storey's

(1983) study of BSC(I), NOMIS (National Online Manpower Information System) and published material obtained by circularising the areas. A matrix was produced showing the importance of steel employment in each area (using absolute figures and Storey's location quotients and rankings), unemployment figures, rates and changes, the numbers of new jobs created (claims and projections) and (where available) costs per job, assisted area and enterprise zone status, and a qualitative indication of the response to the requests for information. Other important considerations were that the areas selected should represent as wide a variety of social and political conditions as possible. The NOMIS ACE (Annual Census of Employment- actually triannual after 1978) data was used to produce tables showing changes in regional steel employment (as percentages of male and steel employment) and for each of the steel closure areas (as defined using amalgamated office areas) to produce tables and histograms of the 1971-1981 changes in male and total employment using 1968 SIC orders. Changes in MLH's 311 (iron and steel general) and 312 (steel tubes) 1971 -1981 were also examined for the steel closure areas. The terms of usage of the ACE data restrict the publication of much of this information as it might identify individual companies in matters of company confidentiality. The three areas eventually selected represented the range of steel closure experience and nearly the entire range of state assistance to industry available (only certain textile and British Shipbuilders' area measures are lacking).

It may be important to discuss the applicability of the steel closure area experiences to other areas. In effect, the steel closure areas have experienced the very worst influences of structural industrial decline and have had significant, if not commensurate, amounts of state aid as a result. It is by no means easy to determine if the steel closure areas chosen here are representative of assisted or "inner city" areas. In terms of the historical causes of industrial decline they represent a severe manifestation of the influences of recession and structural decay. They may be less typical in that this has come about as a direct result of nationalised industry activity (on a par only with the coal fields). BSC(I) was the first (1975) of the major industrial job "creation" agencies so it can be argued that it is the only one with a history long enough to merit in-depth analysis. The initiatives fostered by BSC have been copied widely, in particular the development of local enterprise agencies and the widespread development of small industrial workshop units. Perhaps of most significance is the fact that the conditions existent in the steel closure areas have now been generalised to cover large parts of the UK outside the South East, East Anglia and parts of the South West, as well as many of the older industrial regions of Western Europe, and, increasingly, parts of Japan. Unemployment is a widespread problem. It is ironic, then, that the measures taken in steel closure areas should be the subject of so much flattering imitation when their achievement brings such dubious benefits. Local initiatives (particularly the inculcation of the values of the enterprise



culture) are very much the international "flavour of the month" in the increasingly desperate attempts to generate employment. The "fiddling while Rome burns" continues, as the fundamental questions of the state's inability to manage capitalist society and the alienation of large swathes of the population in "redundant places" remain unaddressed, let alone answered (by the mainstream of politicians).

As mentioned above, the main element of the research strategy employed has been the comparison of three British steel closure areas. The approach adopted for this task was to collect material from comparable sources in each of the areas. Key actors (with slightly varying titles) were interviewed on a semi-structured basis (most were taped). Central and local government administrators, local councillors, industrialists, personnel managers, enterprise agency directors, BSC(I) representatives, factory workers and ex-steelworkers formed the bulk of those interviewed (see Appendix 2). In each area the residual BSC plants were visited to gain an impression (albeit partial) of the local characteristics of steel-related employment. A week (in 1986) was spent on the Corby (ex-BSC plug mill) site in close examination of the privatised Seamless Tubes Ltd (part TI Group, part BSC). This visit provided useful insights into the troubled "oil country tubular goods" market, some of the difficulties of partial denationalisation and the extent to which trade unions have had to give way to repeated calls for redundancies at the same time as adopting increasingly flexible working arrangements.

The principal quantitative (though there were some important qualitative elements) comparative tool was a nineteen section questionnaire, distributed amongst the manufacturing firms in each area. To ensure as complete coverage as possible I attempted to identify all the users of industrial premises possible, from the various lists published by local authorities (including in the case of Corby, the Commission for New Towns). I also included several firms encountered but not mentioned in the lists. The accuracy of the lists was extremely variable with Corby Industrial Development Centre's being the worst (nearly 150 of the firms mentioned had either failed or moved elsewhere)- this, incidentally, did not give rise to confidence in their "employment created" data, and Hartlepool's being the best (the reasons being that its was the most recent and included the presence of an established nucleus of companies and a relatively small number of new arrivals). Where possible the addressee was the individual company owner/manager identified in the lists. In order to maximise the return rate each questionnaire was personally delivered to the firm, preferably to the manager in question, or at least his secretary and at worst to the receptionist or another employee. The accompanying letter gave a brief explanation and included a date for collection of the completed questionnaire. The return visits proved important as memory joggers and frequently involved spending time with the recipient, often actually filling in the questions as dictated (in the form of a structured interview). If no response resulted after four weeks a follow up letter

requesting postal return was sent out including another copy of the questionnaire. Such activities resulted in an average response rate of 66%, which is considered satisfactory. During the course of the work several refinements emerged that were not included, in order to retain the validity of the comparative method. There could have been a question which analysed in greater depth the nature of the establishment of the firms (apart from the date and whether and whence they had moved); it would have been better to have discovered the date of foundation of the company and where the owners originated or had previously worked. This would have helped to distinguish amongst the non-movers which firms represented an influx of capital, which were genuinely local "start ups" and which were formed by managers "buy outs". The only agency not included that should have been, was NCB(Enterprise) as this was proving increasingly important, especially in Blaenau Gwent. Ideally, it should have been referred to by the companies under "other" (as it was in some cases), but the observed tendency was for them to tick only those actually there. The usual caveats about post hoc rationalisation of company behaviour apply to several of the later questions; it is assumed that the companies were being truthful, but there is no way of authenticating the responses to such subjective demands.

Perhaps the most interesting secondary material used on a comparative basis for each area were the consultants' reports. At various times (usually immediately prior to steel closure) the local authorities and BSC(I) commissioned

reports from consultants in order to identify the best course of action to create new jobs. More important than their recommendations were the accompanying studies of previous attempts to generate employment and existing industrial conditions. Other significant secondary material (apart from the usual academic avenues) was provided by various broadcasts (particularly Channel 4 's "Union World" and certain BBC Radio 4 and World Service productions).

It was most instructive attempting to gain access to industrial development committee reports and minutes. Every possible bureaucratic obstacle was erected, or I was simply met with outright refusal. This posed something of a moral dilemma- if official channels were denied how far could unofficial channels be justified? In the cases of Hartlepool and Corby the compromise was achieved by gaining access through sympathetic local councillors. In Blaenau Gwent a sympathetic councillor provided the introduction to the official source only after written requests and protracted negotiations which included repeated promises of confidentiality. It is difficult to see how the deliberations of industrial development committees (in general exceedingly dull) can merit such excessive caution. The desire to preserve commercial confidences is used by a number of state bodies as justification for restriction of access to a broad range of data. Of more pertinent political interest is probably the desire to keep secret (from the electorate and other competing capitals) the type and extent of particular assistance to companies. It is also likely

that the authorities wish to keep the public as ill-informed as possible about the failures of industrial policies for the sake of legitimating their continuence. Each authority, as a competitor on the place market, attempts to preserve its own industrial initiatives from imitation by others; the problem is that in industrial development there is almost nothing new under the sun, local authority incentives being instituted within the financial limitations placed upon them by central government.

In conclusion to this section, it must be stressed that throughout this work there was tension between the intensive and the extensive methods, i.e. how much time and effort could be devoted to a particular area and how this could be replicated in the other areas. Distance from Durham and ease of access played important roles in this. Hartlepool received the slightly more attention than Corby (where I was fortunate enough to have a very convenient research base). It is freely admitted that it was less easy to get access, on a regular basis, to Blaenau Gwent and that this resulted in fewer follow up company interviews and fewer trade union contacts than in the other localities.

### 7.3 THE CONFUSED STATE?

In attempting to explain and understand the phenomenon of reindustrialization, as experienced in Britain, it seemed sensible to examine the various strands of state theories. The problem, often encountered elsewhere, has been that these theories tend towards the abstract and are not easily or directly relatable to the reality as empirically realised. The problem faced here is how to select, from the body of state theory, that which is sufficient to form the basis of a more prosaic approach, which recognises some of the inherent contradictions between different manifestations of state intervention in industry. Because of restrictions of time and the intensive/extensive tension referred to above, this study has been limited to direct involvement with the UK state (although there are references to studies in the US and elsewhere in the EC), which is by no means typical of even OECD nations. For example, bureaucratic insularity and excessive secrecy are the norm in Britain; there is no written constitution and the electoral system is grossly unrepresentative. Increasingly, control of activities which were the traditional province of local authorities has been centralised or concentrated in Westminster. However, many of the initiatives experimented with by the UK state have been imitated (or derived from) elsewhere, so examination of them may not be solely an Anglo-centric interest.

As mentioned in chapter two, Offe provides the most useful set of state theories for the purposes of this study. It is

proposed to link the main elements of Offe's state theory to reindustrialization as experienced by this study. Each of the four principal characteristics of the state- exclusion, maintenance, dependency and legitimation- has some bearing upon reindustrialization. Exclusion, whereby the state keeps its distance from profit making capital, is represented by the state's adoption of a "hands off" approach offering loans and subsidies to firms with very few qualifications and no actual management input. It is becoming increasingly fashionable for public and private sector "partnership" arrangements to take place (eg "Business in the Community", the new inner city technical colleges and task forces), but the terms of the partnership are generally in favour of capital. Maintenance, through the implementation of political decisions most conducive to the needs of private capital, certainly provides an adequate rationale for nationalisation of key industries (such as steel) but only a general reason for reindustrialization. Without the reindustrialization measures it would be very difficult to maintain the conditions for private accumulation in the steel closure and other hard hit areas. Offe (1975) indicates that the state is dependent upon private capital for the means to fulfil its political programmes. The income of the state is derived from taxes upon property, wages and profits. Reindustrialization can be seen as an attempt to increase tax revenue by encouraging the proliferation of industry and income tax payers, through notions of wealth creation. It is supposed (a major supposition) that this rationale is based upon longer term considerations than the costs of closure and

the costs of regeneration (eg subsidies, rebates, promotion and the employment costs of industrial development sections). Perhaps legitimation is the most important of Offe's state characteristics to have a bearing upon reindustrialization. In its desire to conceal its true nature as a capitalist state (see also above on the local implications of this) Offe suggests that the state acts in accordance with the continuous requirements of accumulation within the rule of law, as established through the democratic process. This is especially true of steel closure areas where the state is directly implicated as the major cause of economic and social hardship. Reindustrialization programmes offer the illusion of future economic sustenance for a locality and can be said to legitimate the closure decision in the minds of the local inhabitants (particularly when the displaced workers are offered seemingly generous redundancy payments). Through reindustrialization the state is seen to be "playing fair", by giving people in the assisted areas equal opportunities to participate in the commonwealth. A potentially antagonistic electorate is appeased and the conditions of capital accumulation are generalised. As in much else, the practice is rather different from the theory.

In chapter two it was suggested that reindustrialization programmes could be described as "post productive" using Offe's approach to modes of state intervention. This, whilst being undeniable, masks the fact that reindustrialization is more properly described as allocative in that resources already under the state's control (particularly financial



ones) are allocated to regenerate industry. The productive input is limited to the characteristics of the allocation; e.g. regional development grants are often used for investment in machinery. Offe also argues against study of the content of state policies alone, the adoption of functional procedures merits equal attention. The duality of problem recognition and response is important as circular linkages tend to alter the perception of the problem (potentially raising new issues) and shape the formation of subsequent policies. The current concern for reindustrialization (i.e. a tendency towards in situ regeneration of manufacturing) has definitely grown out of the post war regional policy consensus. The concern for manufacturing persists (particularly in the DTI) despite the rise of the ill-defined and heterogeneous service sector. The rise of local measures is partly a result of the failure of regional policy to bring about an equitable distribution of industry and a recognition of the general collapse of manufacturing (though not to the extent of abandoning it altogether), in that it is recognised that there are too few mobile firms. It also conveniently fits into the liberalistic notions of the enterprise culture, entrepreneurism and popular capitalism, which have been the hallmark of the last three Thatcher regimes.

The concept of civil society, as developed by Gramsci and later Urry, is important for this analysis of reindustrialization because it helps to explain why on occasions the state may appear to act against the interests

of capital. If one accepts the premise that steel closure areas have been declared "redundant spaces" (i.e. of no further use for capital) then to attempt to regenerate industry in these localities is to run counter to the requirements of capital. The magnitude of the inducements in such areas endorses such a view. It is as a response to the private social interests of the civil society that the state undertakes obligations that include reindustrialization. Urry's (1981) diagrammatic representation of the three interacting "spheres" of civil society- circulation, reproduction and struggle provides the key to this response. The state wishes to maintain the reproduction of the work ethic and the circulation of money in civil society whilst at the same time reducing the impact of any struggle resulting from its prior decisions.

The term hegemony has been used to describe (again by Gramsci and Urry) the belief system implantation throughout civil society of establishment values. Capitalism has to be seen to care (often a Tory Party claim) or, more specifically, to have an acceptable face (Ted Heath, reversed). If "ghost towns" were allowed to develop in Britain as a direct result of state action, the hegemony exerted by the state might be seriously questioned beyond the realms of academia. Perhaps the most pertinent recent example might be the Thatcherite claim that "there is no alternative"; economic hardship is (this plays very much upon the Protestant work ethic) somehow good for one, and that a leaner industrial base will be better able to cope with some

future upturn in the economy. Reindustrialization supports the traditional values of the capitalist classes, particularly reinforcing the manager's "right" to manage, in its subjugation of organised labour. Judging by the weak responses of the labour movement to closures and the perpetuation of high levels of mass unemployment, the threats to a breakdown in the capitalist state's hegemony seem unlikely to be realised. The recently "bullish" stock market, coupled with generous state share issues, whereby millions more people own shares and profitted (until mid-October, 1987) by the fluctuations of capital, can be seen to have had an impact on the June 1987 election results. It is generally recognised that those people participating in the capitalist system on a full-time job basis, are better off under this regime than previously. Thatcherism has succeeded in hegemonising the individualistic rather than the collective notions of capitalism. This has been so successful that local initiatives are increasingly being accepted as the norm and that the central government has no further responsibility in these matters.

It may well be that the efforts of Offe and others to define rules for policy formation have been misguided, because there seems to be no adequate rationale behind the sum of government industrial policy. The closest to a guiding strategy was the broad intention to create wealth (DTI interview August 1987). It may be preferable to return to Offe's state-duality problem solving approach, whereby the state's reaction to a particular problem (by adopting new

organisational procedures) colours the perception of future problems, through the very nature of the policy solutions offered. It is possible, then, that the state has got itself into a rut, so that the only solution possible is to continue along the lines of reindustrialization. Particular policies tend to arise according to the needs of the moment, implying that, within the limitations of the capitalist system, the state lurches from one crisis to another. As one set of policies fails, another emerges to do the same, each sustained momentarily by the prevailing hegemony. The main aim of reindustrialization, the locally deconcentrated regeneration of industry, can be seen as the end point in a chain of industrial policies which originated in the redistributive national economic intentions of regional policy, as it existed for most of the post-war period. If, as is likely, the local option proves fruitless, it is difficult to see how policies can go any further along this continuum than the stimulation of prospective entrepreneurs into setting up their own businesses. Unless third sector initiatives (essentially acting within capitalist societies, but outside the capitalist relations of production) are given serious consideration, the options currently to be faced involve: a continuence of present policies, a return to more active national state intervention (including, potentially, a purposive industrial policy) or some kind of withdrawal from industrial support (with the exception of support for enterprise).

### 7.3.1 The Place Market- a hard sell

Some state theory indicates that contradictions emerge in the mode of operation of the state (Offe,1975) but there are none that explain the state actually engendering competition within itself for its own resources. Competition between places to attract new or mobile industry has been a feature of British local government practice since before the recession of the 1920's and 1930's. The characteristics of this competition (i.e. the extent to which central government dictats are followed and socialist integrity put aside) are derived from the class attributes of the local authorities. This idea is derived from Cooke (1983), already quoted in chapter two, where he states that local government (he actually uses the words "local state") is a representation of the variations of local class relations. Although the range and type of industrial incentives on offer in each of the areas is broadly the same, there is some variation in the approach and degree of commitment to the "hard sell", which the authorities still deem necessary. One reason why Corby should institute such an overtly commercial campaign, to the extent of attracting a number of visits from cabinet ministers, as well as becoming the first English enterprise zone, is that it has a much shorter history of industrialization (less than 50 years of steelmaking). The inertia of Labourism had not had time to develop fully, despite the fact that many of the migrant workers came from traditionally militant Scottish regions- the impression is that many wished to eradicate certain aspects (but not

cultural ones) of their Scottish past. Although by no means typical, Corby was a New Town and relict features of this ethos remain. Hartlepool, with its mid-nineteenth century heavy industrialization, had a much longer and more established tradition of socialist (previously Liberal) activity which represented itself, whilst the town embraced the enterprise culture (receiving enterprise zone and setting up an enterprise agency), in a less dramatic industrial presentation effort than Corby. It must be remembered that in Hartlepool the steel closure was just one out of many large scale closures and cutbacks that had the effect of further demoralising an already "shell-shocked" community. Blaenau Gwent's industrial history and socialisation was the longest of the three. It was part of one of Cooke's "radical regions" in the early nineteenth century (it is a moot point as to whether it has remained so until now) with participation in the Merthyr Riots (1831) and the Chartist movement of the following decade. Aneurin Bevan was MP in the 1930's and was succeeded by Michael Foot, both members enjoyed the largest Labour majorities in the Commons. Nearly two hundred years of working class culture has left its mark. There are high expectations of the state (whether it be local or central government) for the replacement of lost employment. These are exemplified by the Borough Council's takeover of the MSC Skillcentre which was faced with closure in 1982. Control of the Business Advisory Centre is rigorously maintained by the local authority, which is reluctant to devolve any decision-making to an enterprise agency or trust. However, the scale of the problem has

resulted in a very pro-business attitude: the chairman of the industrial development committee has executive authority and virtually a full-time job. Thus, although the effects and outward appearances of the reindustrialization programmes may seem very similar in each of the three areas the mode of delivery and perception behind them depends upon somewhat different class backgrounds.

What must not be overlooked is that the eighteen steel closure areas are competing against each other (the Association of Steel Closure Area Authorities has no real unifying influence), against all the other assisted areas, against all the other areas which constitute the 400 (approximately) enterprise agencies and trusts in Britain and against a small selection of places where there is no need to promote industry; to say nothing of international competition. At the moment the place market is a buyers one (and likely to remain so for the foreseeable future). Competition is fierce and the price exacted (from local labour and diminishing local financial resources) is high.

### 7.3.2 BSC Industry - the Palliative

Ever since the mid-nineteen seventies' the British Steel Corporation has been regarded as socially progressive in management circles. It is assumed that the creation of BSC(I) stemmed from an earnest and deep-seated social concern about the effects of its massive closure campaign at the time. In the Development Strategy to the Early Eighties

(BSC, 1972- as revealed by Bryer et al, 1982) a more cynical side to the strategy is shown up:

"the Corporation can, with Ministerial approval, itself develop, participate in or invest in new non-steel projects which would create job opportunities, and it has it in mind that it should take all reasonable opportunity of doing so. It can also redevelop its redundant sites, or lease or sell them to industrial developers, in such a way as to promote job creation. At the most optimistic estimate, however, such BSC initiatives are unlikely to make any significant contribution towards replacing lost steel job opportunities, though they might have a significant presentational value in dealing with employees and the trade unions."

The public face of BSC's social policy was drafted in somewhat different terms two years later (1975) when the Chairman, Sir Montague Finniston, presented a paper on Manpower Reduction and Social Responsibility- The BSC Experience, to the June meeting of the National Economic Development Organisation:

"BSC has never disregarded social consequences in formulating proposals; indeed claims to be in the van of British industrial practise in the matter of humane social policies. The importance of social policy and manpower planning was recognised from the first statutory organisation report in 1967 - published within a week of vesting date where it was stated that the aim of long term profit maximisation must be pursued consistently with ensuring the 'socially responsible utilisation of human resources.'"

The rationale behind the position as presented to the Board



meeting of 31st July 1975 was made clear in a memorandum written by board member Ron Smith; this meeting approved the establishment of BSC (Industry) Ltd to put the ideas into practise. Sections 1 and 2 read as follows (and date the piece very specifically as it is committed to a return to full employment):

"1. It is the Government's responsibility to create economic, social and industrial conditions in the country which will provide full employment as the ebb and flow of markets and technology compel individual companies to make adjustments to their labour forces. It is its particular responsibility to do this in areas of high unemployment and in areas where high unemployment can be foreseen.

2. Nevertheless, the Corporation, as a socially responsible employer, has accepted that it should augment the efforts being made by Government to replace some 40,000 jobs which will be lost in the closure areas over the next 5-6 years as it progresses with its rationalisation programme. It has done so partly spurred by the need to secure the co-operation of trade unions, employees, and their communities as it makes changes in the size, technology and productivity of its plants, thus encouraging the Government to give consistent support to the development strategy which is critical to the long term viability of the Corporation and to stable employment in the industry."

Section 16 of this memorandum put forward the assumption that BSC(I)'s purpose would be achieved in "about 10 years", an approximation that was not overgenerous, given the increasing scale of the problem and multiplicity of areas affected.

Although not working on the same scale as prior to the 1984 reorganisation, BSC(I) is still in existence but limited its public reporting in 1987 to three nebulous paragraphs in the BSC annual report. The first reads as follows:

"BSC Industry continues to play an important role in helping to create jobs in the areas of the country most affected by the restructuring of the Corporation, providing support for new, expanding and incoming businesses. The total number of job commitments the Company has helped to create since 1975 now exceeds 60,000."

Previous reports refer to "forecasts of additional job opportunities" from firms that have been helped to start-up, expand or relocate but always at the broadest possible level, with no definition of actual jobs created, where created and no indication of failures or closures that might halt the cumulatively rising totals.

### 7.3.3 Confusion and Contradiction

Work by a number of authors, but particularly Lovering (1985, 1987), has emphasised that the state's commitment to industrial regeneration (as represented by regional policy) has not only decreased but has never matched other expenditure with spatial implications. In particular defence related expenditure is concentrated in the generally more prosperous southern parts of Britain. Much of this expenditure is devoted to advanced technology industries with few civilian spin-offs. It is imagined, that if it were possible to calculate the precise costs of

reindustrialization (no cost per job analysis has been attempted here but the overwhelming problems in obtaining figures, defining costs and discerning the actual number of jobs created, are recognised) and add to it the other costs of infra-structure, social security and health provision in the effected regions, the totals would still be less than regionally impacting defence budgets.

Even between and within the various state agencies involved with reindustrialization there are contradictions and areas of conflict. For example, the various business advisory agencies (WDA, enterprise agencies, Small Firms' Service) regard the sustenance of company viability as their primary aim. Local authorities regard the creation of additional jobs as their primary aim. These two aims are not necessarily compatible because of the phenomenon of jobless growth, whereby firms may expand productivity, output and profits but, by using different management and manufacturing techniques, actually employ no more (and often fewer) people. Another example of such contradictions is that of the MSC's YTS schemes: it is probable that more permanent (with potentially better pay and conditions) jobs would have been created in firms using YTS had there not been what is in effect a government subsidy to employ cheap labour.

The description of the state as confused comes from the idea that the state acts in response to the needs of the moment, with only limited concern for the long term implications of its actions. Clear theoretical visions of

the overall aims and intentions of state policy can only be made when the contradictions are analysed, and the most important elements of the functions of state are revealed. From this standpoint it becomes clear that a cynical view of the motivations for reindustrialization can prevail. The state is not genuinely interested in a return to full employment (or in the case of the steel closure areas bringing their levels of unemployment down to the national average), it only has to appear to have that intention. The major concern of the state, in this instance, is the care and support of capital. Hence the question mark about the "confusion"; the state is only apparently confused, acting as it does, as a palliative to defuse pressures that might arise within civil society.

Underlying all the contradictions within and between various state agencies is the tension between local and central government. In contemporary Britain, it has become apparent that the central authority no longer trusts local authorities to carry out many of the functions previously regarded as their province. Control of rates had already been achieved through the mechanisms of "ratecapping" before their proposed abolition and the introduction of the domestic poll tax. The proposed reform of the business rating system (with the fixing of a national business rate) is demonstrative of the centralising tendencies. There has been considerable opposition to these measures from the CBI because they will probably involve rate increases in southern counties coupled with decreases further north. The potential

for a national redistribution of industry is very real- only time will tell:

Increased central government control of local authorities has, if anything, increased their corporatist inclination to cooperate with central power. In reality many authorities have had little option but to fall in line with the Thatcherite "there is no alternative" viewpoint. They (in the words of Eddie Morley- Hartlepool's Industrial Development Officer) "are beggars who cannot afford to be choosers". There is no room for manoeuvre, either financially or ideologically.

#### 7.4 MANUFACTURING INDUSTRY- PAWN OR PRIME MOVER?

The indications seem to suggest that British capital is reluctant or unable to reindustrialize the deindustrialized areas of Britain, but this depends very much upon the perception of reindustrialization. If reindustrialization is defined in employment creation terms, then the recent performance of British industry (as judged by the cumulative totals released in the 1984 Census of Employment) has been very poor. However, if reindustrialization is defined in terms of increasing industrial efficiency, the latest DTI figures on output and productivity give cause for guarded optimism. This study has focussed on the employment, rather than the technological, implications of reindustrialization, because they tend to form the basis of the overt aims and intentions of such policies. It is possible to suggest that

manufacturing industry is increasingly becoming a pawn of the capitalist state as it is being urged to take on responsibility (financial and managerial) for activities which were previously undertaken by the state. Prominent amongst such activities are education, training and social responsibility. Industry is increasingly being urged to pay for state services, eg the new inner city technical colleges, in a fashion very similar to the deconcentration of power from central to local government. It is government policy to seek to reduce state intervention, but it may do this in ways contrary to the immediate interests of capital (the rates legislation has already been mentioned in this context above).

Many of the industrialists encountered during this study held the view that the incentives associated with reindustrialization tended to be beneficial to new companies but of less value to older, more established firms (an opinion vindicated by the questionnaire results). Attitudes towards the incentives varied according to the size, character and duration of establishment of firms in the areas. The larger firms tended also to be the older ones. In the view of the DTI, this exercise has been predominantly concerned with small firms because the departmental definition of "small" is anything below 200 employees. Those attempting to regenerate industry operate on a different scale: anything over fifty employees is a "large" firm, firms bringing over two hundred jobs can virtually dictate their own terms and are assured of every possible assistance. Most

firms responding to the questionnaire in the steel closure areas studied; employed fewer than twenty, indicating that even according to local administrators, reindustrialization has been concerned with very small firms. The largest firm encountered had 1,200 employees and was exceptional; only two others had over 500 workers.

Recent interview evidence from a more established firm throws some light on the reasoning behind capital's support of enterprise agencies and willingness to enter into certain partnership arrangements with local authorities. After mentioning the annual mayor's visit to the factory and admitting to personal friendships with the Industrial Development Officer and the Chairman of the Industrial Development Committee, the personnel officer with a multinational firm, admitted the following about his company and the Borough Council:

"we have that sort of relationship- we don't ask them for anything at all- I wish I wasn't on tape when I'm saying this- but there comes a time when we may need one or two favours- if we wanted just about anything within the power of the local authority we would get it- because we've always been very decent, open and reasonable- we've extremely good relations at that sort of level."

"The one thing that would threaten us is that if a major competitor were to threaten to come to Hartlepool, we would hope that we would have enough muscle to get the Council to get them to relocate elsewhere," (26.8.87).

This, presumably, is why some firms are prepared to get

involved, the above firm has donated five hundred pounds per annum for three years to the local enterprise agency but considers it worthwhile investment for the informal access to decision making processes this represents.

The DTI currently divides its efforts between providing assistance for: inward investment (preferably from abroad), existing firms and the development of entrepreneurial activities. For most firms in steel closure areas this means access to regional development grants and little else. Unless the multinational firms have specialist requirements steel closure areas do not appear to be particularly attractive. The New Town image is of greater value. A DTI spokesman said that "Nissan came to Washington rather than Sunderland, a New Town rather than a traditional heavy industry area." Although the problems of branch plants in areas far from headquarters have long been recognised (susceptibility to closure in times of recession being the most obvious) there has been no progress towards their solution. The short term benefits in terms of immediate employment (rather than the more dubious potential growth of indigenous firms) take preference. One of the most disruptive examples of short term branch plant locations was that of Laing's in Hartlepool. This oil platform and rig construction company operated in Hartlepool from 1974 until 1978 and employed up to 2,000 people but had the effect of "spoiling" the local labour market by poaching skilled men from the local heavy engineering companies by offering "wages that would look good even today" (a Hartlepool personnel



officer 1987).

Laing Construction was just one of many of the new firms that have exploited the situation in steel closure areas for short periods, then either withdrawn from the areas or failed altogether. Other examples include: from Hartlepool, GEC, Buxted Chickens, M & M Oil (or THC Fabricators), Alladin Industries and Smart and Brown; from Corby, Commodore Business Machines, Wonderworld (who never really arrived but recieved substantial finacial assistance for feasibility studies) and Smiths Crisps; from Blaenau Gwent, Merryweather Firefighting Equipment, Tabac Industries, Envelope Company of Wales and Crown Devonshire. These are, or were, substantial companies and cannot be written off as inevitable "lameducks" that the administrators indicate are bound to occur. It is very difficult to obtain up-to-date and precise information about failure rates of companies in specific areas, because of delays in registration and deregistration at Companies House (Storey et al 1987), and the reluctance of enterprise agency and industrial development section staff to keep records of such negative images. It is obvious from attempting to use the industrialists lists that in each area there has been a high turnover of new firms as well as failures amongst the more established businesses. It can reasonably be argued that far from regenerating the industrial bases of such areas the high failure rate of recently establishing firms actually endorses the view that these localities are marginal to the needs of capital.

Storey et al (1987) show how susceptible small firms are to closure (over 50% cease trading within three years of foundation) and, more importantly, how very few will achieve substantial growth through general subsidies for trading rather than for the retention of profitability. This work does much to undermine the premises upon which the government's entrepreneurial policies are based. In only a few cases do small firms utilise the subsidies available to reinvest in their businesses, and in even fewer cases does this investment result in increased employment (7% of the new firms from Storey's sample account for nearly half the jobs). The exhortations for ex-steelworkers (or miners or shipbuilders etc) to set up their own firms to generate employment are seen to ring hollow because "the fast growth companies are owned by professional directors rather than being family firms or 'one man bands'" (Storey et al 1987, p.165). Personal encounters with small firm directors endorse such viewpoints; many of these "entrepreneurs" are not growth oriented, the firms are used as means of subsistence. The Storey et al study identifies a number of "leakages" of the subsidies paid to small firms by the state which counter any job creation potential; profits revert to the directors to enhance personal consumption, profits are clawed back in higher taxation and a significant amount of the profit is used to repay loans in order to avoid future risks (due to the unavailability of venture capital in Britain bank secured loans or home mortgages are common sources of funding for small firms).

The intention of this section has been to establish that the firms affected by reindustrialization tend to be small and have a high risk of failure. The next section will examine some of the employment implications of reindustrialization programmes.

#### 7.5 EMPLOYMENT- THE PROBLEM REMAINS

This study has not been able to produce accurate balance sheets of jobs created and lost in the three areas because of data availability problems (most notably the continued absence of the 1984 census of employment data). Factors such as migration (again, most of the official figures are estimates based upon 1981 data), Restart and training schemes cloud the issue. What is clear is that reindustrialization programmes have not achieved the aim of replacing the job opportunities lost through steel closure. Insufficient numbers of jobs have been generated. Levels of long term unemployment remain high, but they, like all unemployment figures since 1979, must be treated with extreme caution, due to the changes in accounting practise and definition that have occurred. Even in Corby where 10,000 steel related jobs were lost and it is claimed that 10,000 (Civic News July 1987) more have been "created" there remain serious problems of high levels of long term unemployment and total unemployment well above the national average. The job "creation" claims of reindustrialization programmes suggest that the relationship between employment and unemployment is more complex than being merely reciprocal as government

policy would seem to indicate. Increases in numbers employed do not appear to involve a similar reduction in numbers unemployed. The cumulative effects of people commuting from other areas, the feminisation of the labour market and key workers brought in nominally as specialists, are not enough to mask the fact that there has been no attempt to target or select (admittedly difficult with so little to deal with) appropriate employment for these areas.

Equally as important as the numerical failure of reindustrialization has been its qualitative failure to provide employment offering comparable skill, wage and condition levels suitable for ex-steelworkers. There are comparatively more jobs for women and young workers than for the older ex-steelworkers. Flexibility of labour at the new factories extends to part-time and temporary contract working and the development of multi-skilling. This is exemplary of advantage of the high unemployment situation being taken to reorganise labour processes. The Factories' Inspectorate of the Health and Safety Executive has its slender resources stretched beyond manageable levels, so the removal of certain legal obligations to provide minimum safety standards (as is currently proposed by government) on small firms should be of assistance to the Executive but not to the workers involved. The new companies are also not slow to recognise the opportunity presented by a disillusioned labour market, in order to take control of worker representation. Where trade unions are recognised it is often on a single union basis, with restrictions. Works

councils under the tutelage of management are becoming the accepted norm.

#### 7.6 THE PAUCITY AND POTENTIAL OF THE ALTERNATIVES

As mentioned previously reindustrialization programmes can be viewed as part of a continuum of conventional economic rejuvenation measures. It is not proposed to discuss here the narrow range of other conventional measures adopted to supplement the generation of new industries; these include the various training schemes, tourism and retailing development and other types of inner city "initiatives". These measures can be viewed as supplemental and they offer little expectation of major success for steel closure areas wishing to replace lost employment.

The alternatives with perhaps the greatest potential are the most radical and, if derived from the Left, have least chance of being properly supported. Most radical of all would have been a concerted effort to keep the steel works operational and for them to remain the focal point of the steel towns. This begs the question of what would have happened if the steelworks had remained open? Although it is always dangerous to speculate the answer probably lies in Michael Foot's "lingering death" concept (as expressed at the time of the Ebbw Vale closure in 1975). Even if BSC had not closed the various works they may well have been starved of investment in order to minimise profitability and provide grounds for future shutdown. Retention of a large number of

steel works would have caused the government problems with the European Community, the prime mover of the capacity reductions. Even the Italian government which had managed to ignore ECSC directives for a number of years (Eurostat, 1983) has subsequently had to make reductions in steel making capacity. Because of the de facto clearance of the steel sites and the plans to privatise BSC, a return to steel production in most of the areas is unlikely ever to be realised. Attempts to suggest alternative uses for steelmaking plant immediately prior to closure were bound to fail because of the non-transferability of production processes.

An alternative with fundamental implications far beyond steel closure areas, would be a thorough reappraisal of the work ethic. This would involve a reorganisation of society on a social rather than economic basis- or a different definition of "economic" to that inherent in capitalist property relations (unlikely to be welcomed by the Thatcher administration). The intention would be to remove the stigma of unemployment and evaluate people on their contribution to society rather than the nature of their employment. Implicit within such a set of ideas would be a more equitable distribution of national wealth involving the attainment of benefit levels high enough to recognise the persistence of unemployment and the special needs of recipients. Work of all types would be valued, including domestic labour and community service. As a corollary, leisure activities would receive comprehensive state support to allow use by all who

wish to.

Some of the ideas of a new work ethic have evolved in third sector activities, but they have received little support from central government and limited assistance from local authorities as temporary measures, with the return to conventional economics the major priority. Even if the community led, sustainable rather than viable, work culture were to be accepted it would be a long term project and could not possibly be expected to affect major social change instantaneously. There would be severe problems overcoming the present marginal position of such quasi-charitable activities. The incorporation of cooperative development into mainstream local initiatives is an example of official sanctioning of previously denigrated ideals, but also of the limited and specialised job creation potential of the third sector.

Perhaps the best example of a comprehensive strategy involving the development of the third sector (ie promotion of activities based on socially useful rather than economically viable criteria) was presented by the Greater London Council's (GLC) London Industrial Strategy (1985). This substantial (633 page) document was a product of the GLC's Popular Planning Unit. It offered specific strategies for 23 different sectors of the capital's economy, but is most valuable for the theoretical framework it addresses and the implication that something tangible could be achieved given a sympathetic administration.

A legacy of the London strategy, and similar views held elsewhere, has been the Enterprise Boards (eg GLEB), not to be confused with Enterprise Agencies which tend to adopt current Tory Party policy. Enterprise Boards continue to develop new forms of ownership (such as industrial cooperatives and new public and municipal enterprises) in some of the conurbations of the West Midlands, Lancashire, West Yorkshire as well as Greater London. The GLEB intended to develop an interactive local government role in the private economy as an "alternative investment institution" (GLC, 1985). This involved rescue packages, increasing social control, enterprise planning (meaning the inclusion of trades unionists and covering a broad range of subjects from equal opportunities to investment strategies), "alternative" property development and sectoral reconstruction.

The London Industrial Strategy includes the following summary (S.1.176) of its main interventionist features:

- an emphasis on long term strategic production planning of industries;
- a concern that restructuring in all sectors of the economy should be carried out in the interests of those who work in the industry and use its products;
- a commitment to the development and application of human-centred technology;
- a strategic concern with improving the conditions and hours of work in the domestic economy, and with improved means of integrating domestic work with other parts of the economy in order to improve the living and working conditions of women;



-a priority to extending social control over the public economy through increasing political, trade union and user control;

-a commitment to popular involvement in all aspects of strategic policy making (popular planning) and in the operation of enterprises (enterprise planning) (GLC, 1985).

The implementational feasibility of such intentions is a matter for some speculation.

This thesis does not offer the scope for a fully rounded critique of third sector initiatives as means of employment (or occupation) generation. All that can be attempted is a summary of the recent research in this field which might be applicable for steel closure areas, and include some references to the small number of examples encountered during this research. It is easy to be too dismissive about community and cooperative activities given the lack of funding they receive and their generally small scale of operations.

Community Business Ventures (CBV's) are important elements of third sector strategies. Murgatroyd and Smith (1984) characterised them as conforming to the following set of features:

1. the primary objective of the venture is to create permanent jobs for local people through viable, income generating activity;
2. control of the venture will remain in local hands through a suitable legal structure;

3. the venture will undertake a range of trading activities, with an emphasis on services and products to meet particular local needs and on socially useful production;

4. the profits resulting from any activity will not be distributed to individual members but will be reinvested to create more jobs or applied to other local purposes.

Co-operatives are the best known examples of CBV's. The empirical research for this thesis only encountered one co-op actually trading (a small clothing co-op in Corby). Lowe (1987) concludes that "despite their inherent dangers (a tendency towards self-exploitation in pay and conditions) co-operatives can and do provide the "panacea" that some people are looking for in terms of providing an alternative to unemployment and a different approach to employment in the 1980's." Other examples of community enterprise- Consett Music Projects and the Hartlepool Enterprise Trust are examined in chapter 6 (section 5 and 4 respectively).

Many of the ideas alluded to in the preceding paragraphs of this section would be anathema to the present government (and probably to any Labour alternative) because they represent a potential electoral catastrophe. The fact is that over eighty per cent of the nation's working population is in work and would (especially judging by the 1987 general election results) take a very dim view of any measures to dilute their status. This would occur, despite what the American's call the "disappearing middle" (of skilled "blue collar") jobs and the emergence of a two tier labour market with a small number of highly paid professional workers on

the top tier and a large mass of unskilled low paid workers below (Industrial Union Society, 1985). Thatcherism is a crusade for individual, not collective, achievement. Ideologically it allows for no state intervention in domestic economic regeneration that does not promote individual, entrepreneurial enterprise. It would certainly oppose any system of values which might suggest that capitalism has nothing to offer the unemployed in marginal areas.

The introduction of job sharing and early retirement schemes can at best be only an insufficient response to the totality of the employment crisis. Very specific preconditions are required for such schemes to have even a minimal impact on unemployment. The major requirement being the actual and continued presence of job opportunities to split and retire early from.

If the British government was really serious about industrial development there are a number of OECD member states whose industrial performance would merit serious consideration of imitation in terms of their assistance to industry. The Japanese industry ministry (MITI) and the West German Lande provide small businesses with long term financial security. The impression derived from this study of British small businesses is that short term battles for survival prevail. There appears to be no such thing as true venture capital in Britain, because of the necessity of loan guarantees several times the value of the loan in question. Storey et al (1987) call for a "hands on" approach by the

state to small businesses, this would appear to have been successful elsewhere. However there are problems in successfully implementing their ideas on selecting fast growth firms for investment because their mathematical modelling techniques at best leave room for 25% error. There may be room for a more supportive general environment for industry which goes beyond the sponsoring of engineering and business studies courses at the expense of basic research, humanities and social science. Implicit in this would be a major reconcentration of resources for employment generation from local to central government (including a significant enhancement). The legacy of previous rounds of state intervention is too damaging to be rectified by local authorities, acting alone. Central government should take responsibility for all the implications of its policy decisions.

#### 7.7 WHAT IF THERE WERE NO CONVENTIONAL REINDUSTRIALIZATION?

Speculation as to what would have happened if no reindustrialization measures had been implemented serves to evaluate the worth of the interventions. It is tempting to suggest that very little would be different. In Hartlepool 65% of firms answering question 16 of the questionnaire declared that they would have established in the town regardless of the incentives. However, in both Corby and Blaenau Gwent only 38% said that they would have established there without the incentives. The Corby and Blaenau Gwent responses are probably more indicative because they are from

a larger and therefore more representative sample. The implication is that 60% of the mobile firms would not have been attracted to steel closure areas in the absence of reindustrialization programmes. Thus unemployment would have been even higher and those promoting the programmes justified in the belief that their efforts were better than nothing. An alternative perspective might be that it would be better in the long term to do without such marginal firms that depended upon incentives. The labour markets and lives of workers would not then be disrupted by firms "taking the money and running".

The considerable amount of public expenditure on reindustrialization could have been be redirected to other uses. Money saved on advertising, enterprise agencies, promotion and competing in the place market could be spent on giving more support to established employers, developing leisure and welfare or, more radically, developing the third sector. However, given the parlous state of local authority finances the money saved would probably be used for the most pressing revenue requirement of the moment.

It has been suggested that reindustrialization was intended to assist in the pacification of any working class militancy in the steel closure areas. It is doubtful whether any direct action on the scale of the Longwy disturbances in France would have developed in the relatively passive British steel closure areas. The principal reason for this assertion was the level of redundancy settlements made to steelworkers.

At the time of closure they showed little interest in reindustrialization, much more in make up pay and qualification for early retirement.

The "what if no reindustrialization?" question is almost impossible to answer. The conventional economic measures have come to be seen as palliatives rather than as a panacea. Would the level of migration away from steel closure areas have been affected in the absence of the measures? I doubt it because there is widely experienced dissatisfaction (therefore an incentive to leave the areas) with both the quality and number of employment opportunities available. Perhaps the timing of out-migration would have been different- people may have been willing to leave much sooner given little hope of conventional employment. Without the pressure for conventional regeneration the third sector might have been given the financial and ideological room to flourish. There may even have been more radical attempts to establish socially useful and community based production as envisaged by the GLC. It is difficult to see how the efforts to reindustrialize can be justified by attempting to guess what might have happened in their absence. The qualitative achievements (eg the deterioration in pay, conditions and the likelihood of finding secure employment) certainly do not justify the programmes. Only Corby can claim any real quantitative success (which may be more a function of location than reindustrialization); the other study areas can not. A prudent view of this situation would be that the absence of conventional measures could not have materially

worsened conditions for the majority of people in steel closure areas.'

#### 7.8 THE PROSPECTS- POOR

The chances are that the much vaunted "upturn" in the economy will have little impact on the steel closure areas and similar localities and regions elsewhere. Recent reports (Financial Times, 1987b) suggest that the age of high mass unemployment is here for the foreseeable future. The British non-oil manufacturing sector has yet to return to productivity levels achieved in 1979 and the recovery of employment levels is much further behind.

The prospects for steel closure areas and large swathes of Britain tend towards the pessimistic. High technology industry is in a national state of decline and has locational tendencies towards New Town or smaller outer metropolitan south eastern locations. There are very few entrepreneurs amongst ex-steelworkers, and even fewer of the professional directors identified by Storey et al (1987) as being most likely to manage fast growth small firms. The potential for local service employment is often limited by resistant image problems and existing overprovision. Retailing (through the development of out of town centres) may also suffer from overprovision. Increased dependence on MSC schemes is a distinct probability.

Competition in the place market is unlikely to diminish as more enterprise agencies are created. As amongst the least attractive areas to industry (and the first to enter the current competitive fray) the steel closure areas will appear less inviting as the momentum of the enterprise agency movement takes in more and more areas. Steel closure areas with enterprise zones in the first round of designation will become increasingly unattractive to investment as the 1991 termination approaches. Whilst manufacturing profitability has increased on a national basis it has been noted (by the DTI, 1986) that the last regions to participate in the recovery tend to be the hardest hit (especially the North East).

Whilst the ex-steel localities have not become "ghost towns" in the accepted US interpretation, they are pale shadows of their former selves, with poor services and social conditions (to take what may appear a trivial example- none of the three- Hartlepool, Corby and Blaenau Gwent- now supports a single cinema). The prospects for the next 5 years of the Thatcher majority remain bleak. These places, and many like them, have not died, but rather seriously wilted. Whilst not displaying much that could be described as optimistic: life goes on. Adaptations to the continuence of high levels of long term unemployment have and continue to be made, because there really is no alternative. Difficulties with the council house transfer scheme and the inflated private housing market in the more prosperous areas make it so. The North East has seen major developments in



community ventures, such as the Consett Music Projects (which started as the provision of recording studio space and has progressed to music promotion and a record label), Hartlepool People (the provision of hobby and skill development activities for the unemployed) and the Cleveland Council of Churches Unemployment Project (which has developed a community enterprise centre and enterprise trust for community business ventures). The most probable option that reindustrialization provides, is not the rebirth of communities but, through its failure, their gradual decline into passive obscurity.

CHAPTER EIGHT

APPENDICES

8.1 APPENDIX 1- QUESTIONNAIRE

FIRMS' QUESTIONNAIRE

STRICTLY CONFIDENTIAL

1. Please indicate the legal status of your firm:

(please tick)

plc

private company

cooperative

subsidiary (name parent)

other (please specify)

2. Please indicate the structure of your organisation:

multi-national corporation

multi-plant firm within U.K.

single plant firm

other (please specify)

3. What functions are located on this site? (please tick)

Headquarters

Research and Development

Branch Office

Office Services

Sales/Marketing

Raw Material Processing

Component Production

Component Assembly

Final Product Assembly

Warehousing

Retailing

Other (please specify)

4. When were you established on this site? Year Month

5. Have you moved from another location? If so, please state where)

6. What is your product or service (on this site)?

7. Who are your major suppliers and where are they located?

Company	Location
---------	----------

1.

2.

3.

4.

5.

8. Where are the main markets for your products located?

(please tick)

This Borough/District

This County

Neighbouring Counties

This Region

Rest of the U.K.

European Community

Elsewhere (please specify)

9. Please indicate your usual distribution network (tick)

direct to customers

direct to retailers

to warehouses

to other manufacturers



Agency	Financial Aid	Advice
Banks		
BSC (Industry)		
Borough/District Council		
Chamber of Commerce		
Commission for New Towns		
County Council		
English Estates		
Local Enterprise Agency/Business advisory centre		
European Coal and Steel Community		
European Investment Bank		
European Social Fund		
Dept. of Employment		
Dept. of Environment		
Dept. of Trade and Industry		
Industrial and Commercial Finance Corp.		
Manpower Services Commission		
Small Firms Service		
Welsh Development Agency		
Welsh Office		
Other (please specify)		

(NB The blend of agencies used in each questionnaire was appropriate to the area.)

13. Please tick the type of financial assistance accepted:

Cash Grants: Regional Development Grants

Regional Selective Assistance

National Selective Assistance

i) Sectoral

ii) Support for innovation

iii) Non-sectoral (major projects)

Enterprise Allowance Scheme

Local Authority Grants

Low Interest Loans: European Coal and Steel Community

European Investment Bank

Local Authority Loans (Mortgages)

Small firm loan guarantee

BSC(I) Loans

Other (please specify)

Advance Factory Units: Welsh Development Agency

English Estates

Commission for New Towns

Local Authority

Other (please specify)

Business Expansion Scheme (Equity Investment)

Venture Capital (please specify source)

Other (please specify)

14. Please indicate the type of advice utilised (please tick)

Advice where to locate - within the U.K.

- within the region

- in the local area

- which site?

Financial package selection

Business plans: strategies for firm - creation

- growth

- survival

Other (please specify)

15. Please identify, by ordering from 1 to 3, the three most

important reasons for your location in  
Hartlepool/Corby/Blaenau Gwent.

Financial Incentives

Site Availability

Labour availability

Local Market

Communications

Personal reasons

Advice from - agencies

- other professionals

Other (please specify)

16. Would you have established here if the package of advice  
and incentives was not available?

17. Have the incentives on offer increased the number of  
people you employ?

18. Has the assistance available been crucial for the  
survival of your business?

19. If you have any further comments to make on the issues  
raised please do so below:

8.2 APPENDIX 2- INTERVIEWEES

8.3 HARTLEPOOL

Hartlepool Borough Council Industrial Development Officers:

Eddie Morley

Robert Jackson

Hartlepool Enterprise Agency:

Alan Humble

Cleveland County Council Economic Development Unit:

Derek Gunby

Hartlepool New Development Support (HANDS):

Ron Preece

English Estates:

David Rhodes

DTI, Newcastle:

Ken Johnson

DoE, Newcastle:

Alistair Balls

BSC(I) Workshops:

Barbera Elsdon

BSC 44 inch Pipemill:

R. Walsh (personnel manager)

Michael Kay (contract worker, Chairman Hartlepool PLP)

Ex-steelworkers:

Ray Waller (Councillor: Cleveland and Hartlepool)

Maurice Boddy (Borough Councillor)

Kevin Lester



Charles Smith  
MSC Skillcentre, Billingham:  
Bob Creighton  
Lloyds British (Billingham):  
Peter Crawford  
P.B.Whitford (UK) Ltd. (Select Venture Management Ltd):  
Martin Dawson  
Cleveland Cooperative Development Agency:  
Pete Smith  
Cleveland Council of Churches Unemployment Project:  
Tony Mason  
Hartlepool Community Workers' Forum:  
Sue Vicente  
Hartlepool People:  
Chris Hart  
Teesside Industrial Mission (Hartlepool chaplain):  
Rev Chris Beales  
Industrialists:  
Lab Systems Furniture:  
JD Denham  
PMA Textiles  
R Taylour (Managing Director)  
W Wilson (Personnel Manager)  
R Lauder & Co:  
Robert Lauder  
Reed Corrugated Cases:  
Ken Gardener (Hartlepool Personnel Assoc)  
Tolaram Polymers:  
Stephen Hatton

Factory workers:

Isocom: .

Carol Lester

"Mr Chris"

Carol Cranny

Hartlepool Labour Party:

Mike Owen

#### 8.4 CORBY

Corby District Council:

Duncan Hall (Chief Executive)

S Williams (Planning)

Corby Industrial Development Centre:

Fred McClenaghan

Ray Jackson

Tony Martin-Walker (training)

Northamptonshire Enterprise Agency:

David Mann (ex-Hartlepool New Jobs Team)

Northamptonshire Chamber of Commerce:

Simon Sperryn

Northamptonshire County Council Planning Dept:

D.Ozier

Commission for New Towns:

Graham Lloyd 2nl> DTI, Nottingham:

Martin Briggs

Wilson's Industrial Estate Agents:

Graham Stanton

Corby Library:

Michael Sharman

BSC(I) Workshops:

Geoff Bent

BSC Tubes Division:

Mr Brown (Personnel Manager)

Bob Farrow (Personnel)

Tony McGrath (Press Officer)

Ex- steelworkers:

Jim Thomson (ex Chairman District Council)

Tom McIntosh (District Councillor)

Phil Sawford

Industrialists:

Falcon Crest Products:

M Renault

Fentone Music:

H Fenton

Fresh Fruit Juice Manufacturing Co:

David Child

Hamlet Circuits:

Ann Beardmore (Personnel)

David Girvan (Production Manager)

Seamless Tubes Ltd:

Dick Sharp (Plant Manager)

Angus McIntyre (Personnel)

Tony McKee (Quality Assurance)

Brian Bruce (Planning)

Ron Collins (Engineering)

John Clark (Heat Treatment)

Ian Mackay (Consultant Engineer)

Dennis Baker (ISTC)  
Kevin Mycroft (Wednesfield TI Group)  
Jim Scott (Plant Supervisor)  
Trades' Council:  
Bob Douglas (Secretary)  
NUPE (local organiser):  
Peter Weston  
Tim Healy NUJ (Evening Telegraph)  
John Holmes (T&GWU)

#### 8.5 BLAENAU GWENT

Blaenau Gwent Borough Council:  
Peter Law (Chairman Industrial Development Committee)  
Ged McHugh (Planning)  
Keith Thomas (Technical Services, Local Historian)  
Blaenau Gwent Business Advisory Service:  
Preston Powell  
Gwent County Council:  
Rob Halford (Industrial Development)  
Welsh Development Agency:  
Vince Tidswell (Management Advisor)  
Martin Francis (Local Office)  
Welsh Office, Cardiff:  
Stephen Williams  
BSC(I) Workshops:  
Ray Davies  
British Coal (Enterprise):  
Tony Fox

BSC (Tinplate):

Glyn Prosser

Ex- steelworkers:

Gerald P Jenkins

Peter Dyke

Barry Price

Industrialists:

A & F Plastics Ltd:

Mr Lewandowski

English Grains (Wales) Ltd:

Jim Holmes

T & GWU (Local Officer):

Geoff Jacob

#### 8.6 APPENDIX 3- AREA SELECTION DATA

#### APPENDIX 3 : AREA SELECTION

##### KEY TO TABLE COLUMNS

(areal units 1978TTWA for columns 1-4  
BSC(I) areas for columns 5-9)

- 1 : 1971 % of total workforce employed in metal manufacture
- 2 : 1981 % of total workforce employed in metal manufacture
- 3 : 1981 October unemployment rate male
- 4 : 1984 October unemployment rate male
- 5 : BSC(I) assisted new jobs March 1983
- 6 : Projected new jobs to March 1986
- 7 : BSC(I) loans (pounds 000's)
- 8 : Cost per 1983 job (pounds) by loans to firms
- 9 : Response Grading (qualitative) range 0-10

APPENDIX 3 : AREA SELECTION

<u>BSC(I) AREA</u>	1	2	3	4	5	6	7	8	9
LANARKSHIRE	9.6	6.2	24	25	1379	2233	359	836	7
CAMBUSLANG	7.4	11.5	23	23	1329	1795	232	742	5
GARNOCK VALLEY	4.5	1.8	28	29	1421	2961	598	991	4
WEST CUMBRIA	10.5	6.4	16	16	280	553	31	713	7
DERWENTSIDE	23.5	0.9	40	37	1677	3086	680	1173	8
HARTLEPOOL	16.9	7.4	25	28	1470	1932	271	771	9
TEESSIDE	12.1	8.8	23	25	486	938	129	558	0
SOUTH HUMBERSIDE	29.0	18.7	22	19	278	534	209	1212	8
ROTHERHAM	17.1	12.2	21	22	-	-	-	-	0

APPENDIX 3 : AREA SELECTION (CONTINUED)

<u>BSC(I) AREA</u>	1	2	3	4	5	6	7	8	9
SHEFFIELD	16.0	8.7	15	17	-	-	-	-	2
CORBY	43.2	24.4	32	25	2807	4839	1057	1756	6
DUDLEY	16.0	11.1	18	20	-	-	-	-	2
DEESIDE	11.8	3.5	20	18	1879	3325	178	572	3
LLANELLI	15.7	10.5	18	17	-	-	-	-	8
BLAENAU GWENT	31.0	11.4	22	25	1891	2931	738	1193	3
WEST GLAMORGAN	16.6	7.9	18	19	819	1613	532	1079	6
SOUTH GLAMORGAN	5.8	1.8	17	17	1681	2505	229	1070	6
SOUTH GWENT	18.8	10.8	17	18	1794	4496	347	1006	4

8.7 APPENDIX 4- SUPPLEMENTARY QUESTIONNAIRE MATERIAL

PREVIOUS OCCUPATIONS HARTLEPOOL

	All Firms (77)	Pre-1975 (27)	Post-1975 (50)
Exsteelworkers	330	265	65
Other unemployed	753	265	388
Housewives	128	67	61
Schoollleavers	399	275	124
Under 25's	913	649	264
MSC schemes	155	79	76



APPENDIX 4 (Cntd.)

PREVIOUS OCCUPATIONS CORBY

	All Firms (112)	Pre-1979 (22)	Post-1979 (90)
Ex-steelworkers	1516	268	1248
Other unemployed	1269	205	1064
Housewives	583	140	443
Schoolleavers M	111	40	71
Schoolleavers F	118	85	33
Under 25's M	550	72	478
Under 25's F	436	113	323
MSC Schemes M	45	17	28
MSC Schemes F	53	29	24

APPENDIX 4 (Contd)

PREVIOUS OCCUPATIONS BLAENAU GWENT

	All Firms (90)	Pre-1975 (12)	Post-1975 (78)
Ex-steelworkers	535	55	480
Other unemployed	865	194	671
Housewives	205	74	131
Schoolleavers M	79	20	59
Schoolleavers F	18	2	16
Under 25's M	438	64	374
Under 25's F	322	214	108
MSC Schemes M	136	14	122
MSC Schemes F	53	11	42

HARTLEPOOL	ALL	FIRMS		ESTABLISHED		ESTABLISHED		FIRMS					
		ORDER		ORDER		BEFORE		AFTER					
		1	2	1	2	3	total	1	2	3	total		
		15	7	11	33	4	2	4	10	11	5	7	23
Financial incentives		12	17	10	39	3	8	0	11	9	9	10	28
Site availability		3	13	11	27	2	5	4	11	1	8	7	16
Labour availability		10	6	6	22	1	1	2	4	9	5	4	18
Local market		2	2	4	8	1	0	2	3	1	2	2	5
Communications		18	5	6	29	5	0	1	6	13	5	5	23
Personal reasons		1	0	0	1	0	0	0	0	1	0	0	1
Advice from agencies		0	2	0	2	0	0	0	0	0	2	0	2
Advice from other professionals		11	2	4	17	8	1	3	12	3	1	1	5
Other													

15. Reasons for locating in Hartlepool

CORBY	ALL FIRMS			FIRMS ESTABLISHED BEFORE CLOSURE			FIRMS ESTABLISHED AFTER CLOSURE					
	ORDER	2	3	ORDER	2	3	ORDER	2	3			
	total			total			total					
15. <u>Reasons for locating in Corby</u>												
Financial incentives	36	13	13	62	3	2	1	6	33	11	12	56
Site availability	26	20	25	71	7	1	10	18	19	19	15	53
Labour availability	5	16	17	38	2	6	2	10	3	10	15	28
Local market	7	10	5	22	4	5	1	10	3	5	4	12
Communications	4	15	11	30	0	4	2	6	4	11	9	24
Personal reasons	15	7	5	27	5	1	1	7	10	6	4	20
Advice from agencies	1	1	1	3	0	0	0	0	1	1	1	3
Advice from other professionals	0	1	0	1	0	0	0	0	0	1	0	1
Other	11	4	3	18	2	0	0	2	9	4	3	16

BLAENAU GWENT	ALL FIRMS			FIRMS ESTABLISHED BEFORE CLOSURE			FIRMS ESTABLISHED AFTER CLOSURE		
	ORDER	2	3	ORDER	2	3	ORDER	2	3
	1	total		1	total		1	total	

15. Reasons for locating in Blaenau Gwent

Financial incentives	31	9	7	47	2	0	0	2	29	9	7	45
Site availability	14	29	10	53	2	2	0	4	12	27	10	49
Labour availability	6	12	21	39	1	1	3	5	5	11	18	34
Local market	8	5	1	14	0	0	0	0	8	5	1	14
Communications	2	3	6	11	0	1	0	1	2	2	6	10
Personal reasons	9	7	8	24	1	0	1	2	8	7	7	22
Advice from agencies	0	0	5	5	0	0	0	0	0	0	5	5
Advice from other professionals	0	0	0	0	0	0	0	0	0	0	0	0
Other	9	1	2	12	2	0	0	2	7	1	2	10

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