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UNSUSTAINABLE REGIONS? THE ‘GAPING HOLE’ IN THE ENGLISH DEVOLUTION SETTLEMENT CONTINUES

“Offer[ing] a sympathetic review of certain institutionalist perspectives currently at the vanguard of economic geographical discourse and urban - regional inquiry… the approaches are beset by several conceptual deficiencies and sources of potential confusion. These include… a thin political economy most conspicuous in the failure to appreciate fully the critical role of the state in shaping the urban - regional fabric and a related weakness in examining the asymmetries of power which enframe the governance of space economies.”

MacLeod (2001: 1146, emphasis added)

Drawing upon a new regionalist epistemology, this paper seeks to recover a sense of (regional) political economy through a critical investigation of the development and sustainability of England’s “New Regional Policy” (NRP). The NRP has been characterised by the incremental development of a regional architecture, which has coalesced around the tripartite institutional bodies of Government Office, Regional Development Agencies (RDAs), and the unelected Regional Assemblies. In the wake of the failed referendum on the North East Elected Regional Assembly proposals, the fallback to the status quo raises serious questions about the future direction of regionalisation and regionalism in England and more importantly the (un)sustainability of the NRP has been placed at the forefront of contemporary regional analysis. Most political and economic commentators were agreed that if the current model didn’t evolve into democratically elected regional structures then those institutions would just end up being very substantial quangos and become politically unsustainable.

This paper argues that while in recent memory there may have been calls that England remains “the gaping hole in the devolution settlement” (Bogdanor, 1999; Hazell, 2000) it is here and now that this statement has never been more true. In the first half of this paper, I want to develop a reflective picture of how this ‘gaping hole’ actually manifests itself in the English regions. Following on from this, in the second half of the paper I want to briefly speculate on some of the potential alternative models of (quasi-)regionalisation that have been floated in recent years.

Why Elected Regional Government?

By the end of Labour’s first term (2001), England remained the only country in the United Kingdom to not be in receipt of additional elected political
representation and as such retained a number of inherent lines of weakness running through its current tripartite model of (partial) devolution. These were:

(i) the NRP privileges top-down economic regionalisation over bottom-up democratic regionalism.
(ii) all regions are treat alike with the same institutional arrangements.
(iii) there is a gaping chasm which exists between the rhetoric and the actual reality on the ground.

Where the existing arrangements of Government Office, RDA and Regional Chambers had their roots firmly entrenched within these contradictions, the referendum on whether to create an ERA for the North East region provided the opportunity for two new breaks from this traditional regional policy discourse: (i) top-down economic regionalisation no longer had to run parallel and distanciated from bottom-up democratic regionalism; and (ii) all regions did not have to be treat alike, but individual regions could make an individual choice – through a referendum. On 4th November 2004, however, the traditional discourse of regional policy in England was reinforced when the North East electorate voted emphatically against the proposals (78% against) and once again England returned to its position as this ‘gaping hole’ in the devolution settlement; but why?

‘Your Region’ but ‘Their Choice’

While the ERA proposals managed to negotiate two of the contradictions of the RDA model, the underlying rationale for its rejection by the electorate was the states failure to eradicate the asymmetrical nature of the powers that were to be devolved to the new institutions (MacLeod, 2001: 1146). In essence the increasing role of the state (especially HM Treasury) in the development of the NRP gave the proposed ERAs a bulging and overburdening portfolio of responsibilities without any appropriate powers and resources to make them equitable. Furthermore, the increasing centralist tendencies of the state – which are directly opposite to the principles of devolution – continued to add to this complexity because the more responsibility that was forced upon the ERAs was only matched by their increasing stranglehold on what little resources and powers they were likely to receive. Nowhere can this state driven complexity be more acutely highlighted than in the Draft Regional Assemblies Bill
(ODPM, 2004), which had 174 clauses, 13 schedules, and 229 references to when the Secretary of State will have to be involved. Simply put, the scales of balance between policy rhetoric and political reality became so unbalanced as to be untenable.

What the North East referenda highlighted – and the scale of voter apathy showed us – was that the asymmetry of powers and the complexity imposed by the state on the ERA proposals resulted in both national and regional actors becoming lost in a web of entangled and multilevel policy hierarchies. The arguments purveyed by the pro-regionalist campaigners in the electoral campaign reflected this because their arguments were (i) undermined by the centralising nature of the state; and (ii) lost in this tangled web of complexity. In essence, the scale of voter apathy in the North East referenda reflected an electorate who appreciated and identified with the proposals for devolution, but who became entirely disillusioned with the complex reality that they were presented with. As well as providing an illustrative case of what MacLeod (2001: 1146) termed ‘thin political economy’, the ERA proposals also highlighted the unsustainable nature of the English devolution settlement.

(Un)sustainable regions: the way forward?

In essence, the failed referendum did not affect the working arrangements in the English regions because the fallback position was already well established in that the tripartite model simply continued along its path as it had over the five years in the run-up to the referendum. However, if the ERA model appeared to solve two-thirds of the weaknesses inherent in the tripartite model and the electorate vehemently rejected that then one could assume that the current arrangements, which continue to assume the role of shaping the way forward in the English regions, are unsustainable. In the extended version of this paper I want to critically assess the alternative models that are currently occupying the minds of political and economic commentators.

‘Chapter 2’ Agenda: If the power is retained by the state then Government Offices for the Regions must be seen as the key institution of governance. Government Offices are essentially top-down organisations designed to give central government a role in the region, and are subsequently peripheral to the wider process of developing and democratising the region. The argument Musson et al (2005) put forward is essentially premised upon what they would argue is an accurate appreciation of (i) the
critical role of the state; and, (ii) the asymmetry of power which enframe the
governance of regional economies.

City Regions: In 2004, the Labour government launched a new initiative as part of its
Sustainable Communities Plan (ODPM, 2003) which is designed to cut the
productivity gap (currently running at £29bn) between the three northern regions – the
North East, North West, and Yorkshire & the Humber – and the rest of the UK. This
pan-regional approach known as The Northern Way is based on city-regions and
offers a second possible model to move the governance of England’s regions forward.

Decentering the Nation: Rather than drawing down powers from London in the form
of devolution – which it is argued has done little to alter the ‘spatial geometry’ of
England – Amin et al. (2003) have forwarded a radical proposal which disperses state
and public institutions in equal shares throughout the nation. Whilst the majority of
this third model is currently constrained to an imagined reality (the 2004 Lyons
Review can be likened to some of their ideas), in the context of this paper, it’s
theoretical foundation is very thought-provoking. Amin et al. believe that the
dispersal of state and public institutions equally throughout the regions will offer a
radically new way of imagining the spatiality of the nation with the promise of a
multi-nodal rather than hierarchical nation, and a method for alleviating both regional
economic and political inequality.

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