

Economic Restructuring and Changing Governance in an Old  
Industrial Region: A Case Study of West Cumbria and Furness

by

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## ABSTRACT

Governance has never been more important, nor the issues it confronts more complex. The aim of this study is to examine how governance has emerged to control the local economic development agenda in one of the oldest industrial regions in Britain: West Cumbria and Furness.

This thesis stresses the need to take into consideration both economics and politics across spatial scales. Therefore, it integrates regime and regulation theories through a middle-order theoretical framework, applying key concepts from the 'strategic-relational' approach such as accumulation strategies and hegemonic projects in order to understand the dynamics of local change.

The analytical framework was used to review the history of economic development in West Cumbria and Furness from 1700 tracing its industrial past and the impact of global economic restructuring, the deindustrialisation of the UK economy and largely ineffective regional policies. The thesis identifies in the period since the county of Cumbria was created in 1974, four distinctive regimes which reflect a response to the legacy of this industrial past and which are indicative of the shift from *government* to *governance*. In the first regime, national government propped up these areas with regional assistance and in particular, support for expansion in the nuclear and defence industries. This helped to create a 'false boom' during the 1980's. However, both economies had serious structural deficiencies revealed in the crisis in manufacturing in 1980-1982. As a result, local government-led experiments in governance began to emerge. In the second regime, relative economic growth was maintained with the continued construction of the Thermal Oxide Reprocessing Plant (THORP) at Sellafield, and the Trident submarine building programme at Vickers. However, the impending completion of both projects set the scene for the emergence of public-private partnerships, particularly in West Cumbria with the involvement of BNFL, to regenerate the local economy. The third regime emerged against a backdrop of a 'triple economic shock'. The response was a proliferation of new agents of governance at local, national and supra-national levels. The shift towards public-private partnerships gathered pace and areas increasingly attempted to compete for investment, jobs and the regeneration of their physical infrastructure. The thesis argues that reductions in the power of government have given a largely unelected business elite privileged roles in the new local governance to pursue a 'pro-growth' economic development strategy largely closed off from public and democratic accountability. Finally, it is speculatively suggested that a fourth regime may now be emerging with the possibility of a return of government to control the governance agenda alongside the withdrawal of European assistance. In terms of governance, county-wide and specialist agencies are emerging and a strategy mix could be seen as either reinforcing the 'pro-growth' corporatism of the previous regime or representing the emergence of a new progressive local economic development agenda.

This thesis concludes with reflections on the theoretical approach and empirical findings, a number of policy recommendations and proposals for future research.

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Responsibility for the contents of this thesis, nevertheless, remain my own.

## CONTRIBUTORS

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The following organisations have been consulted in this research.

Albright & Wilson Ltd	Allerdale Borough Council
Barclays Bank	Barrow Borough Council
Barrow Community Regeneration Company	British Nuclear Fuels plc
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Northern Development Company	Rural Development Commission
Salterbeck ACE	Sammi Sound Technology (UK) Ltd
Sealy United Kingdom	Solway Rural Initiative
Southfield School (Workington)	Trustee Savings Bank
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West Cumbria Council for Voluntary Service	West Cumbria Development Agency
West Cumbria Development Fund	West Cumbria Enterprises Ltd
West Cumbria Partnership	West Cumbria Tourism Initiative
Westlakes Properties Ltd	Westlakes Research Institute
Westlakes Scientific Consulting Ltd	Whitehaven Development Company

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## ACRONYMS

ABC	Allerdale Borough Council
ADC	Allerdale District Council
BBC	Barrow Borough Council
BNFL	British Nuclear Fuels Limited
CAF	Community Action Furness
CBC	Copeland Borough Council
CCC	Cumbria County Council
CDC	Cumberland Development Council
CDP	Community Development Project
CED	Community Economic Development
CIIA	Cumbria Inward Investment Agency
CMI	Cumbria Marketing Initiative
CTB	Cumbria Tourist Board
CVS	Council for Voluntary Service
EC	Enterprise Cumbria
EE	English Estates
EP	English Partnerships
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
EWC	Enterprise West Cumbria
EZ	Enterprise Zone
Fe	Furness Enterprise
FTP	Furness Tourism Partnership
GO-NW	Government Office North West
IDC	Industrial Development Certificate
INWARD	Invest North West England
LDC	Lillyhall Development Company
MAREL	Maritime Technology Exploitation Limited
MDL	Maryport Developments Limited
MEP	Member of the European Parliament
MAFF	Ministry of Agriculture, Forestry and Fisheries
MOBET	Moss Bay Enterprise Trust
MP	Member of Parliament
NDC	Northern Development Company
NORWIDA	North-west Industrial Development Association
RDA	Regional Development Agencies
RDC	Rural Development Commission
RDG	Regional Development Grants
RSA	Regional Selective Assistance
SARA	Special Areas Reconstruction Association
SRB	Single Regeneration Budget
SPD	Single Programming Document
TDAP	Tourism Development Action Programme
TEC	Training Enterprise Council

THORP	Thermal Oxide Reprocessing Plant
UK	United Kingdom
US	United States of America
VSEL	Vickers Shipbuilding Engineering Limited
WCDA	West Cumbria Development Agency
WCDF	West Cumbria Development Fund
WCEL	West Cumbria Enterprises Limited
WCI	West Cumbria Initiative
WCIDC	West Cumberland Industrial Development Company
WCP	West Cumbria Partnership
WCTI	West Cumbria Tourism Initiative
WDC	Whitehaven Development Company

# CHAPTER 1

## INTRODUCTION

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### **1.1 The Focus of the Thesis: Understanding 'New' Forms of Governance and Local Economic Development**

This thesis will attempt to explore issues surrounding local governance and local economic development through a study of one of Britain's oldest industrial region: West Cumbria and Furness. The aim of this chapter is to introduce briefly the case study region and the theoretical framework to be adopted in the analysis and to set out the structure of the thesis.

### **1.2 The Case-Study Region: West Cumbria and Furness**

Cumbria as a county is geographically, economically and politically peripheral and largely non-urban. The peripherality of the area is characterised by its remoteness from major cities, by isolation from industrial and commercial markets, and by poor communications by road, rail and air. It lies at the margins of the North West and Northern standard regions of England and at the spatial extremes of both London and Europe. The county is the second largest area in England (after North Yorkshire) covering 681,000 hectares, and it is also the second most sparsely populated county in England (after Northumberland) with an average of 0.7 persons per hectare. Basically, the population of the county can be found among a large number of small settlements but with particular concentrations in four urban corners (Barrow, Carlisle, Kendal and West Cumbria).<sup>1</sup> In terms of output and employment the local economy is small and labour markets tend to be local and some are highly dependent on a single large manufacturer. The economy of the county can be broken down into six sub-economies. Looking at the picture in microcosm, shipbuilding dominates Barrow,

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<sup>1</sup> West Cumbria is commonly used to refer to the districts of Allerdale and Copeland, but in this thesis the focus is placed on the functions of the two administrative centres of Workington and Whitehaven.

while Carlisle is the administrative centre of the county. Initially linked to the cotton industry, Carlisle has been the most successful of the Cumbrian towns in diversifying its economic base. Kendal is the gateway to the Lake District with a number of small mixed economic activities. The West Cumbrian economy is dominated by the nuclear industry. In the Lake District, the tourism industry is firmly established. In between there are large tracts of rural areas where essentially sheep and dairy farming takes place (See Figure 1.1). The area is ill-favoured both geographically in terms of access to markets and major trading routes and because of its size and low population density. Its geographical peripherality has led to economic and social problems, particularly in the urban areas of Carlisle, Barrow and West Cumbria.

The *local* case study of West Cumbria and Furness covers the European Objective 2 area as designated in 1993.<sup>2</sup> This expands along the industrial belt of the west coast, a narrow strip of land barely ten miles wide, which runs from Silloth in the north to include the towns of Maryport, Workington, Whitehaven, Millom, to Barrow in the south, incorporating three local authority districts: Allerdale, Copeland and Furness (See Figure 1.2).

The west coast economy is largely specialised, industrial and urban with the problems of regeneration similar to any city, but fundamentally the scale and scope of these problems are smaller.<sup>3</sup> Historically it has experienced rounds of investment, disinvestment and re-investment and associated economic and social multiplier effects. In the seventeenth and eighteenth century its coastal location encouraged fishing, port activities and shipbuilding. During the eighteenth and nineteenth centuries, these areas were among the world's first integrated industrial complexes. The presence of both coal and high grade haematite in a small area adjacent to port facilities saw the towns of Workington, Maryport, Whitehaven, Cleator Moor, Millom and Barrow rapidly industrialise around iron and steel-making industries

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<sup>2</sup> It must be noted that West Cumbria (Allerdale and Copeland) qualified for European Objective 2 status in 1989. This Objective 2 status was extended to Furness in 1993.

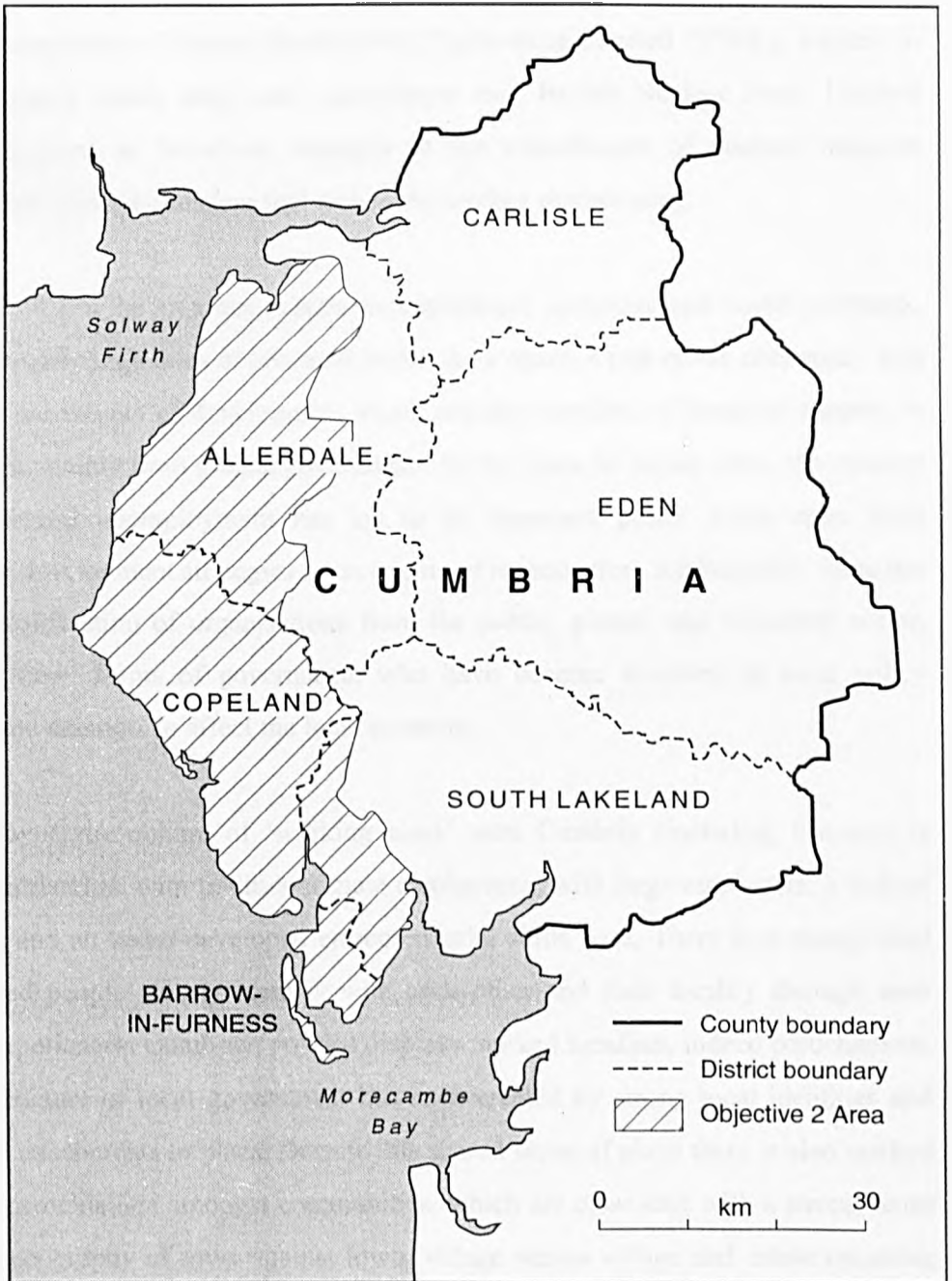
<sup>3</sup> The small scale and scope of the two case study areas can be seen, by drawing on football, in two simple analogies. You can fill Old Trafford (55,000), home of Manchester United, with the populations of both Workington and Whitehaven; and you could fill Wembley Stadium (80,000) with the population of Barrow.

**Figure 1.1: The County of Cumbria**





**Figure 1.2: West Cumbria and Furness Objective 2 Eligible Area**



**Source: Europe in Cumbria, 1998, p.2.**

(particularly for the production of rails) and a rapid influx of population. In the twentieth century the 'old' industrial base began to erode creating high levels and rates of unemployment. Salvation of some sort came with wartime munitions industries and post-war 'branch-plant' industries directed by Government or by the attraction of financial assistance. More significant was the industrial focus on two dominant employers: Vickers Shipbuilding Engineering Limited (VSEL), located in Barrow, which builds ships and submarines; and, British Nuclear Fuels Limited (BNFL), located at Sellafield, engaged in the manufacture of nuclear weapons material and later civil nuclear fuel and waste product reprocessing.

Since the 1930's the area has experienced structural, economic and social problems, and particularly high rates of unemployment. As a result, a part of the case study area has been the subject of development status and the recipient of financial support in some form, mainly from central government, for 65 years. In recent years, the concern with structural unemployment has led to an increased policy focus upon local economic development strategies as an engine of regeneration. Additionally, there has been a proliferation of organisations from the public, private and voluntary sector, creating 'new' forms of governance, who have become involved in local policy making and attempts to affect the local economy.

The idiosyncratic culture of 'working class' west Cumbria (including Furness) is largely patriarchal, with traditional male employment with large employers, a lack of self-help and an under-developed entrepreneurial skills base. There is a strong local accent and people closely identify with each other and their locality through their shared experiences. Cumbrian politics displays marked localism, indeed parochialism, as the structure of local government has been created by strong local identities and localised attachments to place. Despite this shared sense of place there is also marked internal parochialism amongst communities, which are close-knit with a strong sense of local geography of town against town, village versus village and estate opposing estate.<sup>4</sup>

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<sup>4</sup> This research has accumulated a great deal of anecdotal evidence which refers to the 'cultural geography' of the area. In many of the interviews carried out, reference was made to the tradition of

### 1.3 The Theoretical Framework: Regulation Theory, Urban Regime Theory and Governance

During the 1980's and 1990's a substantial change in the form and practices of the British state was undertaken by successive Conservative governments, characterised by the shift from local *government* to local *governance*. The emergence of these new forms of governance has created '*new institutional spaces*' (Jones, 1997a) and West Cumbria and Furness is a region that has been substantially affected by these changes. The aim of this thesis is to test whether re-working urban regime theory within a regulationist framework and integrating key concepts from the so-called 'strategic-relational' approach can provide insights into the processes which are affecting the local economy and polity.

Regulationists emphasise the role of institutions in supporting capitalist reproduction and averting economic crisis. Long-run stability is expressed as a mode of development, which consists of two symbiotic components: (i) a regime of accumulation, comprising production and consumption, and (ii) a mode of social regulation, based around socially embedded mores and institutions. Regulationists made their mark by analysing the so-called Fordist mode of development, which they argue characterises the long post-war boom (1945-1973). Also, regulationists found favour with their overarching accounts of the crises facing industrialised states in the 1970's, by propounding a possible successor, commonly labelled 'post-Fordism'. The extent to which a new mode of development is emerging has been the subject of considerable debate (for reviews, see Amin, 1994a; Storper and Scott, 1992).

Stemming from regulation theory there has been continued debate among geographers attempting to explain the emergence of *New Industrial Spaces* (Amin and Robins, 1990; Barnes, 1996; Benko and Dunford, 1991; Peck, 1996; Tickell and Peck, 1992). The point of departure is Scott's (1988) work on labour and spatial agglomeration, where "...labour market processes are afforded an important role in generating the

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working for a large company, a lack of emphasis placed on self-help by local people and the scarcity of entrepreneurial values.

renewed tendencies toward industrial agglomeration believed to underpin the formation of modern flexible production systems, or ‘new industrial spaces’” (Peck, 1996, p.120). Scott focuses almost entirely on the regime of accumulation and his approach can be summarised as follows. A major industrial transformation is taking place with the movement from mass production to flexible niche production, fuelled by customer demand for specialised goods. Industry is, therefore, under conversion from being vertically integrated, based on monopoly control of supplier networks, to vertical disintegration, where the focus is on economies of scope and specialisation, as opposed to economies of scale. This transition is seeing the re-emergence of craft labour and the need for production to be located in close proximity to (often urban) specialised labour markets. This transition is believed to have heralded the emergence of ‘new industrial spaces’ - Baden-Wurtemberg (Germany); Jura (Switzerland); Grenoble (France); Emilia-Romagna (Italy); Cambridge (UK); M4 Corridor (UK); Route 128 (USA); Silicon Valley (USA) - which are believed to be playing key roles in a new mosaic of regional economies.

Scott’s thesis has been criticised, mostly for its locally specific and generally selective representation of high-tech growth sectors. Lovering (1990, 1991a, 1995) in particular, questions the sustainability of the regime of accumulation based on niche production, craft industries and small firms. What is required, he argues, is greater understanding of the mode of social regulation and the role that institutions and the state are playing in the transition from Fordism. As Scott and Storper (1992) claim, the key task must be to “focus on the interactions between economic logic and political institutions at both the local and the global levels” (p.11).

The point of departure for this thesis is the mode of social regulation and the role of political institutions, particularly at the local level. The concern is with *new institutional spaces* which are attempting to create new industrial spaces (Jones, 1997a). Regulatory and institutional change has accompanied the transition from Fordism and must be seen as part of “crisis-management and crisis-resolution in local economies and states” (Jessop, 1995a, p.307). It is, therefore, appropriate to equate new forms of governance based on the rise of quangos, unelected state forms and local

regulatory mechanisms as part of the 'institutional searching' taking place in order to secure the conditions for continued accumulation (Peck and Tickell, 1994a). However, it is clear that regulationists have mainly theorised macro-level changes and analysed national modes of regulation and that it appears difficult to talk about "local modes of regulation" (Painter and Goodwin, 1995). To make the connection with the local, this thesis will attempt to ally regulation theory with urban regime theory.

Urban regime theory emerged from the US (Stone and Sanders, 1987; Elkin, 1987) but has had a significant impact beyond North America. Its primary claim is that 'politics matters'. Regime theory adopts a neo-pluralist position (Lindblom, 1977) which argues that in liberal democracies, governments are dependent on the effective functioning of the market in order to meet social and economic challenges. Regime analysis, therefore, focuses on three key functions: (i) identifying the key players - formal and informal - in the politics of production; (ii) describing how and to what extent they interact and their motivations for doing so; and (iii) assessing the outcomes and effects of their interactions.

Briefly, transposing these key functions to the local level, regime theorists argue that a distinction must be made between holding political power and governing that is between local government in a narrow sense and local governance in a wider sense. It is believed that in order to achieve anything effective, elected politics needs the support of other powerful interests, especially within the business community, bringing together those who have access to, and can deliver, various resources, to create a "...conjoining structure of command" (Stone, 1989, p.5). Regime theory has, therefore, focused on the mechanisms involved in constructing and sustaining public-private coalitions (or partnerships), particularly in shaping the politics of production (local economic development strategy). It also stresses the importance of 'human agency' in understanding the actions of organisations and institutions, rather than simply taking for granted that there are larger forces at work. As a result, regime theory recognises that businesses and business groups have privileged status (local power) when it comes to shaping the agenda and actions of governments and the shift

to governance. Moreover, it emphasises that 'places' are forced to become more competitive in order to compete within the accumulation system.

The regime approach has received criticism for being localist and empiricist (Ward, 1996), and for neglecting the linkages between 'local' and higher-level scales. For regime theory to be of any utility this localist bias has to be overcome. Processes of regime formation have to be linked: local economy to the global economy and local institutions to central government (and Europe). These necessary linkages reflect the recognition that localities are not isolated from broader political and economic forces. Beyond purely functional definitions, the uniqueness of localities lies in the way that they are socially constructed by various social forces. Local regimes are forged out of this interaction between 'general' forces of political and economic change and local conditions.

The formation, survival and break-up of local regimes are crucial to understanding the emergence of governance and local economic development strategies. The capacity of the local regime is seen to be dependent on the ability to forge links with key actors and institutions at higher spatial scales (although central government and Europe relies upon local actors and institutions to deliver its agendas). In addition, there is the need to understand the ways in which local state institutions (and local elites), that act as key sites of regime formation, emerge and establish themselves. Jessop's (1997a) 'strategic-relational' approach does appear to provide such an understanding of these two key linkages.

Jessop introduces into the analysis the state, suggesting that it is a loosely articulated institutional ensemble, and as such, incapable of unified action and dependent upon strategic interactions with those social forces able to capture power. This leads to the central principle of 'strategic selectivity' (Jessop, 1990a) which results in the state being "...more open to some types of political strategy than others" (Jessop, 1990b, p.260). Two 'mid-level concepts', with regulationist undertones, are introduced in order to enhance our understanding of the local politics of governance: the accumulation strategy to explain the 'mode of growth', and what is termed the

'hegemonic project' which brings together the dominant classes to mobilise support behind a programme of action.

The increasing commitment to local economic development and the proliferation of agencies dealing with different sectors, represents a significant re-ordering of governance in order to meet the challenges of the changing economy. To focus discussion, the empirical research of the thesis is focused upon the region of West Cumbria and Furness in the period from 1974. It will attempt to identify three regime phases, with arguably a transitional fourth underway, focusing on the evolution of new forms of local governance as part of the emergence of *new institutional spaces* as a reaction to the continued climate of crisis. To establish the significance of these new forms of governance a number of questions are asked. What regulatory role do the proliferation of agencies and agents involved in governance play? Why do agencies and agents come together? How are strategies and policies established in the local governance system? What effect are governance structures having on economic development?

#### **1.4 Structure of the Thesis**

Chapter 2 develops the analytical framework of this thesis. Regulation theory (including the 'strategic-relational' approach), urban regime theory and issues of governance are discussed. By drawing on Jessop (1997a) it is argued that bringing together a neo-Gramscian regulationist approach with urban regime theory, through developing 'key' mid-level concepts, provides an appropriate 'middle-order' framework for understanding the role of government and governance in the existing vogue of local economic development. A number of related aims and questions for investigation are outlined for applying the theory to the empirical research.

Chapter 3 provides an account of the research methodology and methods adopted. It attempts to justify undertaking research on the case study areas of West Cumbria and Furness and the adoption of a critical realist based method of intensive research. Qualitative research methods are primarily used, including: an extensive local and

national newspaper search and semi-structured interviews. A synopsis of the fieldwork experience is provided, highlighting the ways in which the research evolved, the issues which emerged and the pitfalls of doing qualitative research.

Chapter 4 gives an historical overview of the case study region focusing on economic growth and decline, political responses and traditions, and cultural customs over the period 1700 to 1973. Four sub-periods are identified: (i) the rapid industrial development and economic growth of the eighteenth and nineteenth centuries; (ii) the depression of the inter-war years and the beginning of nation state regional policy for 'Special Areas'; (iii) the return to full employment during the Second World War but also the increased political awareness of the need for greater commitment to areas development; (iv) the post-war boom, particularly of the 1950's and early 1960's, with the establishment of general branch plant industries in 'development areas', and more specifically, the emerging dependence on shipbuilding and the nuclear industry in the case study region. The aim of this Chapter is to set West Cumbria and Furness within its very particular industrial, political and cultural context, in order to be able to understand its contemporary economic, political and social features.

Chapters 5 to 8 cover the period post-1974 and each Chapter attempts to relate a sub-period to the emergence of a particular regime arguing that there was a process of transition taking place from government to governance with very distinct phases.

Chapter 5 shifts to the period 1974-1985, drawing attention to the increasing dominance of the nuclear and defence industries in West Cumbria and Furness, but also to the underlying structural weaknesses of the local economy exposed during the recession of 1980-82. This Chapter focuses on the failure of the Labour Government of 1974-1979 and the emergence of a new brand of Conservative politics under the leadership of Margaret Thatcher. It argues that, as a result of national government support for the expansion of the nuclear and defence industries, both West Cumbria and Furness experienced false economic growth during the 1980's. This 'false boom' overshadowed the root structural deficiencies in the local economy, which were clearly visible in the decline of manufacturing during the national recession of 1980-



1982. The closure of the ironworks at Workington (1981) was to be the precursor for the emergence of increased political awareness of the need for economic regeneration.

Chapter 6 turns attention to the period 1986-1989 and the emergence of a locally-led public-private sector partnership which identified with the philosophy of the Thatcherite project. It argues that the election of a hung county council initiated a phase of '*weak politics*' in Cumbria, but this engendered effective proactive economic development activity and partnership working. In West Cumbria, a public-private partnership was set up, as BNFL began to involve itself directly in the regeneration and diversification of the local economic base, ahead of the anticipated crisis of the early 1990's when the completion of the construction of the Thermal Oxide Reprocessing Plant (THORP) was predicted to lead to the loss of thousands of jobs.

Chapter 7 examines the period 1990-1996, focusing on the proliferation of new agents of governance in the field of economic development, in particular, the hegemony of two such agencies: the West Cumbria Development Fund (WCDF) and Furness Enterprise (Fe). It highlights that the area experienced a 'triple economic blow' in the early 1990's, with massive job losses in the two core industries of BNFL and VSEL and in the local cluster of externally-owned branch plants. This demanded a response and both national and European policy encouraged partnership and the movement towards governance rather than local government. In the vacuum of weak local government, continued economic problems and the orientation of national and European policy, the commitment to economic development intensified as did the range of new institutions and actors, many of whom were *unelected*, ceding control over the local economic development strategy.

Chapter 8 discusses the period from May 1997 when a new national and county political context emerged with the election of Labour controlled chambers which could herald the return of government controlling the governance agenda. This Chapter shows that the problems of continued unemployment and spatially concentrated social problems continue to offer a major challenge for government and governance alike. It indicates that changes in both national and European policy are

likely to have significant effects on the future workings of local governance and local economic development in this region. It shows that there are signs of a repositioning taking place in local governance with the development of county-wide agencies, the emergence of specialised agencies dealing with specific sectors believed to offer these areas comparative advantage and community economic development becoming firmly established on the local agenda. Overall, this Chapter speculatively suggests that local governance and economic development in West Cumbria and Furness is approaching a crossroads entering into another period of transition.

Chapter 9 concludes the thesis by drawing together the findings of each Chapter. The aim of this Chapter is to draw together a range of relevant conclusions and recommendations. It will reflect on the theoretical approach undertaken in this thesis. Empirical observations are made and some policy suggestions outlined. Finally, some possibilities for future research are proposed.

## CHAPTER 2

# THEORETICAL FRAMEWORK: RECONSTRUCTING REGULATION THEORY AND URBAN REGIME THEORY TO UNDERSTAND GOVERNANCE

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### 2.1 Introduction

This Chapter attempts to provide an analytical framework for exploring governance and local economic development in Cumbria. It does so by bringing together regulation theory, urban regime theory and key concepts drawn from the 'strategic-relational' approach to governance in an attempt to distinguish between the **processes** and **structures** of the 'local' political economy.

### 2.2 A Regulationist Approach

The Regulation 'approach'<sup>1</sup> has its origins in the works of Marx, and more recently in the work of Althusser and Balibar (1970) in their *Reading Capital* and in a more indirect sense, Gramsci's (1971) *Selections from the Prison Notebooks*. It has provided insights into the interpenetration of values, morals and cultural practices with socio-economic change. The theoretical context for the theory was developed in French political economy during the 1970's, with the first works to be published (in English) by Aglietta (1979). Very broadly, the regulation approach is an ongoing, critical realist informed, methodological research project which attempts to explain the vagaries of capitalism and its inherent tendencies to expansion and crisis.<sup>2</sup> It

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<sup>1</sup>According to Boyer (1986), regulation theory is more of a heterodox approach to political economy than a completely coherent body of theory or school of thought, and for this reason the term regulation approach will be used rather than *theory* or *school*.

<sup>2</sup>Regulationists identify three levels of crisis within the capitalist mode of production. The first, relates to *microcrises* which affect individual capital units or branches of capital and constitute part of the ongoing process of adjustment which occurs within regimes of accumulation; a second relates to *conjunctural* crises which reflect a cyclical down turn in the economy resulting from an imbalance in the accumulation process causing periodic economic disruptions which are 'corrected' within the existing system of institutions and norms; third, are *structural* crises which involve a significant reduction in the rate of accumulation over a prolonged period of time. This downturn is caused by a substantial deterioration in the relationship between the accumulation process and the institutional

focuses on explaining the capital-state-labour relations in the national economy, with the international economy being the result of the relationships between nations rather than the result of some 'global other'. It is in analysing national styles of regulation that one finds the distinctive contribution of the regulation approach (Boyer, 1990, 1991; Goodwin and Painter, 1996; Painter and Goodwin, 1995; Peck, 1996; Peck and Tickell, 1992a, 1994a, 1995a; Theret, 1994). There has also emerged a substantial regulationist literature around the application of the theoretical insights of the regulation approach to the evolution of patterns of local governance and structures of the local state (Geddes, 1988; Goodwin *et al.*, 1993; Goodwin and Painter, 1996; Hay, 1995; Painter, 1995, 1997; Painter and Goodwin, 1995; Peck and Tickell, 1992, 1995a).

### ***Regulation Theory and the Transformation to Post-Fordism***

Based on a reading of Gramsci (1971), the aim of the regulation approach is to "...explain the rise and subsequent crises of *modes of development*..." (Boyer, 1990, p.48), and to account for "...the way in which the determinant structure of society is reproduced" (Aglietta, 1979, p.13). Essentially regulationists are attempting to explain the vagaries of capitalism and to uncover the mechanisms by which a "*mode of development*" has continued to remain stable despite the tendencies for crisis which are inherent in capitalism and to develop a historically and geographically grounded account.<sup>3</sup> As Tickell and Peck (1992) state, the force of regulationist thinking lies in its stress upon the:

"...integration of the role of political and social relations (state action and legislature, social institutions, behavioural norms and habits, political practices)...into the conception of capitalist reproduction and crisis" (p.192).

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fabric, resolved through the establishment of a new structural coupling between the mode of social regulation and the accumulation system (Lipietz, 1987; Tickell and Peck, 1992).

<sup>3</sup> For Boyer (1990), regulationists reject both Marxist and neoclassical theories of crisis. In the former, economies always appear subject to latent structural crises which, given internal contradictions, will inevitably lead to the collapse of the mode of development itself. The latter assumes inevitable and predictable shocks to an economy leading to a downturn following a preceding boom. As Boyer claims: "Between the caprices of chance and the iron law of inevitable decline, it would seem that there is room for a number of definitions and levels of crises" (p.49).

The “*mode of development*” consists of the combination of a *regime of accumulation* and a *mode of regulation*. The regulation approach, therefore, attempts to account for this “*mode of development*” by bringing attention to the mode of production, that is the form of production at any one time, but also the socio/political relationships which exist at that time (mode of social regulation).<sup>4</sup>

Brenner and Glick (1991) describe the *regime of accumulation* as typically constituted in the following way:

“Each regime of accumulation represents a distinct pattern of economic evolution which, though limited in historical time, is relatively stable. The immediate source of the dynamic specific to each regime of accumulation is a particular series of regularities which include: (i) the pattern of productive organisation within firms which defines the wage-earners’ work with the means of production; (ii) the time horizon for decisions about capital formation; (iii) the distribution of income among wages, profits and taxes; (iv) the volume and composition of effective demand; and (v) the connection between capitalism and non-capitalist modes of production” (p.47).

The *regime of accumulation* could be considered as a fairly stable relationship between production and consumption that can be reproduced. It is structurally coupled with the *mode of regulation* in such a way that they evolve together, though they could vary across different scales of analysis (international, national, regional or local) (de Vroey, 1984). However, the regime of accumulation in existence can not guarantee that all individual capitalists will behave according to the ‘structure’ of that regime. As Lipietz (1986) states:

“There must exist a materialization of the regime of accumulation taking the form of norms, habits, laws, regulating networks and so on that ensure the unity of the process, i.e. the approximate consistency of individual behaviours with the schema of reproduction. This body of interiorized rules and social processes is called the *mode of social regulation*” (p.19).

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<sup>4</sup> The “*mode of social regulation*” is the term used by Lipietz (1986) and Peck and Tickell (1992b) but characteristic of the heterodoxy of the regulationist approach there are a plethora of differing ways of expressing “*modes of social regulation*” in use and which Painter and Goodwin (1995) warn must be “used with caution” (p.339). These include: *structural forms* (Aglietta, 1979); *modes of societal*

The *mode of social regulation* works by accompanying and stabilising the inherent crisis tendencies of capitalist accumulation (Dunford, 1990). This has given rise to the theorisation and development of a set of so-called 'intermediate concepts' of what could be termed 'non-economic' factors. These could include socially embedded institutional forms, societal norms and a set of strategic structures and measures that attempt to secure accumulation by regulating the conflicts inherent in capitalist society (Boyer, 1986, 1990; Dunford, 1990; Jessop, 1990b; Leborgne and Lipietz, 1988; Lipietz, 1986, 1992). The *mode of social regulation* does not, however, need to be restricted to state regulation, it could include private or informal regulation such as the relationships between social and cultural organisations, technology and social forces, markets and ethical norms (Moulaert and Swyngedouw, 1989). Also, the *mode of social regulation* does not necessarily entail conscious strategic initiatives that are guaranteed to function harmoniously with the *regime of accumulation*. Indeed, various regulatory mechanisms may be found haphazardly (chance discoveries) to create a coherent institutional form and societal norms, or they may be the "...result of attempts to resist or adopt chance discoveries" (Lipietz, 1987, p.26), for example 'defensive' and 'offensive' strategies.<sup>5</sup>

The failure and crisis of the prevailing *regime of accumulation* and *mode of social regulation* to mediate contradictions in the existing capitalist system could signal the emergence of a new *regime of accumulation* and a new *mode of social regulation*, as suggested in the supposed shift from a Fordist to post-Fordist *mode of development*. Some neo-Marxist commentators have characterised the shift towards governance, unelected state forms, the rise of quangos and local regulatory mechanisms, as part of this shift.<sup>6</sup>

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*regulation* (Cox and Mair, 1988); *modes of social and political regulation* (Harvey, 1989); *social modes of economic regulation* (Jessop, 1992, 1994a); and *forms of regulation* (de Vroey, 1984).

<sup>5</sup> *Defensive strategies* (practiced in the UK) formulate a territorial bloc (basically formed on different scales) and pursue a short-term adaptive option to the constraints of competition and new technologies, in effect it is an attempt at 'quick-fix' solutions to structural problems. It also aims for the development or the maintenance of a bloc of entrepreneur-elites. *Offensive strategies* (practiced in Germany and Northern Italy) involve a medium-term view of the collective integration of the territory (again it can be defined at different spatial scales). Through negotiation, the aim is to build capacity to develop new technologies and knowledge as a function of the potential to create new markets, and the development or the maintenance of the hegemony of entrepreneurs (See Leborgne and Lipietz, 1988).

<sup>6</sup> On a general review of the entire 'fordist/post-fordist' debate, see Amin (1994a). Schools of thought on the 'fordist/post-fordist' debate include: long-wave theorists with their Neo-Schumpeterian interpretations of a 'fifth Kondratiev' (Hall and Preston, 1988); institutionalists with accounts of

The basis of the post-Fordist debate is that the features of the Fordist regime of accumulation - such as mass production and consumption and its socio-institutional structure based on the Keynesian welfare state - have been replaced by flexible production, anchored around a “...reorganisation of society within the state” (Aglietta, 1979, p.386). It is observed that Keynesian socio-institutional structures are being replaced by entrepreneurial state forms, privatised forms of consumption, and post-Fordist institutional ensembles (Cochrane, 1993; Eisenschitz and Gough, 1993; Stoker, 1991). For some, this transition reflects a possible resolution to the crisis of Fordism (Hirst and Zeitlin, 1991; Mayer, 1994; Piore and Sabel, 1984), while others claim that it simply represents a continuation of crisis (Amin and Robins, 1990; Peck and Tickell, 1994b, 1995a; Tickell and Peck, 1995).

### *Regulation Theory ‘as Method’*

In contrast to post-Fordist approaches, in which proponents have a tendency to make unsubstantiated empirical claims and predictions, some regulationist authors have suggested that the strength of the regulation approach does not rest on the durability of post-Fordism. Instead they cast regulation theory ‘as method’, offering a framework for analysing institutional relationships over time and space and providing an approach that takes into account the ways in which local and regional institutional forms are historically and geographically distinctive and embedded in their national and international contexts (Peck, 1996; Peck and Tickell, 1995a).<sup>7</sup>

This apparent *methodological* character of the regulation approach suggests an interest in, and analysis of regulation as *processual* and, given the incomplete and unstable nature of regulation, a concern with *practice*. Stressing the regulation approach as a methodology allows it to be used as a perspective and a form of analysis that in principle is distinct from the substantive claims that can be made about particular

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industrial divides and the emergence of ‘flexible specialisation’ (Piore and Sabel, 1984; Hirst and Zeitlin, 1991); and post-modernists who interpret a shift from principles of ‘labour’ to ‘communication’ (Albertson, 1988; Flogstad, 1987).

<sup>7</sup> This view of regulation theory as a methodological framework is consistent with Hay and Jessop’s account of the British regulation school (See Hay and Jessop, 1995; Jessop, 1990a).

structures and processes. It therefore, takes account of the historical and geographical features involved in “modes of development” which are dependent upon a series of social, cultural and political lineages and which can develop unevenly across time and space.

As a method of analysis, then, the regulation approach begins from the premise that capitalist reproduction is not guaranteed by the abstract relations which define the “mode of development”. Instead, the reproduction process is reliant upon more concrete institutional structures, political and social processes, which develop unevenly. The regulation approach as method seeks to account for that uneven process and “...the way in which the determinant structure of society is reproduced” (Aglietta, 1979, p.13).

### **Problems with Regulation Theory**

There has emerged some identifiable theoretical and conceptual weaknesses with using the regulation approach. Hirst and Zeitlin (1991) outline a number of general concerns with regulationist research. For them, perhaps the main ambiguity and weakness is its inability to specify the parameters of the regime of accumulation. They ask: “What precisely is to be regulated within this approach?” (p.20). In similar vein, Dunford (1990) has argued that “...there is an obvious need to identify very clearly the claims that these theories make and to delineate their domain, identifying what is to be explained and what is not” (p.310).

These ambiguities give rise to another set of problems and a greater challenge for regulationist research. The first problem is the extent to which the changing structural relationship between the regime of accumulation and the mode of social regulation can be analysed together with the ‘indeterminancies’ of capitalism under the analytical framework of the system itself (Peet, 1989). In other words, Hirst and Zeitlin (1991) ask: “How far can the historical succession of regimes of accumulation and modes of regulation be separated from the structural properties of capitalism as a mode of production?” (p.21). This recurring tendency in regulation approaches to outline



various levels of abstraction at the same time as it asserts the existence of a distinctive capitalist mode of production is, arguably, a significant weakness.

A further charge against regulation theory is its apparent functionalism. As Hirst and Zeitlin (1991) point out:

“Despite their methodological reservations about functional explanations, most regulation school analyses reason in practice as if the persistence of the objects of regulation could be accounted for by the development of a smoothly functioning mode of regulation” (p.21).

Ruccio (1989) points to the language of simple historical succession used by regulationists, which “...means that the history of capitalist development is constructed on the basis of a notion of functional prerequisites in which the activities of agents are said to conform - either through coercion or persuasion - to the necessities of accumulation” (p.37). Similarly, Amin (1994b) observes that “...the regulation approach ends up ascribing to history a stylistic, functionalist and logical coherence which it rarely possesses” (p.11).

Lipietz (1987) is careful to stress that functionalist arguments need to be avoided. However, even if, as regulationists assert, the mode of social regulation is a combination of unintended practices, it would still appear that the approach does have functionalist undertones. This is certainly the case with post-Fordist approaches which claim that institutions matter but fail to recognise broader political issues and spatial scales, tending to ‘read off’ local institutional change from posited transitions in capitalism at the macro-scale, with *local* roles receiving little elaboration (Hay, 1995; Jessop, 1994a). In this instance, the scale of analysis is vital for the regulation approach when looking at the mode of social regulation, attempts must be made to integrate and specify the articulation of varying scales of analysis and to provide causal explanations.

Moreover, accounts such as Althusserian structuralism, which highlight the central importance of state apparatus such as the education system, police, army and other government institutions, are seen as presenting a deterministic and teleological

account of historical processes towards a pre-ordained end (see Thompson, 1978). Jones (1997a) believes that such a structuralist account denies human agency and ignores transformation and struggle.

### *Introducing the State*

The regulationist approach requires sensitivity to both history and geography, greater understanding of the causal *processes* taking place and the complexity of “institutional complementarities” (Jessop, 1995a, p.319). The workings of the state are central to the process of capitalist reproduction, and it is to this that we now turn.

Jessop (1990a, 1995a) states that a principal weakness of the regulation approach is its incomplete and deficient theoretical analysis of the state. Aglietta (1979) concedes that: “Analysis of the state has always been the Achilles’ heel of the social sciences...as far as economists are concerned, their naivety vis-a-vis anything that involves the state is a notorious fact” (p.26). Yet, the state is implicated in processes crucial to the reproduction of capitalist (social and economic) relations as a capitalist economy without regulation is inherently unstable (Aglietta, 1979). Such functions must indeed be performed by some form of institution, apparatus, or a combination of functions. It must be suggested that many (if not all) of these institutions are in some way either state apparatuses themselves or are heavily regulated by the state.

Altwater (1973) argues that the state must intervene within the capitalist economy in order to secure conditions which are conducive to the continuation of capitalist accumulation, thereby performing a “general maintenance function” (p.100). This function comprises: (i) the provision of general infrastructure, which as Barrow (1993) claims provides “the material conditions that are necessary to all business activities but that cannot be produced directly [and profitably] by individual private businesses” (p.80); (ii) the capacity to defend militarily a national economic space regulated by the state and to preserve its sovereignty; (iii) the provision of a legal system that establishes and enforces the right to possession of private property and outlaws potentially damaging practices for the accumulation of capital; (iv) regulation and/or alleviation of class struggle and conflict between capital and labour.

Failure to resolve periods of crisis leads to the state being called into question and not the stability of the capitalist mode of production. This can be seen in the UK during the 1970's, where the economic depression was perceived to be a crisis of the state, a view which paved the way for the rise of Thatcherism.

Clearly, in order to strengthen the regulation approach, the state must be introduced into the analysis.

### ***'Strategic-Relational' Approach***

Jessop (1990a, 1995a) provides an approach for understanding the role of the state by combining the perceptions of two state theorists - Offe and Poulantzas - to develop the concept of the 'strategic-relational' approach. The 'strategic-relational' approach is associated with third-generation regulation theory which emphasises three significant elements: the state, political factors and greater emphasis on the role of space. This contrasts with first-generation regulation theory which was concerned with national accumulation, the wage relation, labour process and competition. Second-generation regulation theory provided a more complex level of abstraction and concerned itself with international regulation and the insertion of nation-states into international capital.<sup>8</sup>

A major aspect of the work of Offe (1974) is the structural selectivity thesis and later the reasoning of collective action (Offe and Wiesenthal, 1985).<sup>9</sup> These approaches are used to describe the relationship between states, their intervention and role in capitalist accumulation. Offe (1974) argues that the state deploys a "*sorting process*" whereby certain social groups are included and others excluded (p.36, emphasis original). Offe claims that the specific nature of favour and exclusion is influenced by the nature of ruling-class interests and historically contingent specific functions enacted by the state.

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<sup>8</sup> For a fuller discussion refer to Hay and Jessop (1995) and Jones (1997a).

<sup>9</sup> The work of Offe is summarised by O'Neill (1996).

A neo-Gramscian reading of the work of Poulantzas (1969, 1973, 1978) extends the work of Offe and suggests that the state is autonomous of external social forces. It calls for a theory of the state which recognises the distinctive logic of political ideology within capitalism. This state-centred approach, which stresses the “relative autonomy” of the state (Jessop, 1982, p.182) contrasts with the society-centred approach, in which it is claimed that state policies are determined solely by the ruling class (Miliband, 1969, 1973). Beyond this, Poulantzas stresses the primacy of politics, state power, state strategy, state representation and state action to achieve hegemony (see Jessop, 1985).

Jessop fuses these approaches to introduce the concept of the ‘strategic-relational’ approach. Jessop’s (1990b) conception of the state is that it should be seen as “...a specific institutional ensemble with multiple boundaries, no institutional fixity and no pre-given formal or substantive unity” (p.267). The state must be seen as a dynamic and constantly unfolding system but crucially, the unity and coherence of the state depends upon the strategies of the social forces able to capture power. This leads to the central principle of ‘strategic selectivity’ (Jessop, 1990b). This key term signifies that the resources and capacities of the state are not equally open to all social forces (selectivity); rather the organisation of the state does privilege the interests of some groups over others dependent upon the strategies adopted by these various social forces. The state only exists as a unified and coherent entity through the struggles of these social forces to realise ‘state projects’. The concept of ‘strategic selectivity’ implies that the state has a tendency to privilege certain places. This is not because of the place itself, but because the state is privileging certain people and social groups.

This concept of ‘strategic selectivity’ is bound up with two other types of strategy. The first type is borrowed from regulation theory and relates to a so-called ‘accumulation strategy’ which delimits “...a specific economic ‘growth model’ with its various extra-economic preconditions and also outlines a general strategy appropriate to its realisation” (Jessop, 1990a, p.198). The accumulation strategy connects the abstract accumulation process at an higher-level to the concrete realities of economic relations in particular places. Significantly, social forces regulate the

economic process through accumulation strategies in which institutional structures are vital in the articulation and realisation of these accumulation strategies.

Jessop (1983) claims that these accumulation strategies are reinforced by the support given from “...strategically significant sectors of the population” which are located in strategically significant regions (p.103). These strategically significant actors are often drawn from the business elites. They are legitimised by the rhetoric of job creation but the reality may be a state project to reconstruct existing state forms and minimise potential political opposition, so that alternative accumulation strategies can be pursued. Moreover, for their role in legitimising accumulation, these actors are given “...material concessions [and] symbolic rewards” (Jessop, 1983, p.100).

It is important to introduce the concept of ‘legitimation strategies’, which are the rhetorics developed by these “...strategically significant sectors of the population” (Jessop, 1983, p.103) to convince people of the need and relevance of the designated accumulation strategy even if it brings hardship for some members of society and other classes, places and institutions.

Jessop (1990b) originally saw the nation-state as the key site for accumulation strategies but more recently (1997a) has argued that it is equally relevant to the local and regional levels. This claim could be questioned by placing it alongside Jessop’s (1994a) own concerns about overcoming the problem of ‘reading-off’ local change from wider structural transitions. It would appear that within this context the role of local state agencies in formulating specific economic ‘growth models’ for defined economic spaces remains significant.

The second type of strategy with which state projects are bound up is termed a ‘hegemonic project’ which draws heavily on Gramsci (1971).<sup>10</sup> Through the hegemonic project, the dominant classes strive to mobilise support behind a programme of action which reinforces their accumulation strategy. Hegemonic projects involve the:

“...mobilisation of support behind a concrete, national popular program of action which asserts a general interest in the pursuit of objectives that explicitly or implicitly advance the long-term interests of the hegemonic class (fraction) and which also privileges particular ‘economic-corporate’ interests compatible with this program” (Jessop, 1983, p.100).

This process is one of contests, bargaining and negotiation between opposed interests and different organisations which broaden power contests beyond the narrow economic and class interests addressed in accumulation strategies. A key feature of the process is that any problems of conflict are resolved through efforts to ‘construct’ a general interest. But as Miliband (1994) observes, increasingly:

“...it must also be taken to mean the capacity of the ruling classes to persuade subordinate ones that, whatever they may think of the social order, and however much they may be alienated from it, there is no alternative to it. Hegemony depends not so much on consent as on resignation” (p.11).

### ***Local State, Local Modes of Regulation and Uneven Development***

The regulation approach requires a theory of the role of the state, politics and political action which are integrated into regulationist studies of modes of social regulation and regimes of accumulation (Jessop, 1990a). Clarke (1988) claims that the mode of regulation and societal practices cannot be reduced to the apparatus of the state, and that complex processes of struggle and transformation exist, which regulationists have yet to explore fully. Regulationists emphasise complex processes of change particularly in national policy and in the national mode of regulation, but within such transformations the *local* is an integral part (Goodwin *et al.*, 1993). It is clear that local areas, however defined, are neither autonomous, nor isolated from wider regulatory systems, state structures, political processes and economic links despite being subject to the ‘national mode of regulation’ (Goodwin and Painter, 1996; Peck, 1996; Peck and Tickell, 1995a).

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<sup>10</sup> Although Gramsci never defined ‘hegemony’, the term appears to include all those institutions and practices through which the ruling class succeeds in maintaining the consensual subordination (or power) over whom it rules.

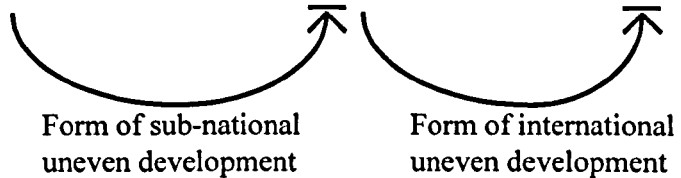
It could be argued that the need to introduce a political dimension to regulationist accounts means that the local state could provide one window through which to view the mode of social regulation (Goodwin *et al.*, 1993; Painter and Goodwin, 1995; Peck and Tickell, 1992b). The local state is both an agent and obstacle to regulation, a product of uneven development and attempts to ameliorate the social polarisation caused by uneven development (Duncan and Goodwin, 1988). However, it is important to note that the local state remains subject to a national framework of regulations.

Several regulationists have recognised the need to examine uneven development (Florida and Jonas, 1991; Goodwin *et al.*, 1993; Painter and Goodwin, 1995; Peck and Tickell, 1992b; Smith, 1989), but as yet no substantive convincing analyses have been produced. Peck and Tickell (1995a) suggest that this could be a problem of methodology, or more importantly, a failure of researchers to understand regulationist concepts.

Both Goodwin and Painter (1996) and Peck and Tickell (1992b) see the nation state as the key regulator of capital-labour relations, seeking to ensure their harmony while securing business profitability. Peck and Tickell (1992b) see new locally sensitive and variable - rather than nationally homogenous - modes of regulation as a new central government strategy in the changing economic environment. Peck and Tickell's work (1992b, 1995a) on the links between the local state and the political economy of concrete state restructuring under Thatcherism, and the apparent inability of the Thatcherite state project to regulate uneven development, could offer an insight for regulationists to create a more dynamic regulation approach. They draw attention to the regulatory forms and mechanisms which emerge at varying spatial scales (Table 2.1) and a parallel is drawn with Massey's (1984, 1995) work on spatial divisions of labour and Painter and Goodwin's (1995) work on '*local* modes of regulation', which links '*local geography*' with wider social structures. Local modes of regulation are thus claimed to be seen as "...resulting from, and contributing to the reproduction of, uneven development" (Peck and Tickell, 1995a, p.27).

**Table 2.1: Regulatory Forms and Mechanisms at Different Spatial Scales: some examples**

Spatial Scale	Regional/Local	Nation-state	Supranational
Regulatory form/ mechanism			
Business relations (including forms of competition)	Local growth coalitions  Localized inter-firm networks	State policies on competition and monopoly  Business representative bodies and lobbying groups	Trading frameworks  Transnational joint venturing and strategic alliances
Labour relations (including wage forms)	Local labour market structures and institutions  Institutionalization of labour process	Collective bargaining institutions  State labour market and training policy	International labour and social conventions  Regulation of migrant labour flows
Money and finance	Regional housing markets  Venture capital and credit institutions	Fiscal structure  Management of money supply	Supranational financial systems  Structure of global money markets
State forms	Form and structure of local state  Local economic policies	Macroeconomic policy orientation  Degree of centralization/ decentralization of state structures	Supranational state institutions  International trading blocs
Civil society (including politics and culture)	Local trade union/ production politics  Gender household structures	Consumption norms  Party politics	Globalization of cultural forms  Global political forms



(Source: Peck and Tickell, 1992b, p.353)



It is debateable whether this approach overcomes the problem of 'reading-off' local change from wider structural transitions (Jessop, 1994a). There are also problems in specifying what is locally specific, which is associated with the difficulty of recognising regulatory practices above and below the nation state. It would appear that attempts to reduce regulation to '*local* modes of regulation' are conceptually problematic. Painter and Goodwin (1995) claim "...it is unlikely that it would ever be possible to identify distinctive '*local modes of regulation*'" (p.335). As Peck and Tickell (1995a) state the local mode of regulation must be seen as part of "*...wider (national and international) structures of accumulation and regulation*" (p.27, emphasis original), because "...local systems are largely defined by their mode of integration into wider structures, though these wider structures are at the same time partly constituted of, and by, local systems" (Peck and Tickell, 1995a, p.27). To overcome this there is the need to stress the *interdependent* nature of structural forms in the regulation of local economies (Lipietz, 1994), but also that the *local* may influence higher spatial levels. Each set of regulatory practices will have its own history, geography and spatial structure, and the effectiveness of regulation is determined by their *interaction* (Painter and Goodwin, 1995; Peck and Tickell, 1992b).

The emphasis on (local) uneven development is vital in the evolution of the regulationist project, but there still remains a tendency to treat the *local* as a deductive object of analysis, without establishing why *locality relationships*, formally or informally, have become important. There remains the tendency to 'read-off' local change within the apparent macroeconomic shift from Fordism (mass production) to post-Fordism (flexible production), with its new forms of state intervention from Fordism (Keynesian welfare state)<sup>11</sup> to post-Fordism (neo-liberal rhetoric of innovation, competitiveness and free markets) and changing local level structures from Fordism (local government with elected welfare structures) to post-Fordism (local governance with unelected forms and representation from business). More generally, third-generation regulation approaches lack a mid-level methodological and conceptual framework that can be used to analyse localities. Clearly there is the need

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<sup>11</sup> In this context, it should be emphasised that in the US, there was no appearance of a Keynesian welfare state during the period of Fordism.

to develop regulation theory at the local level, to recognise that transformations and struggles are taking place in the *local* and attempt to link the 'local' and the 'global' and vice versa through the regulatory forms and mechanisms at these different spatial scales.

### ***Reviewing the Regulation 'Approach'***

This section has attempted to consider the role that a regulation approach could have in studies based on the *local*. Although regulation theory stresses the importance of historically embedded institutions to the stability of the capitalist accumulation process, it appears that regulationists have mainly theorised the macro-level changes emerging out of Fordism. Regulation theory has, therefore, received criticism on both epistemological (Hirst and Zeitlin, 1991; Pollert, 1991) and ontological grounds (Bonefeld, 1987; Brenner and Glick, 1991). The use of the regulation approach 'as method' could offer a framework for analysing institutional relationships over time and space, which in turn brings a concern with processes and practices. The movement in third-generation regulation theory towards a more institutionally grounded political economy, with greater concern with the state, political factors and emphasis on the role of space, enables greater emphasis to be placed on the role of state forms and political action (governments, trade unions and political parties), new institutions of *governance*, social practices and relations and spatial uneven development.

Jessop (1990a, 1995a) introduces the 'strategic-relational' approach to focus on state projects within new forms of governance and the formation of varying institutional ensembles. The local state has been forced to encourage local economic growth through 'growth coalitions', which are justified through a rhetoric which stresses that growth will benefit everyone. This leads to the central principle of 'strategic selectivity' which sees that resources and capacities of the state privilege the interests of some groups and some places over others. This privileging is generally seen to be towards *business elites* (Peck, 1995) and a pro-business agenda, which reinforces patriarchal structures by privileging male interests (Peck and Tickell, 1995b; Tickell and Peck, 1996). Local governance structures, being encouraged by central

government, are being subordinated to business interests, privileging economic over social interests. The new institutions, dominated by business elites, have effectively marginalised and excluded some groups from the decision-making and agenda-setting process, at the same time as increasing the power and status of their own interests. This insight is developed by Jessop through the concepts of 'accumulation strategies' (for securing continued economic growth), 'legitimation strategies' (which are rhetorics designed to convince people of the accumulation strategy even if it brings unemployment and short term economic pain) and 'hegemonic projects' which aim to secure the economic base of the dominant mode of growth.

Clearly the exact 'forms of uneven development' depend upon contingent economic, political, social and historical conditions (Jessop, 1990a, 1990b). The attraction of regulation theory is that it offers a way of contextualising local processes and linking changes in the economy to those in politics at a high level of abstraction (Florida and Jonas, 1991; Goodwin, 1992; Goodwin, *et al.*, 1993; Jessop, 1990a, 1995a). The state and local politics are seen to be a part of the mode of regulation within a particular accumulation regime which links the strategic importance of *local specificity* with the broader picture of change. There remains concerns with using regulation theory at the local level but by integrating it with emerging theories on local governance, which themselves have echoes of regulation theory, the theoretical paradigm could be enhanced.

### **2.3 Emerging Theories of Local Governance**

A number of concepts have emerged which recognise the growing importance of local initiatives within economic development. This section briefly reviews four emerging theories used in understanding local governance.

First, some studies recognise local governance as a shift towards a growing unelected local quango state or shadow state (Robinson and Shaw, 1994; Wolch, 1989), occupying the vacuum left by "...rolling back the local government state" (Duncan and Goodwin, 1988, p.106). Similarly, this could be seen as part of a new mixed economy, formed around a contracting state, with indirect state regulation through

alternative local franchising delivery mechanisms shifting responsibility from government and allowing the blame for failure to be privatised (Ainley and Vickerstaff, 1993; Harden, 1992; Osborne and Gaebler, 1993).

Secondly, other studies stress the importance of policy networks, drawing from a (neo-) pluralist informed or voluntarist political participation approach. These studies attempt to tease out notions of local decision making which then constrains 'top-down' government initiatives (Atkinson and Coleman, 1992; Rhodes, 1996, 1997; Rhodes and Marsh, 1992). This focus on networks is justified on the grounds that the study of the policy process needs to reach beyond political-bureaucratic relationships to a variety of state-society relationships. Policy is not seen as being made in government, but by its formulation and implementation amongst the networks of state and non-state actors. Atkinson and Coleman (1992) argue that "...networks and communities are natural conceptual responses to both the limits of markets and hierarchical arrangements, to the enormous expansion in the types of societal actors involved in policy-making and to the dispersion of specialised political resources" (p.162). This approach however, downplays the structural realities of social and political change, providing "...more of a map of the policy process, than a fully fledged explanation of it" (Dowding, 1995, p.157).

Thirdly, others have suggested the rise of a 'new localism' situated within the global economy, exerting restructuring pressures and requiring the mobilisation of local actors to provide and implement local solutions. The local terrain is then seen as both an opportunity and an arena of potential conflict (Clarke, 1994). Notions of opportunity are expressed through ideological and political rhetoric which emphasises local empowerment and active citizenship (Clarke and Stewart, 1992; Kearns, 1992, 1995). However, the difficulty remains of linking the interplay of macro-level transition with local change.

Finally, a more sensitive local political economy approach exists in the form of urban regime and growth coalition theories which view economic growth as a political priority. These theories suggest that interest groups articulate themselves into a governing coalition (public-private coalitions), involving a range of local actors and

perhaps represented within a new institutional framework, which delivers and shapes local policy (Elkin, 1987; Logan and Molotch, 1987; Stone and Sanders, 1987). It is to urban regime theory that this chapter now turns.

## 2.4 Urban Regime Theory<sup>12</sup>

Since 1987, and the publication of Stone and Sander's *The Politics of Urban Development* and Elkin's *City and Regime in the American Republic*, regime theory has become a prominent approach in urban studies, reinforced in part by complementary work on growth machines.<sup>13</sup>

The regime approach has developed as a theoretical alternative to pluralism and elitism in the study of urban politics, offering an alternative focus from which to analyse politics generally, and the issue of power and the degree of effective collaboration between the central state and non-governmental agencies more particularly (Stoker, 1995a, 1998a). It changes the focus of the pluralist-elitist debate from 'social control' or 'power over' to 'social production' or 'power to'. It directs attention away from the question of 'who rules' to the question of how public purposes are accomplished and, in particular, to a concern with the capacity to act:

“What is at issue is not so much domination and subordination as a capacity to act and accomplish goals. The power struggle concerns, not control and resistance, but gaining and fusing a capacity to act - power to, not power over” (Stone, 1989, p.229).

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<sup>12</sup> This thesis will refer to *urban* regime theory as regime theory because the re-worked version of regime theory developed in this thesis recognises that not only urban areas are being affected by political economy changes but also towns and villages.

<sup>13</sup> In broad terms, the roots and arguments of the growth machines approach are similar to those espoused by regime theorists although greater emphasis is placed on the initiation and unifying role of the private sector in determining growth strategies. Logan and Molotch (1987), for example, argue that “...the activism of entrepreneurs is, and always has been, a critical force in shaping the urban system” (p.52). They suggest that the key to the success of the growth machine is 'parochial' (or local) capital in creating attractive conditions for non-local capital to be attracted to the area. Logan and Molotch focus on what they call rentiers (property owners) as the most active players within parochial capital. These rentiers are attempting to maximise their positions and profits in the local economy by a process of intensifying the use of any land or buildings in their possession and/or seeking to replace present uses with higher-value returns. Logan and Molotch see these rentiers as a dynamic sub-set of the local private sector whose commitment to local economic growth is compelled by being place specific.

Regime theory draws upon neo-pluralist arguments about the importance of interaction between politics and markets (for work on neo-pluralism, see Lindblom, 1977). Neo-pluralists state that in liberal democratic societies there exists an interdependent system of authority - one based on popular democratic control through various organs of representative government and one based on the ownership of private productive assets which limits the authority of politics to command business performance to providing inducements. Clearly, policy which relies on market conditions and promotion becomes integrated more into a system of bargaining and joint working between the public and private sectors. Regime theory brings an awareness of such bargaining by focusing on the process of public-private sector coalition-building. This argument is further enhanced by the recognition of the differences and growing emergence of the shift from local *government* to local *governance*. In the US system, Stone and Sanders (1987) argue that "...successful electoral coalitions do not necessarily govern" (p.286). In the UK, this could be interpreted as elected representatives and government officials seeking and needing the support of other powerful interests, especially within the business community.

Regime theory also stresses the importance of 'human agency' in decision-making and shaping 'the political economy of place'. This stress has similarities with the work of community power theorists in the US (Dahl, 1961; Hunter, 1953; Polsby, 1980). There have been critics of the regime theory approach who suggest that it is too voluntaristic and routinely overemphasises the role of local actors in shaping development trajectories (Cox, 1993, 1995; Hall and Hubbard, 1996; Peck, 1995; Ward, 1996). However, in response, it could be argued that regime theory attempts to account for change by examining the actions of organisations, individuals and institutions that help produce change rather than simply to assume that larger forces are at work which these 'actors' are unable to influence and control. Community power theorists were localist in approach and often ignored external factors, be they the influence of higher levels of government or wider market changes (Harding, 1996). In recent versions of regime theory these various actors in the politics of production are seen to be affected by forces beyond their immediate locality. More explicitly there have been links between changes in the spatial division of labour and the conditions under which governing coalitions form and fragment (Jonas, 1992;

Lauria, 1994). Others have pointed to transformations in the function and policies of the state, including a shift in local politics from collective consumption to economic competition (Cochrane, 1991; Cox, 1993). More generally, regime analysts pay attention to the changing contexts of local governing coalitions and to the non-local constraints on the governance of local economies.

The regime approach has emerged as a reaction to 'structuralist' accounts of urban change, and is particularly sceptical about the ecological approach and the neo-Marxist approaches of the 1970s (see Logan and Molotch, 1987, pp.4-12). It also opposes the public choice arguments advanced by Peterson (1981) in his book *City Limits* who argues that cities are forced to try to retain and/or capture potentially mobile businesses and residents if they are to survive. This pressure leads to the fuelling of increased competition in what Peterson calls 'developmental politics', focusing on economic development and employment growth and leaving little scope for 'redistributive politics', because of enforced limits on the capacity to recycle resources for the benefit of areas and people in need.

Regime theory agrees that places are in competition for firms and people, and that local developmental politics is an important aspect of expansion but diverges from Peterson's thesis on two grounds. The first rejects Peterson's suggestion that local politics does not matter and that the operational environment solely determines policy. The second rejects the implied consensual interest in the locality, which takes no account of the many and varied interests of the people and organisations of that area expressed through the political system or other channels. The regime approach claims that urban life is being produced and reproduced by struggles between different interests and groups within the area, as well as working within the logics of external influences (Harding, 1998a; Ward, 1995).

### ***What are Regimes?***

There are two main aspects of regimes that are particularly relevant for this thesis. First is the formations of public-private coalitions (partnerships) as an accepted practice to enable particular localities to thrive and be competitive. This focus

underlines the importance of the politics of production, which helps to explain the diversity of programmes aimed at regeneration and also the increasing importance of private-sector business elites and the concomitant centralisation of power. Secondly, regime theory and actual regimes open a window on and help to answer the question over whether 'places' are becoming more important within an increasingly globalised economic, political and cultural system.

The essence of regime theory is an attempt to understand better the restructuring of political power relations and governing effectively within and between local government in a narrow sense and local governance in the wider sense. Its emphasis is on *politics* rather than markets. Concentrating on the local power structure, regime theory examines the way interest groups come together behind a common agenda. It attempts to explain why coalitions form, what factors determine their policy focus and what may eventually either lead to their fragmentation and displacement or their survival. Stone (1989) defines a regime as “...*informal arrangements by which public bodies and private interests function together in order to be able to make and carry out governing decisions*” (p.6, author’s emphasis). Such arrangements are necessary to “...*manag[e] conflict and mak[e] adaptive responses to social change*” (p.6, author’s emphasis).

Local government can no longer act autonomously and have to form *governing* coalitions (or partnerships) between a plurality of interests. The various resources controlled by public and private institutions could be material, such as land and buildings, personnel and finance, or intangibles such as political, regulatory, and informational resources. Stone (1993) argues that “...to be effective, governments must *blend* their capacities with those of various non-governmental actors” (p.6, original emphasis) with the major functionaries of regimes being local politicians and business interests (Stone and Sanders, 1987).<sup>14</sup> No single organisation or group controls all these resources and assets because there is no “...conjoining structure of

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<sup>14</sup> It is important to note that within regime theory there appears to be a bias towards the interests of business and the pursuit of growth strategies. There is recognition by Logan and Molotch (1987) that coalitions could form anti-regimes or controlled growth regimes and strategies. Such works as DeLeon (1992) in the US context, in San Francisco, and Leeming (1998) in the UK context, in Liverpool, discuss the emergence and roles of anti-regimes.



command” (Stone, 1989, p.5) to link the various forces together, which further stimulates the pursuit of coalition or partnership. In this case the ‘new’ governance regime is constructed through informal bargaining and the ‘tacit understandings’ of the partners. The working of these governing coalitions or partnerships is enforced and further reinforced through a system of ‘civic co-operation’ based on mutual self interest and the enablement of a united capacity to act.

Regime theory argues that the power of a regime lies in the ability of different interests, sometimes with opposing views, to work together constructively on a negotiated agenda to achieve a set of policies. By coming together, the members of the regime are attempting to blend different resources and skills, in such a way that collectively they provide a capacity to act which is beyond the scope of any individual member or institution. Participants remain within coalitions which do not match all of their own interests because they conclude that it is more beneficial to have influence as a ‘supportive’ insider than risk being a critical and probably a marginal outsider.

This coming together of interests is further influenced by an understanding of what is feasible and what is not. Feasibility favours linking with resource-rich actors. It also favours some goals over others whose achievement may be more intractable and problematic. Jones and Bachelor (1993) argue that certain policy ideas become so dominant that regimes become locked into a particular way of seeing the world. This echoes Elkin’s (1987) concern with the limited social intelligence that guides decision making. Trends in economic development ideas, from physical renewal to human capital based schemes, may follow similar patterns as regimes are affected by trends in policy ideas about what is possible and what is feasible. Jones and Bachelor (1993) state regimes: “...codify solutions and problem definitions into a solutions-set that tends to dominate policy-making for a period of time” (p.18). Regimes come to be defined as much by the solutions-sets they adopt as by the nature of the participants involved in the regime. Indeed the position of some groups in terms of their ability to form a regime may be enhanced by the dominance of policy ideas and a definition of ‘the problem’ that suggests that their participation and the kind of solutions they can offer are particularly appropriate or apt.

The regime approach is also primarily interested in the *politics* of production, rather than consumption, with *economic* development rather than social and welfare services and the majority of regime studies are portrayed as favouring economic rather than community development. Stone *et al.* (1991) suggests that the privileging of economic development stems from the problems of co-ordinating community development. For economic development, consensus between just a few 'mainstream' organisations is required, with co-ordination between 'top level' executives. For community development, however, grass-roots mobilisation is also required.

Regime theorists recognise that the structure of society privileges the participation of certain interests in coalitions. As Stone (1989) argues, for actors to be effective regime partners, two characteristics seem especially appropriate: first, possession of strategic knowledge of social transactions and a capacity to act on the basis of that knowledge; and, second, control of resources that makes actors attractive coalition partners. The literature sees two groups as the key participants in most localities: elected officials and business (Stone and Sanders, 1987). Regime theory therefore, brings an awareness to the correlation which exists between *power* relationships and the marginalisation of particular sections of civil society, such as the long-term unemployed, as regimes may practice a politics of exclusion, seeking to ensure that certain interests are not provided with access to decision making (Nevin and Shiner, 1995). Therefore, it becomes clear that the overall aim of these strategic partnerships which are formed is to further the interests of the participants:

“Policy making is thus not simply a matter of choosing a reasonable course of action; it is shaped by the composition of the governing coalition, the terms that underlie the co-operation of coalition members with each other, and the resources they are capable of assembling” (Stone, Orr and Imbroscio, 1991, p.224).

It is clear that regime theory has a complex view of power and whilst regime theorists see relationships between powerful individuals as decisive, they also pay attention to 'structural' factors which influence decisions. Drawing on Stoker (1995a, pp.54-65) there are four types of power relations identified within regime theory. *Systemic power* is where particular interests control substantial resources and are able to use their influence and status within the social and economic fabric of society, these

interests could include those of the private sector, local government and 'quango' creations. Secondly, there is *command* or *social control power* which derives from the mobilisation of resources in many forms, to enable effective leverage over other interests. The ability to dominate others is however, restricted to a few parties and under certain circumstances, so a third type is possible. This is *coalition power* where the actors do not seek to dominate the structure, but to involve themselves in bargaining on the basis of their respective strengths. The fourth type relates to the *pre-emptive power* or the *power of social production* which places power in a position of dependency upon firm leadership and the ability to generate leadership.

From this identification of four types of power relations, regime theory posits that certain actors have more power and leverage in regimes, so-called asymmetrical power relations exist, particularly between those regime formations which portray features of systemic power or those with resources needed to implement command power (Stoker, 1995a, 1998a). To translate this into a situation of pre-emptive power requires the exploitation of powers and the control of resources. To achieve this position these organisations or individuals must convince other members that targets are being achieved so that they remain involved, attract other members into the regime, and develop an interaction with the broader political constituency. Obtaining a position of control over resources and leadership authority will protect these self appointed organisations and individuals from rivals who could threaten or question their position of power. Within regime theory such a situation creates a powerful force in politics: "...opponents 'have to go along to get along' or face the daunting task of building an effective counter-regime" (Stoker, 1995a, p.65). Conversely, the lack of an effective regime could prove problematic, where "regime instability" results in a lack of focus from which to deliver an effective local economic development programme.

Increasingly regime theory has attempted to develop different typologies of regimes on the basis of their outcomes (for example, see Ward, 1995 who identifies thirteen typologies). Elkin (1987) and Stone (1989) both identify three ideal types of regime which exemplify the range of historical and contemporary variation. Elkin offers an historical perspective whilst Stone provides focus on variations in space rather than

over time and concentrates on current conditions which encourage different forms of regime. Despite some claims for the need to create 'new' typologies for each individual local circumstance (DiGaetano and Klemanski, 1993a; Keating, 1991a, 1991b) which adds fuel to the empiricist critique of the theory (Ward, 1995, 1996), there is the need to take into account the wider environment in which regimes are created. By drawing on Elkin (1987) and Stone (1989) three regime typologies are identified. First, the 'entrepreneurial' regime (Elkin, 1987) (called the 'corporate' or 'activist' regime by Stone, 1989) which aims to 'sell' the locality and thus promote growth. Secondly, 'progressive regimes' (Stone, 1989), 'pluralist' regimes (Elkin, 1987) or 'symbolic' regime (Stoker and Mossberger, 1994) are characterised by strong political and community leaderships who favour anti-growth or controlled growth strategies aimed at a more equitable distribution of benefits for the community. Thirdly, 'caretaker' regimes (Stone, 1987, 1989) or 'organic regimes' (Stoker and Mossberger, 1994) are the least ambitious and primarily concerned with maintaining the status quo and leaving economic regeneration to others.

The typology of regimes should be treated with some caution. Like other typologies, any particular public-private partnership may not conform exactly to the list of characteristics that have been grouped together. Moreover it is possible to imagine a particular public-private partnership moving from one type to another over time. Clearly these typologies need to be further developed to provide more than descriptions of any regime at a specific moment in time.

### *Transplanting a US Approach*

Regime theory can be criticised for its insensitivity to macroeconomic and political change, for having limited transferability outside the North American context, for placing an exclusive emphasis on politics and failing to recognise that economics matters (Harding, 1998a) and in general terms for its localist tendencies, empirical bias and ethnocentricity.

In terms of macroeconomic and political change, some have argued that regime theory needs to move away from just studying 'local' players and incorporate higher-level

authorities who participate in 'local' economic development. In the same way that the local level may be an important element in regional, national or supranational accumulation strategies, so these different levels will impact within a 'locality' (Harding, 1998a; Lauria, 1997a; Ward, 1995, 1996).

In order for a regime analysis of the political and economic conditions within a locality it is essential that transitional conditions are linked to structural processes, such as the Thatcherite project in the UK, and the increased role of the European community in regeneration and globalisation (Peck and Tickell, 1995a, 1995b). By theorising between the different spatial scales the impact of non-local conditions on the local can be conceptualised and the privileging of one scale is avoided.

Regime theory does appear to have limitations in cross-national analysis (DiGaetano and Klemanski, 1993a, 1993b, 1998; Harding, 1991, 1994). At best, this is seen to mean that regime theory needs to be more carefully attuned to non-US circumstances, especially in respect of the role of government in economic and social life (Keating, 1991a; Newman, 1995; Stoker and Mossberger, 1994). At worst, it suggests that such an approach has very limited utility for cross-national comparison (Shaw, 1993; Wood, 1996).

Cox (1993) claims that regime theory, and its use of typologies, focuses almost entirely on the politics of regimes and that there is the need to give economics an equal billing, and a need to understand the conditions and causal processes in which the regimes actually form, or what he calls 'local dependency' (see also Cox and Mair, 1988, 1989, 1991). Others are now suggesting that there is too much emphasis on both politics and economics and that account must be taken of other influences such as culture, ethnic tensions and social welfare (Logan *et al.*, 1997; Sites, 1997).

Regime theory has also developed in the US by studying the localised nature of regimes. Harding (1994) suggests that higher levels of authority are excluded from US work, as they concentrate on the interaction between different local interests and in an empiricist fashion. This weakness may be partially due to the background of those academics who initially developed the concept. The empirical nature of regime theory

focuses on the construction of ideal types based on local studies and where it is assumed that the abstract can be 'read off'. This fails to recognise the material processes that underpin regime formation. Harding (1994) also notes that the US work assumes a fixed set of institutional characteristics and relationships. To apply regime theory in the UK it is necessary to allow for change, one consequence of which would be, a stronger role for non-local levels of government. This reflects the different governmental structures which exist in the UK and the US. It may be that regimes are not so 'bottom-up' in the UK context where the power of the local state appears to emanate from the centre (Hay, 1995; Peck and Tickell, 1994a, 1995a; Tickell and Peck, 1995). Clearly any attempt to study regime power in the UK must have a 'top-down' element and recognise that non-local players may be involved.

Regime theorists are also vulnerable to the charge of being ethnocentric (Stoker, 1995a; Stoker and Mossberger, 1994; Ward, 1996). Clearly, US regime theory is ethnocentric in that it is based not just on a general understanding of the relationships between politics and markets in liberal democratic societies but on the particular institutional, economic and social forms such relationships take in the US (Harding, 1994). Such features in the US which are different to the UK experience include: the stronger role that business leaders play in US urban politics; the absence of a major non-business political party in the US; a much greater reliance on the part of US local authorities on local funding sources; a much weaker role for the public sector in respect of acquisition, ownership, servicing, and development of land; and a highly autonomous system of local land-use planning in the US (Harding, 1997, 1998a). In contrast, local service provision in the UK is less affected by the state of the local economy, because the national government directly provides the majority of the resources for local government. Equally, the public sector has a much greater role to play in the politics of production. As a result, the roles of national and local governments, of quasi-public sector bodies, and of intergovernmental relations, justifiably receive more attention outside the US.<sup>15</sup>

### *Applying Regime Theory in the UK Context*

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<sup>15</sup> This can be seen in work outside the UK, see John and Cole (1998) on France; Strom (1996) on Germany; and, Terhorst and van de Ven (1997) on the Netherlands.

The work undertaken on regime theory in the UK would appear to fall into three camps. The first is Harding's (1998a) claim that the application of regime theory in the UK has theoretical and methodological problems. Harding stresses the importance of taking into account broader restructuring issues which are affecting localities, and the need for a new methodology which moves away from total focus on seeing everything originating from the 'local'. The second camp regards regime theory as too empiricist and Stoker and Mossberger (1994) and Orr and Stoker (1994) have attempted to overcome this by extending the number of typologies to attempt to encompass all scenarios but this attempt is still theoretically weak. DiGaetano and Klemanski (1993a, 1993b) offer a third approach located between the two previous accounts, which acknowledges the influence of non-local factors, such as state restructuring, whilst adopting a 'bottom-up' methodology.

Regime theory has been taken up in the UK, for example studies by: Axford and Pinch (1994) in Hampshire; Bassett (1990) and Bassett and Harloe (1990) in Swindon; DiGaetano and Lawless (1999) in Birmingham and Sheffield; Dowding *et al.* (1999) in London; Harding (1998b) in Manchester and Edinburgh; Lawless (1994) in Sheffield; Leeming (1998) in Liverpool; Lloyd and Newlands (1988) in Aberdeen and Valler (1995, 1996) in Norwich and Cardiff. The use of regime theory in the UK challenges traditional approaches to urban political analysis which had mainly focused upon; relations between national and local governments, local government politics and administration, and the delivery of social and welfare services (consumption rather than production).

The main strength of these traditional political science approaches has been the focus placed on the role of local government within the developing national welfare state, however, there is now the need to recognise the changing forms, structures and aims of local service delivery in the UK, highlighted by the shift taking place from local *government* to local *governance* and that appropriate theoretical frameworks must be developed. These traditional approaches also played down the significance of the politics of production, as opposed to consumption, and of local accommodations between politics and markets. It was necessary therefore, to challenge the traditional

approach and draw upon fresh insights to theorise the emergence of the 'new' forms of *governance*. Harding (1998a, 1998b) states that four interrelated changes in the nature of UK local governance encouraged the interest and development of US approaches in the UK context.

The first change had its origins primarily in the 'market-led' reforms of the post-1979 Conservative governments which fragmented traditional delivery of local services through local government, to create 'new' forms of local governance by creating a multitude of institutions (Stewart and Stoker, 1989, 1995). The second emerging feature was the growing importance being placed on the politics of production; that is, of local economic development as well as consumption issues. This shift can be illustrated by the emergence of many varied economic programmes delivered by area-based agencies, be they local authorities, non-statutory bodies or government-appointed quangos (Eisenschitz and Gough, 1993). This shift was also part of the emerging concern with public expenditure constraints and with the economic and employment implications of a broader range of public services (Stoker, 1998a). The third element of change could be seen by the proliferation of public-private partnerships, most notably as hybrid delivery agencies for local economic programmes (Bailey *et al.*, 1995; Bassett, 1996; Bennett and Krebs, 1991; Harding, 1998c; Pierre, 1998; Stoker, 1998b). The fourth change was the government influenced transition of local government into enabling rather than executive bodies. Most commentators recognise and criticise the treatment of local by central government (Cochrane, 1993; Crouch and Marquand, 1989; Duncan and Goodwin, 1988; Gamble, 1988; King and Pierre, 1990). A minority, however, suggest that such a change could prove liberating with 'enabling authorities' able to act as strategy-makers across a broad range of local economic and social affairs rather than remaining simply as providers of statutory services (Clarke and Stewart, 1994; Wilson and Game, 1994, 1998).

The advantage of regime theory, I would argue, is the framework it offers in which to research changes which are creating these 'new' forms of governance collectively. It enables researchers to look for evidence of inter-agency, inter-governmental and cross-sectoral coalition-building and to assess the importance of this within the wider



politics of localities. It brings awareness to the creation of informal as well as formal agreements, bargaining and networks between those who control resources. Also, regime theory encourages research of public-private partnerships as a **process**, rather than in the orthodox view of public-private partnerships as institutions (Harding, 1998c). It recognises that informal linkages and personal networks between actors at different scales of the governance system can have equal affects on policy outcomes, as much as formal relationships based on statutes, regulations and formula-based resource transfers. Equally, this recognition encourages analysis of how decision-making difficulties are (or are not) overcome in institutionally fragmented environments.

In the UK it is possible to identify three strands which vary from those approaches taken in the US. First, work undertaken in the UK appears to put greater emphasis on the actions of public sector agencies in general and those of local authorities in particular. The work of Bassett and Harloe in Swindon (Bassett, 1990; Bassett and Harloe, 1990) seeks to illustrate the interplay that exists between national and local politics, irrespective of any analysis of the precise nature of the linkages between them. It also draws particular attention to the commitment of local authorities to the investment of local resources and the conscious exploitation of national state policies.

A second strand focuses more on the institutionalised forms of cross-sectoral collaboration and concentrates on studies of public-private partnership. As a result, attention is drawn to two main sorts of institutionalised partnership: the 'shotgun partnership' (Harding, 1998c), which are public-private partnerships required by government at the national or European level in order to trigger the flow of various forms of discretionary funding; and 'bottom up partnerships' which, despite often being reliant on external sources of funding, are more clearly driven by local interests. Examples of studies undertaken on specific forms of *partnerships* include: Jones and Ward (1998) who emphasise the role of formalised partnerships required by the UK government in order for localities to qualify for national funding sources such as City Challenge and Single Regeneration Budget (SRB) funding. Similarly, Lloyd and Newlands (1988) define a specific partnership organisation - Aberdeen Beyond 2000 - which was embraced by local authorities, local businesses and a government-

appointed quango, as a UK form of growth coalition. The work of Axford and Pinch (1994) on the Hampshire Development Association is similar in approach.

A third strand concerns the definition of regimes in terms of the longevity of inter-agency, public-private and inter-governmental relationships required to be considered as a regime. Elkin, Sanders, Stone and Logan and Molotch each imply that sustained relationships over a long period of time are defining features of regimes. In the UK, however, this extended time period is usually not emphasised, partly reflecting both the greater institutional focus of UK studies, and the limited life-span of many partnerships which are usually enforced by limited public programmes. Hence the inclusion in the UK of such institutional innovations as SRB partnerships or political and executive leadership groups within local authorities in regimes, would not be recognised as constituting a regime by US commentators.

However, there are problems with the UK adoption of the US regime approach. Clearly much of the UK research on regimes adopts the US language but fails to test many of its propositions in anything more than a rudimentary fashion and without subjecting the arguments to critical or empirical scrutiny. It appears that little attention is paid to the importance of public-private sector relationships, particularly when they take a non-institutionalised form. These relationships are simply taken for granted in UK regime analysis. There is little attention paid to Stone's arguments about the need to examine informal processes through which the interests and powers of diverse interest groups are allied to carry out and agree upon particular development strategies. They also fail to demonstrate how coalitions are sustained by the development of 'small opportunities' and the strategic use of 'side payments'.

A further problem appears to be the failure of UK commentators to recognise the normative dimension of US approaches in that they not only show a concern for the way things are but also for the way they should be. It appears that 'what is found' in US studies (for example, the processes of coalition-formation which form the basis for purposeful action within the politics of production) are sometimes taken by UK commentators as 'what should be'. The impression often given by UK studies is that business-led regimes, by implication, offer the only feasible basis for positive change,

growth and development. This is a misreading of the work of regime theorists and the growth machine thesis, which specifically stress the limitations and the often socially regressive implications of regimes. Regime theory recognises the zero-sum nature of competition taking place and that localities which 'lose' invariably incur significant costs.

### *Conclusion on Regime Theory*

There are a number of observations to make about the use of regime theory in the UK context. First, it appears difficult to apply some of the US insights cross-nationally. These problems derive from both the ethnocentricity of the US work and the absence of a clear methodological outline on how to conduct research on identifying regimes in particular times and places. Secondly, many of the attempts to apply regime theory in the UK appear to be insufficiently rigorous, with many studies simply adopting the language of the two approaches and offering few fresh insights into new forms of governance. Third, studies which have used the regime approach argue that although there is evidence of coalition-building taking place in local economic development, the new forms of networking and governance they identify are not as robust as those systems and structures implied in regime theory.

There is thus a strong body of research to question the value of regime theory in a UK/European context. However, I would argue that there remains two important strengths of the regime work. First the focus on the politics of production and new forms of governance is highly topical, with the growing awareness that sub-national economic competitiveness is not simply a matter of domestic politics, rather an integral feature of the changes being driven by factors operating at a cross-national scale. Regime theory therefore, offers an approach which has at its core explanation of inter-agency, inter-governmental and public-private sector coalition-building. Secondly, to get more out of regime theory requires an understanding and an attempt to deal with the limitations of regime theory in the UK context, and a more disciplined approach is needed to testing some of its key propositions. This, in turn suggests that UK studies which transplant regime theory need to be more focused on a number of key issues which would give regime theory more rigour: (i) there is a need to

contextualise the differences which exist in the policy environment and which affect the politics of production; (ii) there is also a need for an increased understanding of inter-governmental relations, particularly on the financing of production as against consumption-related policies, and a better understanding of the linkages between the politics of production and consumption; (iii) a better appreciation of the motivation of private sector actors in mobilising support for development strategies could prove revealing, and could refer to the place-boundedness or place-dependency of businesses; (iv) there is also a need for clearer methodological approaches to researching the commitment of actors to informal coalition-building.

It would appear that if regime theory is to become a useful part of the theoretical toolkit in the UK, it not only needs re-working for the UK context but also needs a re-reading of the initial teachings of the leading regime protagonists. There is the need to get past the 'localist' tendencies of regime theory to acknowledge the role of national and supranational state in the formation of regimes. Moreover, moulding it with other theories such as regulation theory and emerging issues on governance may allow for the development of a *middle-order theory*.

## 2.5 What is Governance?

A 'new' form of governance is emerging in the localities and regions of the UK and this has become a key research theme in economic and political geography.<sup>16</sup> In 1993, the Economic and Social Research Council (ESRC) initiated a Local Governance Programme encompassing 27 projects, with research projects concentrating on local economic development and state restructuring with several theoretical standpoints adopted.

Harding's project *Coalition-formation and Urban Redevelopment* utilises both regime theory and theories of globalisation to examine the politics of urban change in four EC

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<sup>16</sup> See for example: Eisenschitz and Gough, 1993; Garside, 1998; Goodwin and Painter, 1996; Hall and Hubbard, 1996, 1998; Harding, 1994, 1995, 1997, 1998a, 1998b, 1998c; Harvey, 1989; Jessop, 1993, 1994a, 1994b, 1995a, 1997a, 1998a; Jewson and MacGregor, 1997; Jones, 1997a, 1997b; Kooiman and Van Vliet, 1993; Lloyd and Meegan, 1996; Paddison, 1997; Painter and Goodwin, 1995; Peck and Tickell, 1994a, 1994c; Pierre, 1998; Rhodes, 1996, 1997; Stoker, 1998a, 1998b; Tickell and Peck, 1996.

countries. Research findings reveal a tension between explaining 'top-down' globalisation pressures and different locally specific 'bottom up' partnership mechanisms, a tension which leads to different models of coalition formation (Harding and Garside, 1995; Harding, 1996, 1997, 1998b, 1998c; Harding *et al.*, 1996).

Rees and Morgan's project *New Structures of Local Economic Governance* examines the use of institutional and local networking theory to explain the differences in institutional network patterns between local authorities, Chambers of Commerce, TEC's, and other organisations, in two contrasting localities (Garmise, 1995; Garmise *et al.*, 1995; Morgan, 1994; Morgan and Rees, 1994). This work provides an account of the ways local institutional networks develop, but fails to fully recognise broader change and overemphasises the significance of the local.<sup>17</sup>

John and Cole's project *Intergovernmental Management and Local Policy Networks* also loses sight of the broader picture by overemphasising locally specific features. John and Cole's work uses an hybrid of US regime theory and UK policy network approach in an attempt to provide insight into the way local networks mediate and structure contrasting institutional arrangements in local economic policy using case studies of local network mapping in Britain and France (Cole and John, 1995; John and Cole, 1995, 1998).

Other researchers have turned to a regulationist approach to capture macro-economic change, which was particularly relevant for this thesis. Stoker (1995b) even suggests that regulation theorists "...will make valuable contributions [to local governance] in the future as they seek to refine and develop the approach" (p.119). Painter and

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<sup>17</sup> Other projects in the ESRC Local Governance Programme have utilised theories of local actor networks and local institutionalism. Lowndes' study *Citizenship and Institutional Change in Local Governance* is based on community networks and draws attention to both formal and informal networks set within a broader macro-economic environment (see Lowndes, 1995, 1996; Lowndes *et al.*, 1997; Skelcher *et al.*, 1996). Dunleavy, Dowding and King's project *Metropolitan Governance and Community Study* examines networks at work, through studies of TECs, hospital trusts and social housing organisations, with a rational choice theoretical framework applied to the decision making process (see Dowding *et al.*, 1995). Murdoch and Marsden's project *Exclusion Space?* examines contested rural spaces and how alliances and conflicts are resolved through networks (see Murdoch and Marsden, 1995). Benington's project *The Europeanisation of United Kingdom Local Governance*

Goodwin's project *British Local Governance in the Transition from Fordism* assesses the usefulness of regulation theory for the analysis of change and transition within the local state (Goodwin and Painter, 1996; Painter, 1995, 1997; Painter and Goodwin, 1995).

Similarly Jessop's project *Economic Restructuring in Dartford and Manchester* sets a task of exploring the connection between the movement from a local government regime towards pluralistic local governance concerned with promoting local economic innovation, flexibility and decentralised policies (Jessop, 1995b, 1997a, 1997b, 1998a, 1998b).

However, despite local governance becoming a buzzword and key research theme, 'governance' still stubbornly remains a vague term with a variety of meanings and a plethora of uses (Jessop, 1995a; Keating, 1998; Rhodes, 1996, 1997; Stoker, 1998a). Jessop (1995a), for example, argues strongly that the theorisation of local governance is inherently problematic and that theories of governance remain at a "...pre-theoretical stage of critique" (p.318). Despite these criticisms, however, most commentators accept the usefulness of the concept for "...its capacity to provide a framework for understanding changing processes of governing" (Stoker, 1998a, p.18) and for facilitating analysis of the changes which are taking place in the economic, political and social fabric of nations, regions, cities and localities. The key distinction is that between *government* and *governance*:

"Government is used to refer to the formal institutional structure and location of authoritative decision making in the modern state. The concept of governance is wider and directs attention to the distribution of power both internal and external to the state. Its focus is on the interdependence of governmental and non-governmental forces in meeting economic and social challenges. Governance is about governmental and non-governmental organisations working together. Its concern is with how the challenge of collective action is met and the issues and tensions associated with this shift in the pattern of governing" (Stoker, 1998b, pp.34-35).

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considers how networks are being linked into Europe and its implications for democracy and UK local governance (see Benington, 1994; Benington and Harvey, 1994).

## ***Governance - The Context of Change***

A number of approaches have attempted to account for the emergence of new types of governance. Four are particularly relevant for this research. First, Harvey (1989) argues that there is an increasing need for innovative approaches in governance strategies to combat the problems which are afflicting deindustrialising regions. Harvey characterises this change as a move from “urban managerialism” where local authorities were the providers of services and welfare, to “urban entrepreneurialism” whereby there has been a reconstitution of local services, towards privatisation and compulsory competitive tendering (Cochrane, 1993; Eisenschitz and Gough, 1993), and the proactive promotion of local economic development by local government in alliance with private sector agencies (Hall and Hubbard, 1996, 1998; Jessop, 1997b, 1998b):

“The new entrepreneurialism has as its centrepiece the notion of public-private partnership in which a traditional local boosterism is integrated with the use of local governmental powers to try and attract external sources of funding, new direct investments or new employment sources” (Harvey, 1989, p.7).

The second approach is that of Jessop (1993, 1994b, 1995b) who claims that a transition is taking place from the Keynesian welfare state to the ‘Schumpeterian workfare regime’:

“[The] Schumpeterian workfare states distinctive economic objectives can be summarised in abstract terms as: the promotion of product, process, organisational and market innovation; the enhancement of the structural competitiveness of open economies mainly through supply-side intervention; and the subordination of social policy to the demands of labour market flexibility and structural competitiveness” (Jessop, 1993, p.9).

This argument implies a policy shift away from concern with social and spatial equity, full employment and welfare programmes towards initiatives aimed at promoting economic competitiveness in the private sector and greater employment flexibility. It also implies attempts to link ‘welfare’ to participation in the (bottom end of the) labour market, for example, through ‘workfare’ programmes.

Thirdly, Peck and Tickell (1994a) claim that the pursuit of a new social compromise is characterised by the search for a “new institutional fix”. With the movement towards ‘new’ forms of governance there has emerged an increasingly congested number of economic actors and competitive solutions for attracting investment and jobs. It could be suggested that this congestion has resulted in attempts to create more flexible systems of governance and involves the process of “institutional searching”, with local economic actors seeking to forge alliances in order to deliver economic development (Peck and Tickell, 1994a, p.292).

Fourthly, Lloyd and Meegan (1996) set the emerging issues of governance within a series of ‘contests’. They claim that against the background of a nation state disengaging from its traditional interventionist role, local interests are increasingly seeking to deliver supply-side advantage (cheap flexible and skilled labour, desirable sites and infrastructure in a climate of entrepreneurship) to businesses and industries capable of holding their own in globalised competition. In tandem there has been movement towards more flexible systems of governance, with a whole range of new players in the policy domain, with the aim of achieving competitive advantage. Lloyd and Meegan (1996) argue: “The ways in which institutional structures *facilitate* or *obstruct* the development process at different levels of governance will have a potentially powerful role to play itself in delivering competitive advantage” (p.58, emphasis is original). It appears that the nature of these ‘new’ forms of governance to facilitate or obstruct the development process has a potentially powerful role in affecting the competitive advantage of localities. This is driven by a series of competing ideas, ideological battles<sup>18</sup> and politics of power, which has led to

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<sup>18</sup> Jessop (1991, 1993) identifies three ideological approaches; neo-liberalist, neo-corporatist and neo-statist. The neo-liberal approach is fuelled by the liberation of market forces achieved by the recommodification of labour power, private sector deregulation, the privatisation of state enterprises, and the commercialisation of welfare and other residual state activities. Under the neo-corporatist ideology, governance functions are “...delegated to various intermediary organisations” (Jessop, 1991, p.97), relying neither on the market nor the state, as the state seeks to establish a favourable balance between competition and cooperation. It emphasises innovation-driven growth and has concerns over the regulatory requirements of an increasingly diverse economy. Crucial to its operation is the pluralist mobilisation of vested political and professional interests, their endowment with public status (Offe, 1985) and the arm's-length management of their “self regulation”. The neo-statist ideology “...involves a market-conforming but state-sponsored approach to economic reorganisation” (Jessop, 1993, p.31), combining market forces with market regulation. The state engages in strategies of decommodification to compensate for structural weaknesses in markets, while developing active



“contested governance”. More specifically, these contests exist between localities and sector-specific agencies for investment, ideologically between Europe and the UK, between political parties and national and local government.

From these approaches five common features can be identified: (i) there is an increased emphasis on ‘place’ both as a unifying social strategy and as a means to promote and demonstrate ‘partnership’ as a tool for drawing down external funding sources. Partnerships are formed between the public, private and voluntary sectors, bringing together resources, experience, expertise and flexibility, to form a coalition based on the sharing of responsibilities. (ii) The proliferation and range of agencies being created to promote and deliver these strategies and the convergence of belief in these ‘new’ forms of governance as the best possible method to adapt to the changing context. (iii) Focus on local economic development as opposed to social consumption regardless of whether local communities have the capacity to implant such strategies. (iv) The existence of a crisis of governability, where the increasing complexity of the system means that the state has lost its capacity for action (Kooiman, 1993). In this view, it is suggested that the state now only holds the appearance of power, with international markets being the real arbiters between possible policies, leading to calls for new forms of regulation. (v) The recognition that regions do not exist within a vacuum and that they have to position themselves within the changing global environment in an effort to be competitive and promote the local economy.

### *Governance - A Local Focus*

This section offers three justifications for the study of governance at the local level. The first concerns the apparent ‘hollowing out’ of national institutional and regulatory forms (Jessop, 1993, 1994a, 1994b). This has involved the state devolving powers down to local or regional tiers and a shift to supranational organisations over and above the nation state, such as the European Union, which arguably has greater

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policies to channel and constrain market forces. Jessop claims that neo-statism favours active labour-market policies geared towards greater flexibility, an active industrial policy which favours sunrise sectors, and a technology policy which stimulates the growth of technological capacities. In policy delivery, greater emphasis is placed on voluntary groups, self-help organisations, and not-for-profit bodies (Jessop, 1991).

capacity to act in a globalised economic system. Jessop (1993) describes the progressive hollowing out of the nation state both upwards and downwards:

“The national state is subject to various changes leading to its ‘hollowing out’. This does not mean that the national state has lost all its importance...(but) its capacities to project power even within its own national borders are becoming ever more limited due to a complex triple displacement of powers upward, downward, and, to some extent, outward...At stake here is not just a series of formal or tactical shifts, but also the practical rearticulation of political capacities. For the national state’s tendential loss of autonomy creates both the need for supranational co-ordination and the space for subnational resurgence” (Jessop, 1993, p.10).

According to this interpretation the state no longer exercises real power over its economic domain. However, this author would argue that these movements towards the *supranational* (upwards) and *local* (downwards) are being determined by the state. The issue of ‘hollowing-out’, therefore, is one of national priorities, not of supranational or local autonomy. In effect, the nation state is maintaining its co-ordinating capacity, its emphasis on national regulation strategies and control over institutional arrangements. The state is adapting to and facilitating the processes of globalisation by giving the appearance of ‘hollowing-out’ some of its powers, but in reality states are increasingly using “...collaborative power arrangements to create more real control over their economies. As such, these new coalitions should be seen as gambits for building rather than shedding state capacity” (Weiss, 1997, p.24).

The second justification for studying local governance is that the concept brings together a diverse range of actors in new formal and informal arrangements. This involves organisations from different scales of spatial resolution (local, regional, national and supra-national levels) formulating, co-ordinating and delivering policy and programmes to meet economic and social challenges. Local governance, therefore, focuses attention on the emergence of new institutions and the forging of new relationships between actors. As Goodwin and Painter (1996) claim:

“Within the political processes which affect the fortunes of any local area are a wide range of actors. These include the institutions of elected local government, to be sure, but also central government, a range of non-

elected organisations of the state (at both central and local levels) as well as institutional and individual actors from outside the formal political arena, such as voluntary organisations, private businesses and corporations, the mass media and, increasingly, supra-national institutions, such as the European Union” (p.636).

These new relationships between various actors, implies “...not only that these other influences do exist but also that the character and fortunes of local areas are increasingly affected by them” (Goodwin and Painter, 1996, p.636).

The third justification is that governance needs to be seen in terms of the local policy style, local performance and local politics of the ‘partnership’ between governmental and non-governmental agencies. The proliferation in the number of ‘partnerships’ appears to be part of the broader shift in the process of governing. To achieve success in local economic development it is widely perceived that it will only be possible by working in ‘partnership’.<sup>19</sup> ‘Partnerships’ should by definition ‘enable’ available economic resources to generate a targeted response and strategy for ‘individual’ localities. This is a positive holistic outlook but is the reality different?

### ***Governance - Local Economic Development and Partnership***

Increasingly policy formation is focusing upon local economic development strategies as an engine for regeneration. As a result, ‘local economic development’ has become synonymous with ‘new’ forms of governance (Eisenschitz and Gough, 1993; Garside, 1998; Muegge *et al.*, 1987; Stohr, 1990). This movement towards ‘local economic development’ could be interpreted in many ways. It could be seen as something very precise such as job creation, reducing unemployment or gross domestic product. Alternatively, the term could be seen as integrating a number of broader activities which could benefit the community and region<sup>20</sup>, taking account not only of present requirements but also of future needs. For the purposes of this research:

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<sup>19</sup> In other works the terms “growth coalition” and “urban regime” are used when talking about ‘partnership’, it appears these words can be used interchangeably.

<sup>20</sup> Community is defined in this instance as both local people and local business.

“Local economic development concerns the wide range of factors which underpin the growth and development of local economies” (Bennett and Krebs, 1991, p.1).

To deliver regeneration it is now acknowledged as normal (rightly or wrongly) that the process of economic development must be conducted by a ‘partnership’ consisting of local business and community interests, local authorities, decentralised government agencies and what are commonly referred to as quangos.<sup>21</sup> In the case of local economic development, this involves changing roles for the local state, central government and European level policy actors.

In the case of the local state, there are two things which stand out: (i) local authorities are more important than ever before in the shaping and ‘enabling’ of economic, social, cultural and environmental policy. In this instance, local authorities play the co-ordinating role in ‘local coalitions’ and takes responsibility for local economic development (Cochrane, 1993; Eisenschitz and Gough, 1993; Leach and Davis, 1996; Meegan, 1999; Stewart and Stoker, 1989, 1995); (ii) Paradoxically, this does not mean that the local state is more powerful, because local government has suffered decline in its major sources of income (central government grants and local taxes); and, politically, local government has had its statutory powers progressively reduced over the last two decades.

Central government remains the central political authority both *within* the nation state (domestic regulation) and *for* the nation state (in relation to other countries and supranational bodies). There are four points which must be made: (i) broadly, the context of political economy change is a re-orientation of national policy towards encouraging ‘market-led’ initiatives; encouraging growth and competition through supply-side measures; (ii) within this ‘market-led’ agenda, the active encouragement and promotion of business intervention by the central government, both nationally and locally; (iii) a downgrading of United Kingdom (UK) regional policy, both in terms of policy initiatives, which has shifted from redistribution of economic resources and social welfarism, to an emphasis on supply-side measures such as training and

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<sup>21</sup> The term quango is used here as a broad definition to encompass the unelected local state (Robinson and Shaw, 1994).

business infrastructure development; the amount of resource allocated for regional policy has fallen to a quarter of its level in the early 1980's (Gudgin, 1995); and, the coverage of assisted area status has been reduced; (iv) the creation and support given to initiatives which transfers functions and control of 'traditional' local government services, such as education, health, housing and transport, to 'non-elected organisations, the so-called 'quango state'.

Also, in the 1990's there have been significant changes in the design and implementation of economic development programmes in many parts of the UK. Primarily, this is a result of the increasing importance of the European Union (EU) Structural Funds. A key objective of the EU is "...the strengthening of its economic and social cohesion" and in particular to "...reducing disparities between various regions" especially addressing the "backwardness of the least favoured regions" (CEC, 1996, p.13). There are two aspects of EU regional policy which need to be outlined: (i) the programmes themselves are nationally determined and those charged with delivering them are accountable directly to UK Ministers. To this end, the Integrated Regional Offices, more commonly known as Government Offices (GO's), were created in April 1994 in each of the English regions to co-ordinate the activities of four separate Departments of State.<sup>22</sup> From April 1999, regional assemblies and regional development agencies have been in operation in the English regions; (ii) the greater emphasis that Europe places on the region as a player and entity in the process and as the beneficiary of regeneration programmes. This continually contrasted with the view of the UK government which placed greater emphasis on the benefits for the firm and which has no concept of the region other than as a container for programmes of various kinds operated under the rules of national government (Lloyd and Meegan, 1996).

What was essentially an arena of partnership between central and local government (Collinge, 1992; Geddes, 1994; Totterdill, 1989), has become a crowded environment of competing unelected "...centrally sponsored local institutions" (Duncan and Goodwin, 1988, p.127). There now exists a plethora of unelected locally based

institutions and non-departmental public bodies (commonly referred to as quangos) concerned with aspects of economic development.<sup>23</sup> Many of these new economic actors are heavily influenced by central government (through either centrally derived resources or centrally appointed officials who head such agencies) and are dominated by business elites (Peck, 1995; Skelcher and Davis, 1995; Ward, 1995). They are often referred to as the 'quangocracy' (Council for Local Democracy, 1995) or the 'new magistracy' (Stewart and Davis, 1994):<sup>24</sup>

“The elite are the group(s) of individuals whose decisions play a crucial part in shaping the lives, choices and futures of the mass of people” (Harding, 1995a, p.35).

Based on this interpretation and expanding the work of Peck (1995), I would argue that a new concept is needed to describe evolving business control in regions like the case-study region of West Cumbria and Furness, namely that of *imported business elites*.

As already argued 'partnerships' have come to dominate the fields of regeneration and local economic development. The term 'partnership' suggests co-operation, mutuality and understanding, and notions of efficiency, pooling of resources and pulling together to get things done. However, the term 'partnership' has been dismissed as "...containing a high level of ambiguity" (Mackintosh, 1992, p.10) and being "...a meaningless concept" (Lawless, 1991, p.10) due to its incessant application to a wide variety of policy initiatives. Lawless (1991) also notes that there is nothing that can be called a "typical" partnership. Practitioners however, often speak of 'real partnerships' as though an ideal model exists. This thesis will argue that 'partnership' is a result of the political interaction of different interest groups in particular political

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<sup>22</sup> The establishment of the Government Offices for the Regions was the amalgam of four Government Departments: Department of Employment, Department of Environment, Department of Trade and Industry, and Department of Transport.

<sup>23</sup> The range of organisations to be involved include: Training and Enterprise Councils (TECS), Business Links, English Partnerships, Rural Development Commission, Local Enterprise Agencies, Housing Action Trusts (HATS), Local Development Companies and, from 1981 to 1998, Urban Development Corporations (UDCs). More recently there have been decisions to create a Scottish Parliament, Welsh Assembly and Regional Development Agencies (RDAs) in the English regions, these developments will undoubtedly have major implications for the future governance of the areas concerned.

contexts seeking to achieve desired objectives. It will also argue that the concept of 'partnership' is fluid, that it is a new concept which is constantly evolving. For the purpose of this thesis, the term 'partnership' will be used to describe:

“...a coalition of interests drawn from more than one sector in order to prepare and oversee an agreed strategy for the regeneration of a defined area.” (Bailey *et al*, 1995, p.1)

This trend towards 'partnership' and the aim of local economic development has created a general movement “...towards greater entrepreneurialism, more intense inter-urban competition and the consensus promotion of place-specific development strategies” (Parkinson and Harding, 1995, p.67). Initiatives have attempted to become more entrepreneurial (Hall and Hubbard, 1996, 1998; Harvey, 1989; Jessop, 1997b, 1998b).

There is the need to understand why the shift towards entrepreneurialism<sup>25</sup> in economic functions coexists with the 'new' forms of governance. The 'new entrepreneurialism' has at its centrepiece the theoretical work of Joseph Schumpeter (1934). Schumpeter defined entrepreneurship as the creation of opportunities for surplus profit through “new combinations” or innovation. Distinctions can be made between entrepreneurship oriented towards, on the one hand, strong and, on the other, weak competition (Cox, 1995). Strong competition refers to potentially positive-sum attempts to improve the overall competitiveness of a locality through innovation. Weak competition refers essentially to zero-sum attempts to secure the re-allocation of existing resources at the expense of other localities, usually aimed at capturing mobile investment through such measures as tax breaks, subsidies, and regulatory undercutting, as well as simple image-building measures with the purpose of place boosterism. It could be suggested, that this is *entrepreneurial deficiency* or

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<sup>24</sup> Many of these non-elected institutions are now seen to be rivalling local authorities in terms of financial support from central government (see Garside, 1998).

<sup>25</sup> It is argued in this thesis that the spur to all economic development is entrepreneurial activity. Economic development is the consequence of entrepreneurial activity by some form of intervention which succeeds in changing the terms of trade and political economy of place. Even at its most abstract level, changing peoples perceptions could be seen as entrepreneurial activity which succeeds in altering the terms of economic activity, but equally, it could lead to forms of economic regression.

'*governance failure*' because of the repeated use of such approaches or the ease by which such activities can be replicated. Combining these approaches raises the question whether localities are actually being entrepreneurial or simply claiming to be entrepreneurial.

There is strong policy support for 'new' forms of governance and 'partnership' as the broadly consensual method for creating local regeneration. Such an approach involves a growing concern with:

"...the state of the local economy; the fortunes of locally-based businesses; the potential for attracting new companies and/or promoting growth within indigenous firms; the promotion of job-creation and training measures in response to growing urban unemployment; the modernisation of the infrastructures and assets of urban regions (communications, cultural institutions, higher educational strengths and capacities) to attract investment and visitors and support existing economic activities; and the need to limit further suburbanisation, retain population (particularly middle-to-upper income families) and workplaces and create compact, liveable cities" (Harding, 1995b, p.27).

Increasing importance is placed on the quality of 'place' in the competition for investment, jobs, tourism and so on, with strategies focused mainly on place marketing or 'boosterism' (Hall and Hubbard, 1996, 1998; Jessop, 1997b, 1998b; Parkinson and Harding, 1995). There are four points to make in this context.

First, competition within the international division of labour means the creation and exploitation of particular advantages for the production of goods and services. These advantages may derive from the available resource base or a favourable location, whilst others may be 'created' through public and private investments in the kinds of social and physical infrastructure that strengthen the economic base of the area as an exporter of goods and services. Direct interventions in the locality may be made in an attempt to stimulate the application of new technologies, the creation of new products, the provision of venture capital to new enterprises, or the offering of aid and assistance as inducements. Competitive edge in some localities may be produced

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This meaning of entrepreneurial activity does not mean the 'Enterprise' economy of the 1980's, because not all, or indeed the majority, of self employed people are entrepreneurs. Also 'taking in each others washing' or replicating other attempts at economic regeneration is not being entrepreneurial.



through the distribution of government procurement, especially in military or defense industries which, in addition to the cash injections of defense contracts, have the added benefit of relatively high status employment and spin-offs into other high tech industries (Bishop, 1988, 1995; Lovering, 1986, 1988, 1989, 1991b; Simmie, 1995; Wells, 1990).

Secondly, place competitiveness could depend upon the quality, quantity, and costs of local labour supply. In this instance, labour power of the right quality can prove a powerful magnet for new economic development. Investment into creating a highly trained and skilled workforce suited to new labour processes could have its rewards. Investment of this type is associated with creating an agglomeration economy or 'new industrial space', with new forms of flexible production. The aim is to bring together diverse activities within a restricted space of interaction so as to facilitate highly efficient and interactive production systems (Benko and Dunford, 1991; Cooke and Morgan, 1993; Sadler, 1992; Scott, 1988; Storper and Walker, 1989; Storper and Scott, 1992).

Thirdly, localities are seeking to improve their competitive position with respect to the spatial division of consumption. This can include tourist and retirement attractions, but also goes much further, to focus on the quality of life. Gentrification, cultural innovation, and physical upgrading of the built environment (post-modernist styles of architecture and design), consumer attractions (sports stadia, convention and shopping centres, marinas) and entertainment (whether temporary or permanent), have all become features of regeneration strategies (Bianchini and Parkinson, 1993; Gold and Ward, 1994; Hall and Hubbard, 1998; Kearns and Philo, 1993).

Fourthly, local economic development strategies also appear to be strongly influenced by the pursuit of acquiring key control and command functions in high finance, government, or information gathering and processing. These strategies require heavy investment in transport, communications and telecommunications, with the provision of adequate office space equipped with the necessary internal and external linkages to minimise transaction times and costs. Assembling such a wide range of support services, particularly those that can gather and process information rapidly or allow

quick consultation with 'experts', calls for further investment. It is in this situation that proximity to higher educational establishments and high tech production sectors becomes important, although it remains very difficult to compete against established centres. The aim is to become an 'informational' or 'post-industrial economy' in which the export of services (financial, informational, knowledge-producing) becomes the economic base. The aim is to develop flexible networks and innovation systems between firms and intelligent networks between institutions and individuals (Lundvall, 1992; Simmie, 1997). Cooke and Morgan (1993) elevate the relationship between formal networks and informal social/institutional practices to a new paradigm in regional development. The focus of their approach is on networks that exist in the industrial system. Cooke and Morgan argue that these networks lead to the creation of unique locally produced and locally embedded knowledge resources which can improve the competitiveness of established firms and act as a magnet for new investors. These intra- and inter-firm networks are supported by public and private institutions who act as animateurs in the process of economic development and also become vital repositories of local knowledge (Braczyk *et al.*, 1998; Cooke, 1996, 1998; Lundvall, 1992; Simmie, 1997).

These four strategies are not mutually exclusive. Areas formulate a mixture of approaches, which seem to depend on the nature of the coalitions that have formed. There has been a progressive reduction in the spatial barriers to movement of goods, people, money and information, where the distance from the market or from raw materials has become less relevant to locational decisions. As a result, the focus of local economic development strategies appears to be placed on labour supply (quantities and qualities), the infrastructure, and on government regulation. The governance of local economic development has therefore, become much more oriented to the provision of a 'good business climate' and focused on bringing capital into the locality. There is great importance to be placed on the *tools of development* which are; land, capital, materials and labour, with which the locality must work, and which gives it competitive advantage.

In the old industrial areas these strategies have generally meant there has been massive expenditure on large-scale 'flagship' projects that promote science and

technology, culture, tourism, specialist shopping or conference facilities, in an attempt to attract other investment, and in the belief that the benefits would 'trickle down' to disadvantaged groups (Minford, 1985, 1992).<sup>26</sup> Critics of these strategies, suggest that such a 'bricks and mortar' approach tends to benefit local elites and does very little to alleviate the problems of marginalised groups (Haughton, 1990; Loftman and Nevin, 1992; Meegan, 1999).

### ***Governance - Some Research Issues and Agendas***

Stoker (1998a, pp.19-26) has provided five propositions of governance, which provide a framework for further research. Each proposition raises a number of key research issues.

#### **(1) Governance refers to a complex set of institutions and actors that are drawn from but also beyond government.**

The first challenges formal understanding of government, by recognising the complexity of governance structures. The British political system was traditionally characterised by parliamentary sovereignty, strong cabinet government and accountability through elections, all giving legitimisation to ministerial responsibility. Governance challenges these traditions and suggests that government is being fragmented by a maze of institutions and organisations. This gives recognition to the highly intricate nature of the polity in UK localities. This provides notice of the polity being differentiated spatially, with linkages operating at local, regional, national and supranational levels, and functionally the sharing of responsibilities between a range of private, public and voluntary sectors. As a result, contracting out and public-private partnerships are now part of the reality of public services and decision making. The

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<sup>26</sup> There are two types of 'flagship' project which can be identified. As Loftman and Nevin (1995) state: "a prestige development may be differentiated from other forms of flagships in terms of the scale of development itself, but more importantly in terms of its orientation and intended scale of impact. Prestige developments are targeted at encouraging investment and changing perceptions of business decision makers and/or potential visitors from *outside* the locality, particularly at the national and international levels, in a bid to increase economic activity and wealth within the locality. In addition, it is anticipated that the impact of prestige projects, in terms of employment generation and wealth creation, will have additional spin-off benefits (both direct and indirect) at a city-wide or regional level....Local flagships on the other hand, are smaller scale projects geared at encouraging or

scope of this complexity raises concerns over legitimacy and power. There already exists widespread concern over the operations of unaccountable and unelected quangos. As Stoker states (1998a, pp.20-21) this is more than simple normative concern about who should and should not hold power, it is also about effectiveness and the holders of power being legitimate. In this sense the new forms of governance provide an issue around the 'legitimation deficit', where the failure to mobilise or seek public support and commitment to programmes of change, undermine the ability of power holders to mobilise resources and promote co-operation and partnership.

**(2) Governance recognises the blurring of boundaries and responsibilities for tackling social and economic issues.**

The second of Stoker's propositions points to the shifting responsibility of governance away from traditional forms of government, and more towards the private sector, voluntary sector and local communities. This shift has recently been the concern of researchers looking at 'active citizenship' (Kearns, 1992, 1995; Oliver, 1991; Putnam, 1993) and the 'responsible corporation' (Healey *et al*, 1995; Valler, 1996; Wood *et al*, 1998). The former draws attention to the growing emergence and recognition of the voluntary and community sector agencies, many of whom are performing what were traditional tasks of government. This is also the case with private sector operations who have become responsible for traditional government services like street cleaning or caring for the elderly. Stoker (1998a, p.22) points out that the new governance structures and the blurring of responsibilities creates an ambiguity and uncertainty in the minds of both policy makers and public about who is responsible. These governance structures therefore, extends the possibilities for blame avoidance and scapegoating, with agencies blaming each other and avoiding being held to account. This raises questions over how communities experience, and respond to, service delivery by these new structures of governance, and issues of 'openness' and 'responsiveness' of these new governance forms.

**(3) Governance identifies the power dependence involved in the relationships between institutions involved in collective action.**

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facilitating organic growth *within* urban areas and/or changing local perceptions about particular localities" (pp.300-301, original emphasis).

Stoker's third proposition concerns power dependency and the symmetry of power relations between these institutions when collectively working together. Governing from the governance perspective is always an interactive process because no single actor, public or private, has the knowledge and resource capacity to tackle problems unilaterally (Kooiman, 1993). It seems fair to suggest that a divergent coalition of interests are pursuing effective action, in the guise of various forms of partnership. There are three forms of partnership which could be distinguished: principal-agent relations, inter-organisational negotiation and systemic co-ordination. The principal-agent form rests on one party (the principal) hiring or contracting another (the agent) to undertake a certain task (Broadbent *et al*, 1996). The inter-organisational form involves negotiation on joint projects between a number of actors forming strategic alliances, in which by an amalgamation of capacity they are better able to meet their own objectives (Jessop, 1998a). In the systemic union of agents, the partnership establishes a level of mutual understanding and embeddedness, organisations develop a shared vision and joint-working capacity that leads to the establishment of a self-governing network. The endemic difficulties of co-ordination follows from dependence on others. Governance as an interactive process draws attention to the difficulties of having shared goals and agendas, acceptance that many intended actions do not match eventual outcomes, and the dominance of asymmetries of power with "the relatively established groups defending their share of the available funding and less established ones remaining outside unsure, and in many cases unable (not least because of the bureaucratic rules of the game) to participate" (Lloyd and Meegan, 1996, p.92-93). This could lead to disillusionment and resentment, which you could equate with contested governance (Lloyd and Meegan, 1996).

#### **(4) Governance is about autonomous self-governing networks of actors.**

The fourth proposition focuses attention on the emergence of self-governing networks often functionally or issue specific in their aims (Atkinson and Coleman, 1992; Marsh and Rhodes, 1992; Rhodes, 1996, 1997). Also, this is particularly evident within the emerging literature on regime theory (see section 2.3 below), where the regime or partnership form a coalition of interests from the major local public and private

interests. A major debate which emerges in the self-governing of networks is that of accountability, since regimes, by definition, come together and are driven by the self interest of its members and can be seen as exclusive. This 'accountability deficit' could be experienced at a number of levels, it may be incompatible with the general interest of the local people and certainly with those excluded from the network or marginalised members of the local community.

**(5) Governance recognises the capacity to get things done which does not rest on the power of government to command or use its authority. It sees government as able to use new tools and techniques to steer and guide.**

The fifth element of Stoker's propositions concerns the ways in which governance policy goals are not reliant on formal government. This debate revolves around the emergence of an 'enabling government' as a new form of governing. Hill (1996) sets out the possible roles which local government could play, these include; giving leadership, building partnerships, protecting and regulating its environment and promoting opportunity. The role for government is to recognise opportunities for identified stakeholders, steering this in to achieving some desired outcomes and establishing mechanisms for effective co-ordination. However, this does not guarantee governance success, with possible tensions among partners and institutions likely to cause governance failure. Indeed, faced with the complexity and autonomy of multi-levels of governance "there is a strong tendency for political leaderships to seek to impose order and issue directives" (Stoker, 1998a, p.24). Jessop (1995b, 1998a) warns that governance mechanisms do not necessarily offer solutions:

"The growing fascination with governance mechanisms as a solution to market and/or state failure should not lead us to overlook the risks involved in attempts to substitute governance for markets and/or hierarchies and the resulting likelihood of governance failure" (Jessop, 1998a, p.38).

Governance failure may well be an in-built feature of the tensions and difficulties which emerge between institutions, as well as the inadequacies of the organisations. Failure of leadership, differences in time scale and horizons among key partners, and possible social conflict could all provide the seeds for governance failure (see for example, Orr and Stoker (1994) who describe the difficulties of Detroit). The concept

of *governance failure* is crucial to understanding structures of the 'new' governance and forms of governing.

## 2.6 Linking Theory to Research

The value of any theory lies with links to concrete research agendas, as Jessop (1982) states "empirical evaluation" is vital to substantiate theoretical claims (p.220). This thesis attempts to remedy the insensitivity of some theories on local governance to fail to take into account broader political and macro-level change, by using the 'local' emphasis of regime theory and locate it within the broader scope of regulation theory and to extend it by drawing on the 'strategic-relational' approach. The aim is to develop the eight lessons outlined by Jessop (1997a) in his essay *A Neo-Gramscian Approach to the Regulation of Urban Regimes* to provide an analytical framework with which to theorise transformations in local governance, and to offer a 'reconstructed hybridisation' of regulation and regime theory in order to develop a *middle-order theory* for understanding local governance.

The first lesson concerns the way in which the local economy is constituted "...as an object of economic *and* extra-economic regulation" (p.60, emphasis original). It is necessary to examine "...the local economy versus its supralocal economic environment and the local economy versus its extra-economic local environment" (p.60). The former point attempts to show that within the 'global' system there is a manoeuvring and control of some conditions taking place at the local level. The latter concern is with the range of activities that need to be co-ordinated to form an economic development strategy. In essence Jessop is suggesting an expansion of regime theory to cover institutional structures which include governmental and non-governmental organisations, public, private and voluntary/community sectors.

The second lesson follows regulationist approaches and its concern with theorisation. The supralocal economic environment and the extra-economic local environment, for Jessop, are more complex than any individual local actor can understand or control, as this would require the means to influence the interaction of causal mechanisms over time and space. Thus, attention must turn in the direction of "...demarkating a local

economic space with an imagined community of economic interests from the seamless web of changing global-regional-national-local nexus” (p.61). Furthermore, it is argued that there is no pre-given reason why economic relations and rhythms should coincide with a given political space and cycles of local forms of government and governance.

Lesson three relates to regulation theory and the ‘strategic-relational’ approach in the form of the neo-Gramscian concept of an accumulation strategy. The interplay between macro-economic change and the *social* modes of economic regulation plays a major role in fashioning modes of growth from the global to the local level. This is due to the “...different structural forms of the capitalist economy (the commodity, money, wage, price, tax, and company forms) are generic features of all capitalist economic relations and are unified only as modes of expression of generalized commodity production, any substantive unity that characterizes a given capitalist regime in a given economic space must be rooted elsewhere” (p.61). With the apparent changes in the economic, political and societal structures there appears to be a new accumulation strategy emerging (coined as post-Fordism) “...with new norms of production and consumption, new discourses and societal paradigms, new structural forms and institutional supports, and new modes of government and governance” (p.61-62). This concept has generally been used at the national level, arguably, the new accumulation strategy is relevant for use at the regional and local level.

The fourth lesson concerns “...the need to examine the relationship between local accumulation strategies and prevailing hegemonic projects” (p.62). In this context, Jessop draws heavily upon Gramsci (1971), describing the hegemonic project as being a unifying force that brings together a number of diverse social forces through self-interest. This reinforces a characteristic of regime theory which believes local actors partake in a coalition with a guiding hegemonic project because they perceive that their wider interests will be served in so doing. For Gramsci, hegemony was generally realised at the national level (such as the Thatcherist pursuit of a free-market economy) Jessop suggests, however, that with the “hollowing-out” of nation states, there is the need to consider how far hegemony could be relocated to the local level.



This author would argue that it is important not to underestimate the power of the nation state. The “hollowing-out” process is heavily constrained by the nation-state which remains the regulatory authority and which “hollows-out” only when it so wishes.

The fifth lesson that Jessop draws derives from state-theoretical (and more broadly, strategic-relational) arguments to the effect that “...institutional ensembles involve specific forms of strategic selectivity” (p.62). This argument recognises that Gramsci’s analysis which emphasised the changing balance of social forces failed to assess the underlying balance of power within specific structures. Jessop states that it is important to analyse the manner in which and how far, institutions are strategically selective:

“Particular forms of economic and political system privilege some strategies over others, access by some forces over others, some interests over others, some spatial scales of action over others, some time horizons over others, some coalition possibilities over others...Structural constraints always operate selectively: They are not absolute and unconditional but always temporally, spatially, agency, and strategy specific” (p.63).

Strategic selectivity is an important part of understanding the durability of regimes as it directly affects the labour process, the regime of accumulation and the social mode of regulation and how these interact and are constrained by a particular regime to pursue a successful economic strategy. Combining this insight with the strategic relational approach offers a powerful tool for linking governance regimes across space, with asymmetries of power likely to affect the durability and strategic nature of regimes.

The sixth lesson is “...more clearly neo-Gramscian and concerns the scope of such power structures” (that are underpinning regimes). “It is important to examine how urban regimes operate through a strategically selective combination of political society *and civil society*, government *and governance*, “parties” and partnerships. In this way one could show how some urban regimes can be linked to the formation of a local hegemonic bloc (or power bloc) and its associated historical bloc” (p.64,

original emphasis). Public-private partnerships, in this perspective, have demarcated a change towards governance which emphasises *private* interests in regime formation while civil society, represented by the voluntary/community sector, is given a minor influence in local economic strategy.

The seventh lesson is that the prevailing governance (and ruling regime) must possess a variety of mechanisms and practices to ensure survival and the success of its particular local strategy. This point implies that the possibility of governance failure could seriously impact upon local economic regime strategies orientated towards growth, and this, as I will attempt to demonstrate, could be applied to problems facing regimes in Cumbria.

The final point is a cautionary one, warning researchers not to “...assume that a local mode of growth, a local mode of regulation, or an urban regime can exist in isolation from its environment” (p.64). This is rather a banal point. Regimes do not exist in a vacuum, the actors involved are influenced by the local, regional, national and international economic, political and social developments, which must be taken into account.

## **2.7 Some Research Questions**

The movement towards a ‘new’ governance has become increasingly congested by new economic actors, dependencies and relationships. It is not the intention of this study to simply chart the emergence of new mechanisms and structures of governance as this may become too descriptive, but to ask critical questions about those institutions and networks which are emerging to replace traditional government. This should allow an examination of the purpose of the new forms of governance, questioning the rationales and interests of these agencies and institutions and how and why these particular forms of governance were brought together. Critical questions emerge over who has been involved in new forms of governance and who has not, and why this is the case. This refers as much to agencies and institutions as they do to individuals. Indeed, regime theory states that the members of any regime will usually have an institutional base with a particular domain of power and a particular social

constituency to serve. **The aim is therefore, to question what these agencies, institutions and actors in these new forms of governance do, and why?**

These sorts of debates and a focus on governance, lead on to questions about the structures and cliques of power (Stoker, 1995a, 1998b). Stone (1989) claims that the examination of power can be reconceptualised as being a matter of social production rather than social control, concerned with the capacity to act rather than to act over. As Stone (1989) claims: "What is at issue is not so much domination and subordination, as a capacity to act and accomplish goals" (p.229). The 'new' governance claims to embrace this capacity of power to act, as actors and institutions attempt to blend their resources, skills and purposes into a viable and sustainable partnership. Alternatively, there has emerged a number of critics who suggest that power is increasingly held by a small number of people with like-minded, usually business interests and creating a mainly unelected power elite. This has led to identifiable *asymmetrys of power* between the rulers and ruled, the powerful and powerless, and intense competition for political and economic power (Harding, 1995a; Lloyd and Meegan, 1996; Meegan, 1999; Peck and Tickell, 1994c; Peck, 1995; Tickell and Peck, 1996). **The major question surrounds the way in which a number of diverse social groupings come together to gain capacity, creating power to act, rather than power over? What structures exist? Are elitist dominated cliques of power forming or are these agencies genuinely democratic and genuinely concerned with local economic and social development?**

A further avenue of inquiry concerns the ways in which different economic, political and social interests are articulated and raises questions over the agenda, intentions and purpose of governance agents. There are fundamental concerns over the appropriateness of strategies and projects being introduced by business dominated groups, over whether they are suitable organisations for representing the needs of the local 'community' (Colenutt, 1992; Loftman and Nevin, 1994, 1995; Nevin and Shiner, 1993; Smyth, 1994), and over the growth of governing by appointment in the quango-state (Davis, 1996; Robinson and Shaw, 1994; Stewart and Davis, 1994). To pursue these concerns requires interrogation of the local regime (or partnership) to examine the ways in which power is dissipated in the formulation of strategy and

policy and of the adequacy of the local 'accumulation strategy' and the hegemony of local elites. This involves examining and scrutinising the concept of 'partnership'. The concept of 'partnership' needs problematising. To analyse partnerships, it is necessary to examine their degree of openness or exclusiveness (Mayer, 1994). It follows that the geometry of power within these partnerships needs to be considered, to see which interests are involved, how they obtain their 'capacity to act' and what they are trying to achieve (Bassett, 1996; Harding, 1998c; Lloyd and Meegan, 1996; Peck and Tickell, 1994c; Stoker, 1998b). 'Partnership' involves the bringing together of interests drawn from the public, private and voluntary sectors. However, a great deal of scepticism has emerged amongst some researchers who claim that in the majority of initiatives, the involvement of the community in the decision making process has never proceeded beyond the rhetorical stage and in some cases it has actively been discouraged (Duffy and Hutchinson, 1997; Foley *et al.*, 1998; Lloyd and Meegan, 1996). **This leads to questions of how strategies and policies are formulated? What agendas exist for members of these new forms of governance? Who do they represent? Are these 'partnerships' exclusive? How effective are they? Are they meeting the needs of the local area and local people? Do these agencies provide opportunities to those excluded from the local labour market?**

Orthodox approaches to economic development have accorded primacy to market forces, entrepreneurialism, 'flexibility' and business interests. In the most extreme variant 'trickle down' from economic development is seen as the primary means of economic and social regeneration. The role for 'new' forms of governance, therefore, has become one of seeking alternative strategies defining and delivering an appropriate mix of welfare alongside the pursuit of economic growth. The research therefore, needs to question whether the mix of economic and social strategy currently adopted by these agencies and institutions are suitable to meet the problems being faced in these localities. **Are the agents of governance introducing innovative projects and strategies to stimulate economic development and creating employment opportunities? This begs the question of what sectors are being targeted for economic and social regeneration?**

Also, in the face of the growing recognition of the loss of local authority powers, the increased significance of new agencies in the quango-state and the introduction of market competition into the bastions of the welfare state: health and education, issues of democracy and accountability can be brought to the debate (Davis, 1996; Davis and Stewart, 1993; Hart *et al*, 1996; King and Stoker, 1996; Stewart and Davis, 1994). There are growing concerns over the lack of meaningful participation of individuals and communities in these 'new' forms of governance. The concept of social inclusion and empowerment is gaining currency alongside the rise of community economic development, but historical problems of local government and big company paternalism remain to be overcome. **The question that is raised is how democratic and accountable are these new forms of governance?**

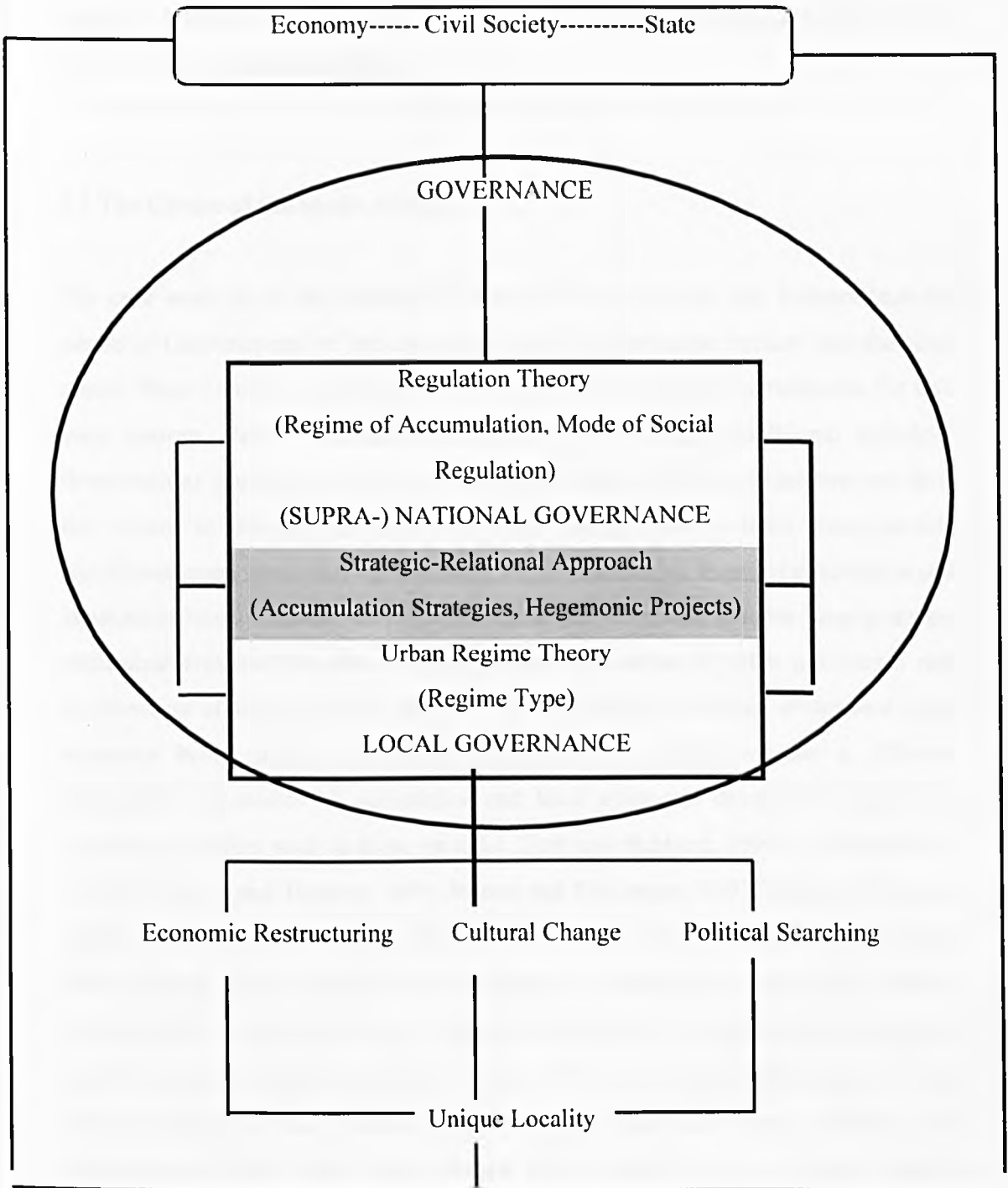
## 2.8 Conclusion

This Chapter has attempted to review regulation theory (introducing the 'strategic-relational' approach), urban regime theory and issues surrounding the emergence of governance. By drawing on Jessop (1997a) this Chapter has also attempted to establish an analytical framework with which to theorise transformations in local governance which sees institutional change as being driven as much by the imperatives of the 'political' as it is by the 'economic'. The forms that new institutions take - the real geographies of state and industrial restructuring - are being conditioned by the nature and structure of the pre-existing geographic space and by the pursuit of a new institutional fix. Local conditions are important and can be analysed by using regime theory, which offers a distinctive approach to the study of politics and the issue of power, capturing the key concepts of governance, the key players and how the politics could be reflected in local economic development strategies. There is also the need to recognise the links which exist between the new institutions of *governance* and traditional forms of *government*, the broader structural context within which state and industrial strategies are formulated and how this has changed between regimes. Regulation theory places an emphasis on the importance of historically-embedded institutions to the stability of the capitalist accumulation process and offers a potentially powerful framework in which to place the evolving structures of inter-agency, inter-governmental and cross-sectoral development coalitions, to set the 'local' diversity of economic development strategies and

coalition structures which are informed by regime theory, within the context of national (or global) necessities and influences. Jessop's strategic-relational approach also outlines a research agenda for linking the 'local' with higher level influences, by developing mid-level concepts, such as accumulation strategy and hegemonic projects, which allow for a systematic unpacking between different dimensions.

What is being suggested is an hybridisation of theory which links the concrete features of regime theory with the abstractions of regulation theory. The potential for development of a middle-order theory have tentatively been suggested (Goodwin and Painter, 1997; Harding, 1997; Jessop, 1997a; Lauria, 1997a, 1997b), but such a potential link has also been criticised by those who argue that the neo-Marxist lineage of regulation theory, with its tendency to see institutional change as being dependent upon economic change, is incompatible with the neo-pluralist arguments underpinning regime theory which suggest a less deterministic relationship between politics and markets (Feldman, 1997). The use of theoretical hybridity could also be charged with creating "chaotic conceptions" (Sayer, 1992) which ultimately obscures more than it reveals, and so this involves questioning whether theories from very different perspectives can be coherently combined. However, this author suggests that this search for a 'theoretical fix', bringing together a neo-Gramscian regulationist approach with urban regime theory, does not lead to "chaotic conceptions". As Figure 2.1 demonstrates this middle-order 'theoretical fix' provides an analytical framework which appears suited to dealing with the role of government and governance in addressing economic and social challenges.

**Figure 2.1: Developing a Middle-order ‘Theoretical Fix’ to Understand Changing Forms of Governance and Local Economic Development**



## CHAPTER 3

### DOING RESEARCH: USING A QUALITATIVE METHODOLOGY AND METHODS IN FIELDWORK

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#### 3.1 The Choice of the Study Areas

The case study is of the Objective 2 areas of West Cumbria and Furness (not the whole of Cumbria) and of the urban areas suffering industrial decline (not the rural areas). West Cumbria and Furness were chosen as the location for fieldwork for five main reasons. First, the significant local economic change (traditional industrial deterioration) and policy transformations (particularly European assistance and how this relates to the national and local state) taking place in these areas provide significant scope for a study investigating issues of changing forms of governance and attempts at local economic development. Secondly, Cumbria remains largely under-researched arguably because of its non-urban characteristics, yet it provides a rich environment of starkly defined issues. Within this context the issue of the west coast economy being largely specialised, industrial and urban provides a different perspective on studies of governance and local economic development from the majority of studies, such as those on cities (Hall and Hubbard, 1996, 1998; Healey *et al.*, 1995; Imrie and Thomas, 1999; Jewson and Macgregor, 1997; Oatley, 1998) and regions (Dunford and Kafkalas, 1992; Hudson *et al.*, 1997; Le Gales and Lequesne, 1998). Thirdly, the two areas are bound together for pulling down Objective 2 funding because Europe would not allow separate programmes from two areas sharing the same boundary (Cumbria), similar economic difficulties (particularly decline in two major employers) and political accountability (Cumbria County Council and Government Office North West), despite clear cultural tensions. Fourth, being a 'local' (born and bred in Great Clifton near Workington) and coming from a family background of coal miners and steel workers, the author has a particular interest in the history, current issues and future of these areas. Fifth, it was possible to tap into



existing contacts made through an undergraduate dissertation as starting points for the fieldwork (Knowles, 1995).

### **3.2 Research Methodology and Methods**

There is a tendency to use the concepts of *methodology* and *method* interchangeably. In particular *methodology* is frequently used when *method* is more appropriate. *Methods* of research are the actual techniques or procedures used to gather and analyse data related to some research question or hypothesis. The forms that these methods take range from engaging people in conversation, whether formal and structured or informal and free flowing. It could be getting people to fill in questionnaires, observing behaviour and examining documents or other records of human activity. *Methodology*, on the other hand, is the analysis of how research should or does proceed. It includes discussions of how theories are generated and tested, what kind of logic is used, what criteria they have to satisfy, what theories may look like and how particular theoretical perspectives can be related to particular research problems. A discussion of the methodological approach for this research will now be considered.

#### ***Applying Critical Realism***

Empirical research is never theoretically neutral and it is vital to make the theoretical content explicit prior to commencing any investigation, rather than append it as a concluding *a posteriori* interpretation (Sayer, 1992). This thesis draws upon a philosophy of science known as critical realism, which seeks to discover the relational *cause-and-effect* of society and deliver “...a coherent account of nature, society, human agency and philosophy” (Bhaskar, 1989, p.191).

Critical realism is theoretically informed by the philosophy of realism built on a critique of positivism (Sayer, 1985).<sup>1</sup> This 'radical' philosophy is defined by Gregory (1994) as:

“A philosophy of science based on the use of ABSTRACTION to identify the (necessary) *causal powers and liabilities* of specific *structures* which are realised under specific (contingent) *conditions*” (p.499, original emphasis).

Realist theory therefore enables us to 'unpack' rationally or abstract from the complexity of the real or 'concrete' world in order to establish relevant causal, as well as contingent, relations between objects. Sayer (1982, 1985, 1992) has made substantial contributions to the use of realist method in social science and economic geography and he has shown how empirical analysis is reliant on how the object of study is characterised. These decisions must “...exclude the inessential but avoid dividing the indivisible” (Sayer, 1982, p.69).

The realist approach separates the abstract from the concrete through establishing the necessary and contingent relations between objects. As Figure 3.1 illustrates, events in the concrete world are the result of the workings of abstract structures and processes mediated by meso-level mechanisms (such as economic restructuring). In this sense an “...abstract theory analyses objects in terms of their constitutive structures, as parts of wider structures and in terms of their causal powers. Concrete research looks at what happens when these combine” (Sayer, 1992, p.116). Therefore, realist method can address the complex processes of change through revealing an understanding of the synthesis of abstract and concrete research and framework of necessary and contingent relations needed to develop causal explanations of change.

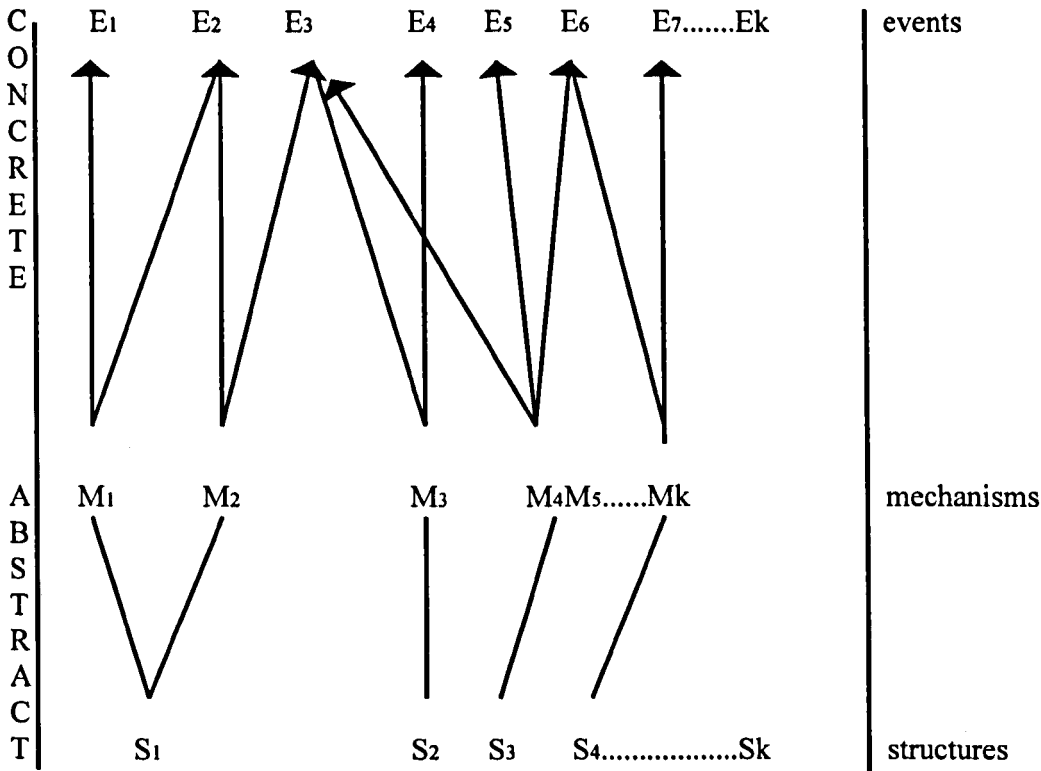
Realist method can also justify the use of a case study as a mode of analysis. Realist theory accepts that specific and actual concrete patterns and contingent relations are unlikely, or indeed intended to be, 'representative', 'average' or 'generalizable' (Sayer and Morgan, 1985). Realist theory can therefore frame the bounds of the case study

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<sup>1</sup> Realism is something of a generic term, encompassing several meanings: transcendental realism,

and defend it against claims of unrepresentativeness and particularity because each case study is the concrete product of mediated necessary and contingent relations.

**Figure 3.1: The Abstract and the Concrete**



Source: Sayer, 1992, p.117.

Realist method therefore recognises explicitly the importance of combined theoretical and empirical research. As Sayer (1992) states:

*"...theories make their strongest claims at the abstract level about necessary or internal relations, and about causal powers, or in other words necessity in the world. Where relations between things are contingent, their form must always be an empirical question, that is one which must be answered by observing actual cases"* (p.143, original emphasis).

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critical realism, new realism and scientific realism (see Bhasker, 1989).

This brings attention to two research designs which could be considered as research methodologies: **intensive** and **extensive** (Sayer, 1992; Sayer and Morgan, 1985).

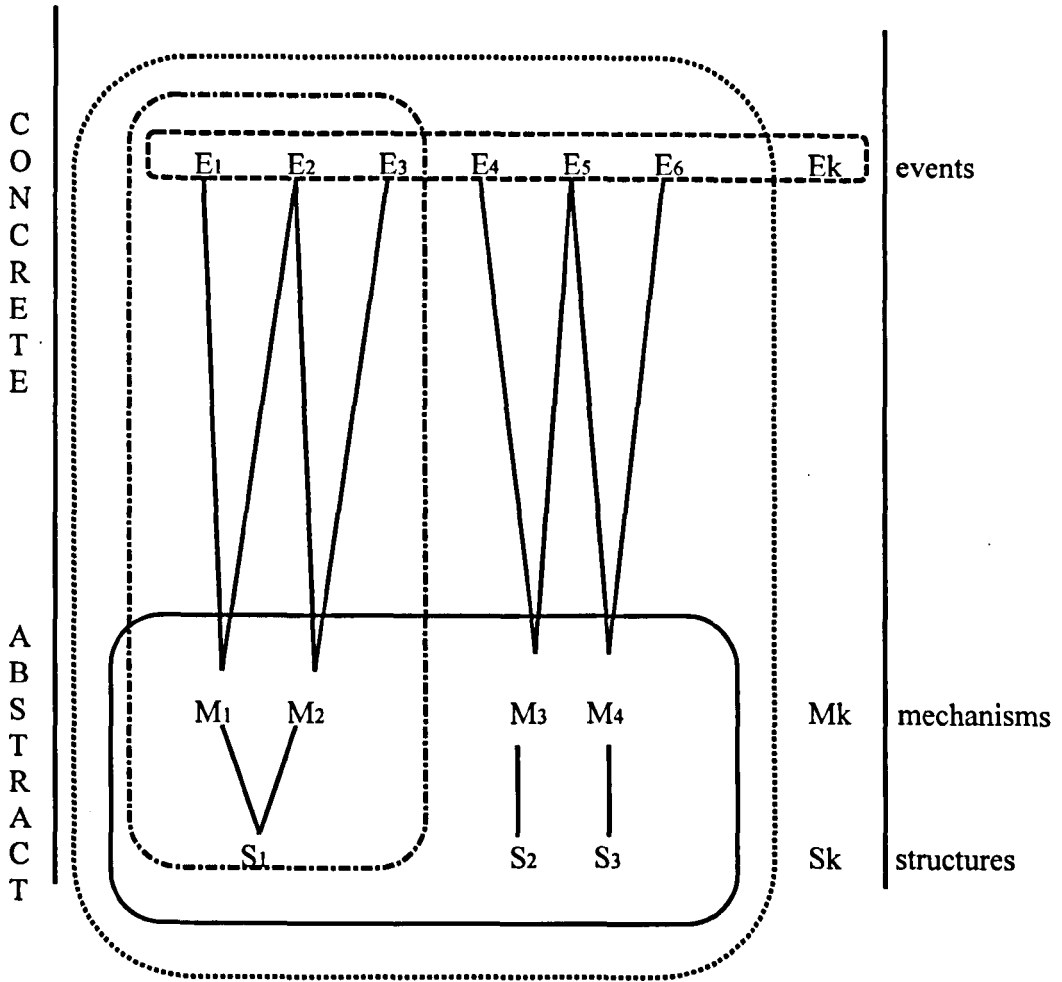
Fundamentally, in order to reach their objectives the two designs ask different questions, use different techniques and methods and define their objects and boundaries differently (see Table 3.1). Where these two types of research stand in terms of realist theoretical conceptions of the abstract and the concrete is illustrated in Figure 3.2. An extensive research design is far more common in economic geography as it looks for regularities and common patterns within a population. Methods of extensive research include large scale surveys, formal questionnaires, standardised interviews and statistical analysis. Extensive research focuses on taxonomic groups, that is groups where members share similar attributes but need not interact with one another. The rationale behind using extensive research methods is to use a representative sample but this can be criticised for failing to explain the processes that have formed the revealed pattern and thus for lacking analytical power (Sayer and Morgan, 1985). For the purpose of this research an intensive research design was undertaken. Intensive research is particularly useful in looking at a particular case or a limited number of cases in attempting to explain causal processes. It focuses mainly (though not exclusively) on groups whose members may be either similar or different but which actually relate to each other structurally or causally. Thus, specific identifiable individuals are of interest in terms of their properties and their mode of connection to others. It also allows the study of respondents during interactive and semi-structured interviews and the use of qualitative analysis in order to understand peoples representations and constructions of what is occurring in economic development and governance and the structures within which they operate (Alasuutari, 1995; Dey, 1993; Eyles, 1988; Flowerdew and Martin, 1997; Frankfort-Nachmias and Nachmias, 1996; Robinson, 1998; Strauss, 1987).

**Table 3.1: Intensive and Extensive Research: A Summary**

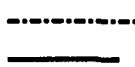
	Intensive Research	Extensive Research
Research question	How does a process work in a particular case or small number of cases? What produces a certain change? What did the agents actually do?	What are the regularities, common patterns, distinguishing features of a population? How widely are certain characteristics or processes distributed or represented?
Relations	Substantial relations of connection.	Formal relations of similarity.
Type of groups studied	Causal groups.	Taxonomic groups.
Type of account produced	Causal explanation of the production of certain objects or events, though not necessarily a representative one.	Descriptive 'representative' generalisations, lacking in explanatory penetration.
Typical methods	Study of individual agents in their causal contexts, interactive interviews, ethnography. Qualitative analysis.	Large scale survey of population or representative sample, formal questionnaires, standardised interviews. Statistical analysis.
Are the results generalizable?	Actual concrete patterns and contingent relations are unlikely to be 'representative', 'average' or generalizable. Necessary relations discovered will exist wherever their relata are present, e.g. causal powers of objects are generalizable to other contexts as they are necessary features of these objects.	Although representative of a whole population, they are unlikely to be generalizable to other populations at different times and places. Problem of ecological fallacy in making inferences about individuals.
Disadvantages	Problem of representativeness.	Lack of explanatory power. Ecological fallacy in making inferences about individuals.

**Source : Sayer and Morgan, in Massey and Meegan, 1985, p.151.**

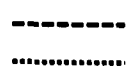
**Figure 3.2: Types of Research**



Concrete research (intensive)  
Abstract research



Generalisation (extensive)  
Synthesis



Source: Sayer, 1992, p.237.

## *Research Methods*

“The conventional assumption that the researcher is a disembodied, rational, sexually indifferent subject - a mind unlocated in space, time or constitutive interrelationships with others, is a status normally attributed to angels” (Gross, 1986, p.199).

Up until the 1960's positivist geography believed that it was possible to carry out objective research with the researcher distanced from the topic of study. However, among humanists (Entrikin, 1976; Ley and Samuels, 1978) and marxists (Duncan and Ley, 1982; Harvey, 1973) the importance of human agency was stressed, both in terms of experiences and expressions. It was argued that there is no such thing as objectivity in social science research but that factors such as experiences, age, social background, ethnicity, gender and marital status influence the research experience, the data collected and the interpretation of the information:

“Whether we like it or not, researchers remain human beings complete with all the usual assembly of feelings, failings and moods. And all of those things influence how we feel and understand what is going on. Our consciousness is always the medium through which the research occurs; there is no method or technique of doing research other than through the medium of the researcher” (Stanley and Wise, 1993, p.157).

“Interpretation by the researcher is a vital but highly subjective component” (Robinson, 1998, p.411).

Therefore, it must be accepted and acknowledged that doing research and the methods used in it are socially constructed and conditioned.

The methods of research used in this thesis are primarily qualitative. A qualitative research methodology enables the researcher to impute subjective understanding rather than statistical description from research findings. Qualitative data essentially deal with descriptions of people's representations of what is occurring in their world in order to understand and interpret how events and actions are generated (Dey, 1993; Eyles, 1988; Strauss, 1987). As Robinson (1998) claims:

“Qualitative data deals with meanings and distinctions and they reside in social practice” (p.410).

Such an approach contrasts with quantitative methods which concentrate more upon statistical techniques and theorems employed to test hypotheses using empirical data or to undertake pure mathematical modelling from a set of initial abstract assumptions. As Dey (1993) suggests:

“Qualitative data deals with meanings, whereas quantitative data deals with numbers” (p.3).

For the purpose of this thesis qualitative data was collected from four main sources: secondary sources, an extensive local and national newspaper search, semi-structured interviews and statistics. The use of a number of methods is intended to maximise understanding of the research questions and by applying triangulation, which involves using two or more methods of data collection, the aim is to increase the validity of research findings (Frankfort-Nachmias and Nachmias, 1996).

### *Secondary Sources*

“‘Secondary data’ means information which has already been collected by someone else and which is available for you, the researcher, to inspect” (Clark, 1997, p.57).

The research began with a literature search of the theoretical debates and empirical work which surround governance and local economic development already discussed in Chapters 1 and 2. The literature review was complemented with a search of secondary material on the case study area, West Cumbria and Furness (see Table 3.2 below).



**Table 3.2: Secondary Material Sources**

Type	Examples
Academic literature	Theoretical and empirical journal articles, reports and books
European publications	Programme documents, draft reports, strategy documents, position papers
National government publications	Select committee reports, Hansard, command papers
Local government publications	Economic development strategies, corporate information, committee reports, council minutes, press releases
Corporate material	Reports and accounts, press releases, promotional material, internal policy documents
Trade journals and specialist material	Cumbria in business, Cumbrian executive, Business gazette, Insight, Industrial Profile, Northwest business insider, Consultancy reports
Public-private agency publications	Business plans, economic development strategies, draft reports, press releases, reports and accounts, promotional literature
Sound Recordings	Radio: Radio Cumbria Television: Border Television
Statistical sources	Employment gazette, DTI, DTER, Nomis

### ***Local and National Newspaper Search***

Searching newspapers can prove an important research method providing a rich source of information which covers both national and local scales (Clark, 1997). A national newspaper search was undertaken dating back to the 1920's using *The Times* on microfilm (a long, slow process), primarily because there was a full published index available for the period. More recent national newspaper searches, particularly *The Guardian*, were carried out using CD-ROM. Whilst doing the fieldwork this national search was enriched by a local newspaper search, carried out on microfilm and by sifting through 'a forest' of paper copies, ranging back to the 1920's. This information was obtained from archive offices (Kew Gardens in London, Barrow, Carlisle, Kendal, Whitehaven), libraries (Barrow, Maryport, Workington), and local newspaper offices (*Evening Mail* in Barrow and *West Cumberland Times and Star* in Workington). This was not easy as the information was dispersed in different locations and very little was computerised.

One technique used in this thesis is the inclusion of montages of newspaper cuttings from both national and local press both to give the reader an insight into the media coverage and rhetoric to which local people are exposed, and to give a taste of the political, economic and cultural atmosphere in which the research took place. Montage 3.1 gives an example indicating the range of newspapers used in the research.

### *Semi-Structured Interviews*

“The aim of an interview is *not* to be representative (a common but mistaken criticism of this technique) but to understand how individual people experience and make sense of their own lives. The emphasis is on considering the meanings people attribute to their lives and the processes which operate in particular social contexts” (Valentine, 1997, p.111).

Semi-structured interviews were the main sources of data collection used in this research (Robinson, 1998; Robson, 1993; Valentine, 1997). The semi-structured interview is a flexible and adaptable way of finding things out, involving the researcher in working out a number of heads of discussion and questions in advance (for an example of those used in this research see Appendix A and B). However, the sequence and wording of these interviews are not worked out beforehand and emerge as the interview progresses, with the researcher being sensitive to which questions are relevant and meaningful and which questions need to be left out or which need to be added. Probes are also used to encourage the interviewee to expand on a response, some techniques include: a period of silence; an enquiring glance; ‘mmhmm...’, repeating back what had just been said or asking for more explanation or a personal response. Cohen and Manion (1989) list the value of open ended questions:

“...they are flexible; they allow the interviewer to probe so that he [she] may go into more depth if he [she] chooses, or clear up any misunderstandings; they enable the interviewer to test the limits of a respondent’s knowledge; they encourage co-operation and rapport; and they allow the interviewer to make a truer assessment of what the respondent really believes. Open-ended situations can also result in unexpected or unanticipated answers which may suggest hitherto unthought-of relationships or hypotheses” (p.313).

Montage 3.1: Example of a Montage illustrating the Newspapers used in this research



Each interview varies according to the interests, experiences and views of the interviewees and the researcher must be aware that the answers given could vary depending on the respondents interpretation of the question and what they feel about the interviewer:

“The interview is a social encounter, and how the respondent answers the questions will depend to some degree upon what the respondent and interviewer feel about each other” (O’Connell Davidson and Layder, 1994, p.118).

The aim is to ensure that the questions have the same meanings for all respondents and to engage in ‘conversation’ with the respondent rather than simply running through a list of pre-set questions (Eyles, 1988). As a researcher you must be an empathetic listener and a good conversationalist, able to keep the dialogue going, and a social theorist, linking responses and meanings to a broad body of knowledge:

“At no time do you stop listening, because without the data your listening furnishes, you cannot make any of the decisions inherent in interviewing. Has your question been answered, and is it time to move on? If so, move on to what question? Should you probe now or later? What form should your probe take?” (Glesne and Peshkin, 1992, p.76).

Spontaneity and unpredictability are central and accordingly researchers must think and talk on their feet. It is also worth constantly reminding yourself the golden catchphrase of journalists - ‘who, what, when, where, how and why?’ - as you listen to respondents.

The material generated is analysed using a textual approach, relying on words and meanings, rather than statistics, with the benefit of this approach coming from the recording of peoples thoughts and experiences which allows the researcher:

“...to probe deeply, to uncover new clues, to open up new dimensions of a problem and to secure vivid, accurate, inclusive accounts from informants based on personal experiences” (Burgess, 1982, p.101).

Of all the methods adopted for this research, the semi-structured interview provided the most information. Although personal opinions were actively sought rather than the 'party line' of the agencies that respondents represented, some respondents simply regurgitated promotional literature without giving the questions much thought. Despite this, by applying triangulation much of the information was corroborated by audits, published information and copies of funding bids. Additionally, much of the information that could have been labelled as 'subjective' or 'anecdotal' was reinforced by the experiences of several other respondents as it emerged that commonly held beliefs were prevalent across many of the agencies.

### *Statistics*

This thesis also contains some statistical information, such as unemployment figures which are taken from secondary sources. These descriptive data sources graphically show the problems facing the study areas and the local population over a number of years.

### **3.3 The Fieldwork Experience**

"Your study is being done on your own initiative, you haven't been commissioned by anybody to do it, in that respect I welcome it very much because any of the other studies done are through consultants and these are always commissioned by somebody and have some sort of angle. You're a local person, it's your own initiative, you've got no political constraints, you're not sponsored by anybody, it's a good opportunity to state the facts and you are looking into the real issues" (County Council Officer, interviewed, 1/7/97).

Carrying out research on complex organisations and informal power broking, local elites and coalition building within public-private partnerships, inter-governmental and inter-agency alliances involves some methodological difficulties. By their very nature, partnerships are dynamic entities that operate on the basis of a complex interaction between partners, as well as within different institutional and policy frameworks. They tend to be action-orientated, pragmatic, innovative and responsive to new opportunities, while maintaining few records of past achievements or failures

or having the time or resources to evaluate their activities fully. Therefore, it was decided that a series of interviews with a variety of actors and an extensive use of secondary sources, particularly newspapers, would provide the necessary “aids to interpretation” (Stone, 1989).

As a result, the study methodology had three main components: reputational analysis, review of elite perceptions and project case studies. Reputational analysis identified key players from the public and private sector and community involved in the promotion of economic development and in making policy decisions. Identifying local elites revealed that a number were influential multiple office-holders. This group comprised senior decision-makers and business people who were demonstrably interested in strategic economic development issues and able to commit their respective organisations, thereby facilitating (or obstructing) cross-sectoral, inter-agency and inter-governmental joint-working. In selecting case studies attempts were made to look at examples which were fairly well established and which portrayed evidence of action ‘on the ground’. The examples used are intended to illustrate the main dimensions of economic development policy.

Before the fieldwork could be carried out potential informants needed to be identified and case studies selected. Initially, as already noted, existing contacts made for my undergraduate dissertation were contacted and, through a process of ‘snowballing’ where one respondent provides introduction to a further contact, the interview schedule was developed (Valentine, 1997). These informants were contacted by letter, addressed to a named person, setting out the aims of the research and informing the respondent that I would be in contact by telephone (see Appendix C). A brief abstract of the topic of the thesis (see Appendix D) was also included. This contact system eventually proved successful although it had to cope on a number of occasions with the ‘secretary syndrome’ (secretaries failing to pass on messages) or ‘respondent’s amnesia’ (respondents failing to return calls). The respondents for this fieldwork were of five main types. First, academic commentators active both within broader geographical debates and relating specifically to the research area. Secondly, public officials such as local politicians, elected members or officers, Members of

Parliament, government department civil servants and Members of the European Parliament and European Commission. Thirdly, representatives of private organisations such as the CBI or Chambers of Trade and local industrialists and businesses. Fourthly, representatives of identified public/private organisations which have been formed with the intention of stimulating enterprise, development and regeneration. Finally, the 'community' which included voluntary, neighbourhood and community groups (See Table 3.3).

**Table 3.3: Respondents in the Research**

Respondents Identified	Numbers Interviewed	Types of Respondent	How Selected
Academic commentators	3	Commentators within or doing work on the research area	Newly created research unit working on Cumbria, plus contact made from the fieldwork
Public officials	32	Past and present elected members and officers at local, regional, national and European levels	Senior elected members and officers at local, regional, national and European levels, plus representatives from economic development departments and committees
Corporate community	17	Executives of private sector organisations and industries, business groups and banks	Major employers identified and key actors involved in local organisations
Public-private organisations	17	Formed organisations aimed at enterprise, development and regeneration.	Component parts of the broad partnership
Community based organisations	11	Managers and workers of neighbourhood, voluntary and community organisations	Respondents identified following initial contact with a key local actor

The aim of the case studies selected was to describe how each one had developed (whether inspired by public or private sector initiative or by residents) its funding sources, organisational arrangements and implementation strategies. The case studies were also selected in different settings: urban and rural, district, town, village or estate.

The fieldwork was carried out between June 1997 and December 1997, with many hours spent in local libraries and records offices to build up a detailed political, social and economic history. This desk research was followed, as shown in Table 3.3, by 80 semi-structured interviews.<sup>2</sup> In most cases, due to the nature of the respondents being officials from institutions and organisations or business people, the interview was conducted on 'their turf', although there were occasions when other locations were used such as the pub, a restaurant, the respondent's home and my family home.

Each interview was conducted using an aide-memoire with the heads of discussion tailored to the interview (see Appendix A for details). Each respondent was informed that there would be no direct attribution of any of their remarks by name, but any information taken from these interviews would be attributed to their organisation and broad job description unless they wanted their statements to be treated confidentially. The majority of the interviews were tape recorded (as well as a brief written record made) which enabled me to concentrate on the interview without the pressure of writing down the interviewee's every word. These interviews were then transcribed in as full a detail as possible. A major drawback was the amount of time this took (especially when there are 80 interviews and 114 tapes!) with each one hour of interview taking on average six hours to transcribe. A research diary (the 'black book') was kept about the context of the interviews, how the interview had gone, whether the respondent could be of assistance in the future, any potential ideas and inspirations which stemmed from the interview and which could be used in later interviews or ways of analysing material.

Broadly speaking there were two types of interview: informative and elite. The informative interviews mainly took place with former actors now retired or employed elsewhere, the voluntary sector and local community groups. In these interviews, the respondents were particularly co-operative. Arguably, these respondents felt it was more beneficial for their organisation or community to be open about the situation it

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<sup>2</sup> Two interviews were carried out in June/July 1998 due to the difficulty of arranging a meeting with one interviewee and the appointment of a new respondent.



faced, and to provide detailed information. In elite interviews it became apparent very quickly that the respondents were often experienced at interviewing and being interviewed and consequently knew how to subvert, control or deny access to key information and informants (Hertz and Imber, 1995; Schoenberger, 1991). In some cases, attempts were made to control the research by refusing to allow interviews to be tape-recorded, demanding to vet interview questions (and transcripts), and failing to answer questions directly by going on to another topic. On some occasions the researcher felt like the one being researched following an interrogation, it could be suggested that the motive was to find out the researcher's own ideas and interpretations.

Feminist researchers have stressed the importance of interacting and sharing information with participants rather than treating them as subordinates from whom you are extracting information (England, 1994; Gilbert, 1994; Katz, 1994; Kobayashi, 1994; Nast, 1994; Staeheli and Lawson, 1994; Stanley and Wise, 1993). This principle of sharing experiences and exchanging ideas and information with participants involved me in discussions over the regeneration of Great Clifton (see Appendix E) and the restructuring of the West Cumbria Partnership (see Appendix F). I was also able to set up a meeting between a marginalised community group with a mainstream agency. However, opportunities to 'give something back' are very limited and in most instances, little more than personal gratitude can be extended to those organisations and people who took part in the research. It was often requested by respondents to 'name drop' into other interviews, which I did endeavour to do. Copies of transcripts were not made available unless requested and a copy of the thesis is to be made available on request.

### *Developing A Grounded Theory*

The grounded theory approach is different to quantitative research (and some forms of qualitative research) which begin with an hypothesis or a number of preconceived research questions which the research will then test to either prove or disprove these suppositions. This research started with a very broad question of 'what role did the

new forms of local governance play in economic and social regeneration?’ and this generated a number of other questions relating to the forms of these new governance structures and the role that they play in economic development. The research questions and themes that emerged have already been outlined in chapter 2 and were identified during pre-fieldwork but developed over the course of the fieldwork by utilising a ‘grounded theory’ approach.

Developed by Glaser and Strauss (1965, 1968) grounded theory provides “...a systematic set of procedures to develop an inductively derived grounded theory about a phenomenon” (Strauss and Corbin, 1990, p.4). It is particularly suitable for any broad based and unstructured research question because it is essentially a refining process in which more specifically theoretical and conceptual questions arise as the research progresses.

Grounded theory is informed by data analysis but it is not simply providing data to prove a theory rather the [re]construction of the myriad of concepts and ideas that emanate from intensive data analysis. Once core themes are identified, further research and questions are generated which can be explored to intensify original conceptualisation and theory or to prove their fallibility.

Within the grounded theory approach there exist three forms of data exploration which involve coding: open, axial and selective. Open coding is the basic analytical tool and involves intensive analysis of the data in order to label similar events and incidents and to group them to form categories. Axial coding requires inductive and deductive reasoning in relating sub-categories to a specific category, which is more focused than open coding. Selective coding highlights the main theme and systematically relates other categories to this, which draws out an analytical and theoretical ‘storyline’ (see Glaser, 1978; Glaser and Strauss, 1968; Robson, 1993; Strauss, 1987; Strauss and Corbin, 1990).

In relation to this thesis, the broad starting point involved identifying the numbers and kind of agency and the forms and types of project being adopted to encourage

economic development. This identification then helped to structure questions to be used in semi-structured interviews and each interview, in turn, generated a number of other ideas and questions and greater awareness of the key research themes. This approach, it is argued, enabled the research to gain analytical strength, to develop or dismiss earlier concepts and to provide a more grounded approach to the research and its findings.

### *'Positionality' and Ethics*

With the author being a 'local' of the case-study research area, it has to be acknowledged that this 'positionality' had some impact on the social interaction between myself and the way respondents reacted to the research (England, 1994). In some cases, sharing the same background, a similar identity or finding a point of contact with the informant created a rapport which produced a rich, detailed conversation based on empathy and mutual respect and understanding.<sup>3</sup> However, although this would be the case for 'non-Cumbrian' students too, it seemed that because I was 'local' and coming from an academic background, it appeared that in some, if not all, of what may be termed the 'development' or 'enterprise' agencies, there was considerable suspicion (even resentment) and reservations regarding the research. Some information appears to have been withheld and many of the answers given were already to be found in promotional literature or simply followed, as argued above, the 'party' or 'partnership' line.

Field protocol and analysis must also be shaped by ethical considerations. Informed permission was sought from individuals, and formally from agencies where appropriate, before setting up and undertaking semi-structured interviews. A number of methodological tools were employed to avoid mis-representing respondents' opinions and in writing-up the analysis a number of respondents' statements are taken

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<sup>3</sup> Examples of these points of contact were things such as: my family background of steelworkers and coal miners, sport such as the destination of the football premiership or the fortunes of local teams, or studying at Liverpool University.

directly from transcribed tape recordings, in order to reveal the real meanings expressed by respondents in their words rather than in mine.

A similar ethical dimension is the question of anonymity of the respondent. On a handful of occasions respondents wished comments they made be kept confidential, and it was decided that specific names of respondents would be withheld to respect the respondent's confidentiality. However, a general label of the organisations and agencies of respondents have been attached because these are central to any study about governance and local economic development (see Robson, 1993 for a full discussion). An exception to anonymity is when material attributable to a specific person has been taken from the press or other accessible records found in the public domain. In these instances the published name has been retained.

### **3.4 Conclusion**

By drawing on Baxter and Eyles (1997) this Chapter has attempted to show that a 'rigorous' approach was adopted to carrying out qualitative research on issues of governance and local economic development on which this thesis is based. It has also attempted to justify, within the context of critical realism, the rationale and the appropriateness of an intensive research methodology for the research and the use of multiple methods of qualitative data collection. The procedures for selecting respondents have been outlined alongside discussion of the techniques used in semi-structured interviews, the problems encountered and the approaches adopted for analysing the interviews including newspaper montages and interview quotations. Finally, the Chapter has attempted to demonstrate an awareness of 'reflexivity', of how my own 'positionality' could have influenced the research process.

## CHAPTER 4

### WEST CUMBRIA AND FURNESS: HISTORY, ECONOMY, POLITICS AND CULTURE 1700-1973

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#### 4.1 Introduction

This Chapter presents a panorama of West Cumberland and Furness<sup>1</sup> from 1700 to 1973, as in 1974 the county of Cumbria was formed bringing together these two areas. It is intended to provide a sequential history, illustrating that the economic and social problems of these areas are not of recent origin, but developed over a long period of time, and illustrate that the case study area is a very particular region with a very particular industrial, political and cultural history. The aim of this Chapter is to set up the main study period from 1974 which will be covered in Chapters 5-8.

#### *The Problem of Periodisation*

It is important to recognise that there are problems of periodisation and selectivity of material when considering three centuries of cultural, economic, political and social history. The comings and goings of ministries it could be suggested rarely mark major watersheds and, with hindsight, even dramatic events such as wars may be felt not to have shaken a country from its long term economic and social course.

The periodisation presented here has four phases: eighteenth and nineteenth century industrial development and economic growth; inter-war depression and the beginning of regional policy in the 'Special Areas'; the war years 1939-1945; and the post-Second World War creation of a branch plant economy and the emerging dependence on two dominant industries: nuclear power in West Cumberland and shipbuilding in Furness.

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<sup>1</sup> The term West Cumberland rather than West Cumbria will be adopted in this Chapter because that is the name the area was known as during this time period. Furness will be used to describe the area that was known as Lancashire North of the Sands for much of this period.

## 4.2 The Years of Industrial Development - Eighteenth and Nineteenth Century Growth

The development of West Cumberland stemmed initially from the sea trade of coal and tobacco fostered by local landowners. However, the real stimulus to the industrial growth of West Cumberland were the coming of the railway, the introduction of the Bessemer acid steel-making process and the availability of some of the basic requirements of nineteenth century industry, namely exposed iron and coal fields together with a ready supply of limestone.

In tracing the development of Furness there were certain major turning points. The first was the opening of the Furness Railway in 1845, and the choice of Barrow as its headquarters to be used primarily as a port for the export of iron ore, slate and agricultural produce. Secondly, in 1859, Schneider and Hannay began to manufacture iron at Hindpool by using local sources of haematite iron ore, which turned Barrow into an industrial town as well as a port. Finally, in 1871, shipbuilding was introduced to Barrow. As Barnes (1968) claims: "...a rich mineral district was the cause, a railway was the effect, and an important manufacturing town the result" (p.89). Each of these turning points were inextricably inter-dependent, with the same personalities being driving forces behind every new development, in particular, James Ramsden was at the centre of every advance.<sup>2</sup>

### *Eighteenth Century and the Sea Trade*

The development of West Cumberland began with a maritime based economy, which in time, would transform this area from a sparsely populated rural coastline into a bustling 'urban' industrial belt. In 1744 Whitehaven registered higher shipping figures than Bristol and Liverpool, with a comparable number of ships and seaman, making it

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<sup>2</sup> Much of the early economic development of Furness is associated with James Ramsden (later Sir James Ramsden, 1872) with the influence he exerted on the developments of the Furness Railway, the Barrow Haematite Iron and Steel Company, and the expansion of Barrow docks, he was also the first mayor of Barrow (see Barnes, 1968; Marshall, 1958, for comprehensive accounts).

the third most important port in Britain for a time (Hay, 1979; Scott-Hindson, 1994).<sup>3</sup> As Millward and Robinson (1972) state: "In a century Whitehaven rose from being a small sheltered cove where vessels were drawn up on the beach, to be the third port of the kingdom" (p.156). In conjunction with the success of the port, shipbuilding grew and became an important local industry, with Maryport, Workington, Harrington and Whitehaven all boasting prosperous shipyards (Eaglesham, 1977; Rollinson, 1996). The trade from these areas habitually looked towards the sea and trade in coal and tobacco (from Virginia and Maryland) were central in this period (Beckett, 1981; Tattersfield, 1991). By the end of the nineteenth century, the prosperity of Whitehaven and the other ports and their shipbuilding industries had begun to decline, becoming the victim of competition particularly from Liverpool. Fed by the vast cotton trade of Lancashire, Liverpool grew far larger, and offered corresponding economies of scale which the West Cumberland ports, surrounded only by the Cumbrian fells, could not match. Equally, less stringent customs services in Scotland, and the existence of a greater number of banks to facilitate the buying of goods through bills of trade diverted a large part of the tobacco trade to the port of Glasgow.

The landowning-entrepreneur and financier were vital to initial economic development. Owning minerals and with influence to obtain Acts of Parliament favourable to their plans, landowners had the capital necessary to finance operations and the power to influence economic development. From the sixteenth century landowners, who were largely absentee landlords, were promoting new agricultural products and taking advantage of the growing demand for coal. A handful of landowners were responsible for the rise of the coal industry in Cumberland, and the ports of Whitehaven, Workington, Maryport and Harrington to ship their coal primarily to Ireland. The Lowthers developed the harbour, collieries and the planned grid network town of Whitehaven (Beckett, 1981; Dawson, 1946; Hay, 1979; Owen, 1990; Scott-Hindson, 1994; Sutherland, 1965). In Workington, it was the Curwen family who acted as the driving force (Curwen, 1928). Maryport was developed by the Senhouse family in the eighteenth century as a port from which to export coal

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<sup>3</sup> Such was the relative importance of Whitehaven, that in April 1778 the town was attacked from the sea by John Paul Jones as part of America's struggle for independence (1775-1781), making it the only part of the British Isles to have been attacked by the United States.

(Millward and Robinson, 1972). In Furness, James Ramsden drew on the financial support from the Duke of Devonshire and Duke of Buccleuch, the largest landowners in the district, to initiate a number of schemes which turned the village of Barrow into the principal port for the export of Furness iron ore (Barnes, 1968; Marshall, 1958; Trescaheric, 1992, 1993).

### *The Nineteenth Century and the Industrial Revolution*

The powerful transforming agency of the railway system proved to be fundamental to industrial development in the nineteenth century (Broughton and Harris, 1996; Marshall, 1958; Melville and Hobbs, 1951; Robinson, 1980). The railway was built for industrial and strategic transport purposes, providing vital links between: collieries; iron ore mines; quarries; iron and steel works; and, the local harbours for shipment.<sup>4</sup> The development of the railway system expanded particularly in the 1845-1855 period and with this expansion came lower transportation costs and wider markets, as well as providing a market itself for the production of iron and steel rails. In 1845 the Furness Railway was constructed to carry growing quantities of local iron ore and slate to Barrow for export. The Furness Railway owed its origins and prosperity to iron, but the future development of Barrow owed its growth to the expansion of the Furness Railway company. As Marshall (1958) claims:

“When seen against the general background of national and even regional railway history, the Furness Railway, as originally conceived, was a most modest venture, and was little more than a length of mineral track. When its affairs are brought into closer focus, two factors must be borne in mind; the momentous spread of the rail network towards the Scottish border and the ultimate local and regional importance of the Furness Railway as a hitherto tiny company which - after setbacks - flourished steadily and escaped absorption by the giants of the period, becoming at once the virtual creator of a new industrial town and the arterial system of a major ironfield” (p.171).

During the 1860's a cross-country network of railways developed across the Pennines to provide a system of vital links between the industrial areas of the west coast and the



South Durham coalfield for the import of high grade coke from Durham to be used in iron and steel-making.<sup>5</sup> This enabled both West Cumberland and Furness to make use of local haematite and establish their own blast furnaces for iron and steel making.<sup>6</sup>

The development of local blast furnaces were further advantaged by the creation of the acid-Bessemer steel making process. Early methods of steel making had been slow and costly, but in 1856 Henry Bessemer invented a method for converting iron into steel quickly and cheaply, and found that the iron ore of Cumberland and Furness was eminently more suitable for use in this process by reason of its high metallic content and negligible phosphorus and sulphur content (Lancaster and Wattleworth, 1977).

Iron ore had previously been exported on a large scale, mainly by sea, to South Wales, Scotland, Durham and France, but increasingly from the 1860's it was used locally. The iron and steel works at Hindpool (created in 1859 by Schneider and Hannay) proved the basic engine behind the growth of Barrow. By 1876, with sixteen furnaces, the Hindpool plant comprised the largest ironworks and Bessemer plant in the world, and the production of steel rails was undertaken on a grand scale. Clearly from the 1860's to the 1890's Barrow was an iron and steel works town. In 1870, the first steel works were opened at Workington and the attraction of West Cumberland was such that in 1882 Charles Cammell and Company dismantled their rail-making works at Dronfield in Yorkshire, and moved the whole plant and many of their workers to Workington (Lancaster and Wattleworth, 1977). Both Cumberland and Furness shared in an expanding market for iron and steel created by increased American demand, the use of iron in ships and a demand for rails.

By the end of the nineteenth century local iron and steel production began to be affected by five factors, three national and international and two local. The first factor was the reduced demand for rails as overseas customers completed their railway

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<sup>4</sup> Almost all these railway lines have now disappeared as a result of the rundown in the Cumbrian iron and steel industry but also because of the Beeching Report in 1962. Today there remains little more than the coastal line from Carlisle to Barrow.

<sup>5</sup> The great weakness of these areas was the need to import coal and coke from Durham. Any stoppages in the Durham coalfield, strikes and the like, would disrupt production in West Cumberland and Furness and people would be thrown out of work.

<sup>6</sup> The origin of 'haematite' is Latin and it means blood-stone due to its red colour.

networks or introduced protection for their own industries. Secondly, increasing world competition and increased use of imported ores, particularly from Spain and North Africa, undercut the position of the west coast producers while inland transport costs meant that Cumbrian ores could not compete with foreign ores in the neighbouring North East area. Thirdly, the advantage of local haematite no longer held after 1878 following the discovery of the “basic” process of steel-making by Gilchrist and Thomas, which enabled ores containing phosphorus to be used. These factors combined with local difficulties such as the working out of some mines and inherent flooding problems of mining haematite in limestone. Also, the costs of ore production were high because the deposits were irregular and their depth meant that the ore had to be obtained by mining rather than opencast working. For many years the quality of the ore produced had been sufficient to compensate for these high costs but the use of haematite ore was no longer as important as new techniques and greater competition brought reduced roles for West Cumberland and Furness within the national economy (Bainbridge, 1934).

The mineral wealth of Cumbria had long been exploited. The Romans mined for silver at Alston, coal extraction was carried out near Whitehaven as early as the thirteenth century and iron ore extraction on a small scale since the twelfth century (Daysh, 1938a). In the seventeenth century coal reserves along the west coast began to be exploited on a large scale, bringing substantial prosperity to the towns of Maryport, Workington and Whitehaven (Collingwood, 1932; Rollinson, 1996; Wood, 1988). In the eighteenth century the coalfield strip in Cumberland (See Figure 4.1) was so productive as to have “...virtually monopolised the coal trade with Ireland” (Rollinson, 1996, p.69). In the nineteenth century, as steam engines enabled more efficient mining practices and the advent of railways facilitated the opening of pits over a wide area, the coal industry expanded further (Rollinson, 1996). Between 1854 and 1894 coal output in Cumberland increased from 887,000 tons to 2,058,867 tons (an increase of 131%), while the number of miners more than doubled in the forty years between 1854 and 1894, from 3,579 to 8,282 (Wood, 1988, p.172).



However, there were a number of difficulties which coal mining had to face. Intensive faulting meant that thick seams would die out completely. For collieries working under sea reserves (which ran for five miles under the Solway Firth) there was the problem of distance from the coal face to the shaft which added considerably to the cost of haulage. The local market was limited in the absence of a large urban population and associated heavy industry (with the exception of the Workington Iron and Steel Works). The isolation of the area meant that transport costs from Cumberland were much higher than for competitors from the north of England. In spite of attempts at modernisation, the cost of coal mining in Cumberland still exceeded any return from sales (Wood, 1988).

Coal was not the only major source of revenue as mining of haematite iron ore began on a large scale in the 1850's to meet demand from the rapidly expanding iron and steel industries (Kelly, 1994; Marshall, 1981). There were three important iron ore mining areas: the most northerly of the areas was based around Arlecdon, Frizington, Cleator Moor, Cleator and Egremont (See Figure 4.2); the second was found around Millom, with the Hodbarrow deposits; and, the third was in Furness around Askam and Dalton (See Figure 4.3).

The composition of these iron ores had two unique features amongst British ores: first, exceedingly high metallic content and second, the Cumbrian ores were remarkably free from phosphorus and sulphur, making them suitable for the acid-Bessemer steel making process. For 30 years this particular chemical mix gave West Cumberland and Furness near monopoly in the booming British market for Bessemer steel making. The area was making steel rails for export which was to prove most profitable at a time when there was massive railway expansion throughout the world. By the end of the nineteenth century there were west coast iron works at Ulverston, Askam, Millom, Cleator Moor and Harrington. The most important locations were Barrow and Workington which had grown rapidly to become iron and steel producers of national and international importance (Lancaster and Wattleworth, 1977).





The second phase of industrial development for Furness began in the 1890's. Shipbuilding had become an industry of some importance following the incorporation of the Barrow Shipbuilding Company in 1871 founded by the Furness Railway Company.<sup>7</sup> The first ship launched, in May 1873, was the steam yacht "Aries" for Sir James Ramsden. The directors of the company also gave the yard an order for three ships for their own subsidiary concern, the Barrow Ocean Steamship Company. In 1877 the yard built its first warships, the gunboats "Foxhound" and "Forward". In 1886 the first two submarines were built, these Nordenfelt boats (named after the inventor) were the beginnings of Barrow's future specialisation in submarine building. In 1888 the yard was taken over by the Naval Construction and Armaments Company, which was quite significant because it showed the way in which the shipyard was going to develop in the future. As Pollard (1956) states: "...to turn the yard from the risky and competitive building of merchant ships to the sheltered and cartellized production of men of war" (p.217). Between 1890-1896 naval building increased with the completion of five cruisers (including "Powerful", the largest cruiser of its time) and a battleship, which added to the increased prestige of the yard. In 1896 Vickers Sons and Maxim Limited took over the Barrow works. The construction of warships was to be the Company's mainstay, not only for the royal navy but for foreign navies. During this period of naval rearmament the ships built included: the Vengeance; Vanguard; Macasa for Japan; Ruric for Russia; the Sao Paolo for Brazil; but also submarines.

The rapid industrial development of both areas led to population growth, urban change and distinctive local cultures. Over a number of centuries migrants from Scotland, Wales, North-East England, Northumberland, Lancashire, Yorkshire, Staffordshire, Cornwall, the Isle of Man, rural Cumberland and Westmorland, and

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<sup>7</sup> The shipyard has traded under various names since its formation. In 1871 the Barrow Shipbuilding Company, in 1888 it was the Naval Construction and Armaments Company, in 1897 Vickers Sons and Maxim Limited, in 1911 Vickers Limited, in the mid-1920s, the amalgamation of Vickers and Armstrong Whitworth led to the title of Vickers Armstrong Limited. Other titles have included: Vickers Limited Shipbuilding Group, Vickers Shipbuilding Group Limited (a subsidiary of British Shipbuilders), and following privatisation in 1986 Vickers Shipbuilding and Engineering Limited or VSEL, and more recently as part of the General Electric Company (GEC), GEC Marine (1995) which is a subsidiary of GEC Marconi.

particularly from Ireland flocked to these areas.<sup>8</sup> As Marshall and Walton (1981) claim: "Workers from Scotland, Ireland, the North-East or Cornwall represented the new industrial world that had mushroomed...a coastal microcosm and sub-region with its own peculiar mixture of manners, customs, religious affiliations and ways of life" (p.18). The chief concentrations of population developed at the port sites of Barrow, Whitehaven, Workington and Maryport. This population growth was most dramatic in Barrow. In 1846, the village of Barrow was inhabited by a population of approximately 320 people, by 1861 the population had reached 3,135, in 1871 it had reached 18,901 and by 1891 the population stood at 57,712 (Trescaheric, 1994). These towns grew very quickly to become classic 'working class' towns with the rise of an 'aristocracy of labour'. They were to become fairly politicised towns where strong male craft-worker trade unions and strong political persuasions towards Labour were to emerge. Burgess (1989) claims it was "...the heady admixture of large numbers of Irish and Scottish migrants, miners, factory workers and urban poverty, that working class politics first emerged in Cumbria - the region was ever a backwater in such things as trade unions and socialism in general" (p.23). Unquestionably, this created very tight knit communities with great 'insularity', a 'bottom heavy' working-class social structure and a people proud of their heritage.<sup>9</sup> However, the industrial geography of West Cumberland and Furness was largely a pattern of scattered, often

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<sup>8</sup> It is also worth noting that out-migration was also taking place with a number of 'Cumbrian' descendants going elsewhere to make their respective reputations: the philanthropic merchant George Moore; the manufacturing Crossfields; the textile machine maker Isaac Dobson; the engineer Joseph Clement; the Liverpool shipping magnates Brocklebank and Ismay (builders of the Titanic), as well as others who together could be the subjects of an impressive study, all originate from Cumbria.

<sup>9</sup> Many customs and traditions of this heritage survive today in Cumbria. Among them: fell racing; hound trailing; traditional shows; town and village carnivals; rugby league; Cumberland wrestling; uppies and downies and the Egremont crab fair. Fell racing was originally dominated by local shepherds and farmers who were familiar with the Cumbrian hills, now it attracts many other people. Hound trailing is a race in which hounds follow a specially laid scent, rather than a fox, over a course. Traditional shows are held at Buttermere, Cockermouth, Ennerdale, Eskdale, Gosforth, Loweswater and Wasdale, with Muncaster holding a country fair. Carnivals take place during the summer months in many of the towns and villages, traditionally this relates to former iron ore and coal mining settlements. Rugby league could be labelled the 'county sport', with nearly every pit village having a rugby team, and although it may seem unbelievable nowadays both Workington Town and Barrow had successful teams. Cumberland wrestling has its own rules, costume and style, with the accent on attacking tactics related to balance and agility, while the contestants' arms are locked firmly behind each others backs. Workington entertains the annual 'uppies and downies' ball game over the Easter weekend. Traditionally a contest between the miners and sailors. Goals are designated at each end of the town, the miners defend Workington Hall and the sailors defend the harbour side, there are unlimited numbers of players on each team and no rules. The Egremont crab fair was founded in 1267, associated with crab apples, apples are still thrown to the crowds. There are a series of contests



rural and tenuously connected or completely isolated clusters of population. An occupation or workplace (such as mining villages), religious persuasion or organisation (such as the influx of Irish Catholics), population movements (such as the transplanting of Cornish mining settlements), or political decisions (such as the physical separation of working-class areas) contributed towards creating self-conscious communities.

### ***Conclusion***

During this period the economies of West Cumberland and Furness were dominated by a limited range of industries which came to prominence as a result of a small number of landowners, industrialists and entrepreneurs. By the late nineteenth century the vulnerability of the West Cumberland and Furness economies had become apparent. The prosperity of both areas was narrowly based and essentially 'export' orientated which subjected them to being susceptible to changes elsewhere. Above all the prosperity of both areas had depended on the dominance of the acid Bessemer process in steel making, the process for which local haematite iron ore was especially suited, but weaknesses had emerged as a result of falling demand, increased competition, technical innovations and resource depletion. In West Cumberland the coal industry was expanding, helped by new techniques of coke-making which meant local coke could be used in blast furnaces instead of importing Durham coke. This technological development enabled West Cumberland to continue iron ore and coal mining and iron and steel production. In Furness, shipbuilding had replaced steel-making as the dominant industry but the same situation was to afflict Barrow that had led to the town's development, a total reliance on a single industry.

### **4.3 The Interwar Depression - The Beginning of Regional Policy<sup>10</sup>**

"The industries upon which Cumberland and Furness have depended have been those which are naturally most subject to violent fluctuations;

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including unusual contests such as: clay pipe smoking, climbing a greasy pole and world championship 'gurning'. Gurning is the art of pulling the most grotesque face while looking through a horse collar.

<sup>10</sup> For a comprehensive review of interwar Britain see: Aldcroft (1970); Hannington (1937); Loebel (1988); and, Ward (1988).

which depend upon raw materials that threaten to become exhausted in the near future; which have been hit most seriously by changes in world trading conditions since the end of the War; and in which industrial re-organisation and the newer technical processes threaten to reduce both output and employment. It seems impossible to escape the conclusions that the future of these industries is far from promising and that the course of events suggests a continuance of the general industrial decline which has dated from about 1880 in Cumberland and from the end of the War in the Furness district" (Jewkes and Winterbottom, 1933, pp.5-6).

"The stark facts of post-1920 economic change in West Cumberland [and Furness] can be summarised in few words; increasing exhaustion of local reserves of both coal and iron, the development of newer methods of steelmaking which rendered those of Cumberland [and Furness] largely obsolete, and world economic conditions combined to bring about a deterioration of the industrial structure of the coastal belt. Ironworks, ore mines and collieries closed one after the other, and little appeared to take their place, leaving, in the early 1930's, roughly half the working population unemployed. Hence, Maryport had no fewer than 61.2 per cent of its insured population unemployed in 1934, and Cleator Moor was 'partially derelict', although Workington, Whitehaven and Harrington, and, much of the time, Barrow-in-Furness, were never in such a desperate state. It was dependence on a few insecure industries which made for demoralisation or loss of population" (Marshall and Walton, 1981, p.223).

The inter-war years were characterised by three major features: mass unemployment; stagnation in some of the basic industries, and periodic crises, particularly the slump of 1929-1933. These effects were felt most strongly in the 'depressed areas', which included West Cumberland and Furness (despite Furness failing to receive official designation of "Special Area" status in 1934).<sup>11</sup> Due to the idiosyncrasies of industrial location, basic industries which were highly inter-connected had become concentrated in just a few areas of the country and consequently, the unemployment that accompanied the economic depression was also highly concentrated in these locations. In West Cumberland, Jewkes and Winterbottom (1933) stated "...it is true to say that iron and steel production is the root of the existing economic system. Without this, the coal industry would shrink to very small dimensions, the output of the iron ore mines dwindle considerably and the coke oven industry largely become unnecessary" (p.78). The Furness economy was heavily reliant on shipbuilding, although there did remain

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<sup>11</sup> For a specific focus on West Cumberland and Furness in the inter-war years see: Clarke (1981) and Jewkes and Winterbottom (1933).

some iron ore mining and iron and steel-making. As a result of this concentration on a few basic industries there were few alternative employment opportunities once these industries began to decline.

### *The Emergence of the Depressed Areas 1919-1933*

“Four years of war have firmly established the paramount importance to the country of the haematite pig iron industry between Workington and Carnforth. The iron and steel industry of the north west of England has come into its own” (*West Cumberland Times*, 1919, p.2).

During the post-war boom of 1919-1920 optimism spread throughout the nation. People on the west coast had benefited from the First World War as prosperity was restored to the centres of heavy industry. But such optimism was ill-founded and these old industrial areas during the inter-war years were to suffer for their wartime prosperity. Far from establishing “the paramount importance” of the industries of West Cumberland and Furness, the war had simply proved to be merely the prelude to decline, as Jewkes and Winterbottom (1933) were later to observe:

“By creating an artificial but temporary increase in demand for iron and steel, ships and munitions, the War placed the industries of the West Coast in an unfavourable position for adjusting themselves to post-war conditions. Small iron-ore mines which would otherwise have closed down were kept in operation: the output of coal and iron and steel was increased and, in particular, the shipbuilding and engineering industry at Barrow-in-Furness was greatly enlarged” (p.3).

Long-term trends were making the traditional industrial structure of Britain obsolete. Britain had come to depend to a great extent on the strength of its export trade (Sayers, 1967). In 1911-1913, two thirds of all exports consisted of the products of such industries as: coal, iron and steel, ships and textiles (Pollard, 1962; Taylor, 1968). Though still dominant and expanding, these industries were beginning to show signs of stagnation from the 1870's, while competition intensified, particularly from the United States and Germany. However, this situation was disguised by profits made from invisible exports and the continued strength in imperial markets. As a result, a complacency born of long supremacy meant many manufacturers did not feel the need to change their techniques or alter their markets (Levine, 1967).

As a result, in 1919, the manufacturing sector relied too heavily on industries whose long-term prospects were limited. World War One had intensified these structural problems, with overseas markets lost as countries were forced to become self-sufficient or look to other sources of supply. Also the demands of war had required further development of heavy industries which had exacerbated the imbalance in the economy.

In the national slump which followed the post-war boom (1919-1920), the basic industries began to experience the consequences of maladjustment in the economy. First to feel the effects was shipbuilding which suffered from falling prices and the terms of the Versailles Treaty (1919) which gave Britain much of the German fleet, and made many British yards idle. During the First World War the Barrow shipyard turned out submarines, cruisers, a battleship, field guns, howitzers and shells. The 'war boom' brought the town a peak population estimated to have reached 90,000, and at its peak, in January 1917, the shipyard employed 31,000 people. When depression struck the shipbuilding industry in the 1920's, the workforce was reduced dramatically, reaching a low of 3,150 in September 1922. The problem facing the Barrow shipyard was that it produced armaments but it was now a period of disarmament. The yard had to keep going by turning to merchant shipping and liners (P&O liners). In 1928 Vickers took over Armstrong Whitworth and Company, the new firm becoming known as Vickers-Armstrongs. Thereafter Barrow tended to specialise in merchant ships and submarines. It was not until the rearmament programme of the 1930's which brought Admiralty orders (the aircraft carriers "Illustrious" and "Indomitable", the cruiser "Jamaica" and two destroyers were ordered at this time) that Barrow began to experience full employment again.

The iron and steel industries of both West Cumberland and Furness suffered from their concentration on acid steel, for which demand was declining, as well as from expanded capacity and some technical backwardness (Burn, 1940). In 1919 the Workington Iron and Steel Company became part of United Steel, a Sheffield based organisation. This meant that the largest single employer in West Cumberland (the company owned steel and iron-works, collieries, iron ore mines, limestone quarries and coke ovens) was now controlled from outside, making the area subject to the

company's national strategy. The company embarked on a programme of rationalisation, closing down ironworks at Harrington, Maryport and Workington, and concentrating production at the adjacent Moss Bay and Derwent sites in Workington. Though this rationalisation was necessary to secure continued production, it inevitably caused unemployment in some parts of the area, particularly in the iron ore mining areas where, between 1919 and 1925, fifteen mines were closed down (Lancaster and Wattleworth, 1977). United Steel also invested in establishing a large dock in Workington (1927) which had the effect of virtually destroying Maryport as a port (Bainbridge, 1936; Marshall and Walton, 1981).

In the coal industry, despite some stormy labour relations (there were major strikes in 1921 and the General Strike in 1926), the coal industry did relatively well in the early 1920's owing to increased demand caused by a backlog of orders after the 1921 strike, the American coal strike of 1922 and the French occupation of the Ruhr in 1923. After 1924, however, increased foreign production as well as competition from other fuels caused trade to fail (Mitchell and Deane, 1962). In West Cumberland, coal production continued at a relatively high level to meet the demands of the Irish market and the numbers employed continued to expand until 1924 (Jewkes and Winterbottom, 1933). The mining industries then began to fall into decline, and this became particularly evident in the 1930's. Many coal seams were exhausted, the costs of extraction had increased, and pits were beginning to close with thousands of workers thrown out of work. The problems of unemployment were further exacerbated by the tradition of men working in family groups, so that when one mine closed fathers, brothers and sons all lost their jobs.

Paradoxically, despite falling exports, industrial production was on the increase due to an expanding demand for the products of new industries, such as electrical appliances, motor cars, bicycles, rayon and scientific instruments (Aldcroft, 1966). Though the expansion of these industries signified that the economy was adjusting to the new situation, it was not sufficient to compensate for the decline in employment in the old industrial regions. In addition, the new industries often tended to require adaptable unskilled female labour rather than the skill or strength of the male labour force which predominated in all the basic industries except textiles. The problem was further

compounded by geography, as the new industries developed in the Midlands, benefiting from established skills in metal working, or the South East, near London, the largest metropolitan market in the country. The economic problems of the UK were thus regional, and such divisions were becoming more pronounced as national spatial divisions of labour were transformed.

The response of both Government and private philanthropy<sup>12</sup> to the problems of the 1920's was very traditional. Government economic policies demonstrated a lack of understanding of the long-term trends in the British economy, as policy subordinated the emerging problems of unemployment to restoration of gold. This fulfilled traditional assumptions about the role of the Government in the economy. The Government was not expected to control the economy, but produce a stable climate in which economic forces could operate freely.<sup>13</sup>

In terms of Government policy, 1928 marked a shift in approach. Hancock (1962) suggests that it was during 1927 that the Government began to think more seriously "...about unemployment as a long-term reality" (p.339). By this time the frequently used excuses for the problems of the export industries - instability in Europe or labour disputes - had been shown by the passage of time to be fallacious. For the first time, the British Government was forced to face the problem of permanent contraction in several of the old industries.

In 1928, the Government established the Industrial Transference Board (Cmnd 3516) (HM Government, 1928), marking official recognition of the structural and regional nature of Britain's economic problems. The Board was to retrain men from the declining industries and by the use of grants enable them to move and find

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<sup>12</sup> Apart from insurance schemes and the poor law, direct relief of the unemployed was left to private charity. The reliance on the philanthropic community in dealing with social problems was well established in Britain (see Moore, 1977; Owen, 1964; Rooff, 1957).

<sup>13</sup> The rationale against direct Government involvement became known as the "Treasury view". The proponents of this view assumed that the market inherently tended towards an equilibrium at which resources were fully used. They argued that at any one time there was a fixed amount of capital available for investment. If the Government intervened in the economy, there would be no net addition to production, there would only be more public output and private investment would be adversely affected because Government intervention could upset business confidence, while borrowing for investment would raise the interest rate working against the private sector (Hancock, 1962).

employment in expanding industries. The report recommended “...the dispersal of the heavy concentrations of unemployment by the active encouragement of movement from the depressed areas to other areas” (p.16). This remains the only instrument of Government policy which has concentrated on moving workers to work. The scheme ran for ten years but after initial successes began to falter. The Ministry of Labour (1929) blamed this on “...a change in the quality of men coming forward for transfer” (p.7). Transference proved unpopular as it intensified unevenness by removing the most able and enterprising of the workforce from declining areas, which tended to have a deleterious effect on the areas they left and created a high degree of direct personal dependence on the state (McCrone, 1969; Owen, 1937).

Unemployment was the main issue in the 1929 General Election. The Labour Party benefited from this concern with unemployment and was elected to Government. The expectations were that the Labour Government would be more active in dealing with the unemployment problem, but it was to be its misfortune to have to deal with the problem of a general world depression. Britain did not suffer as badly as the United States and Germany, but the rising unemployment figures put acute pressure on the Government. The Labour leaders were caught between the limitations of their economic outlook and their political commitment to the working class and the unemployed. The Cabinet felt that the world crisis was not a time for experiment, and in this situation, the problems of the depressed areas tended to be overlooked. The Government initiated economic surveys of some depressed areas in the Spring of 1931<sup>14</sup>, but no specific policies were introduced to help them. In August 1931, the Labour Government resigned, paving the way for the formation of the National Government, which set the scene for the 1930's.

The depressed areas bore the brunt of the national depression which developed out of the overseas depression. In West Cumberland, 31.7% of the workforce were unemployed in 1931 and 41.3% in 1932 (Jewkes and Winterbottom, 1933, pp.8-9) and

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<sup>14</sup> These economic surveys were carried out by University Professors under the auspices of the Board of Trade. The areas investigated were: South Wales; North East England; South West England; Scotland; Lancashire and Merseyside (including Furness); but not Cumberland.

in 1933 unemployment stood at 32.6% in Cumberland, and higher in the west.<sup>15</sup> Though these regional disparities were obvious the Government continued its minimalist approach, attempting to build the confidence of business so that the private sector could lead Britain out of depression, with depressed areas gradually sharing in the benefits of renewed national growth. The aim of the Government was therefore, to balance the budget, achieve monetary stability and thus restore confidence in Britain's international trading position.

The Government also introduced protectionist measures to British industry. The general tariff (1932), followed by the Ottawa agreement, attempted to establish a measure of imperial preference. The results of these protectionist policies, did not necessarily increase employment, and although it assisted national markets it adversely affected the export trades, which were the staples of the depressed areas. Tariffs also encouraged retaliation by trading partners which further hampered exports.

West Cumberland and Furness were affected in several ways by the austerity measures of the Government. Though retrenchment affected all parts of the country, its effects were especially pernicious in the depressed areas, where there was a greater need for the services that had been cut. Reductions in unemployment benefit forced more families to rely on local resources for aid, which increased the burden on local rates. The Government transference scheme deprived these areas of able workers. The effective ending of public works schemes also affected opportunities for employment. In Cumberland, the County Council road schemes and plans for slum clearances in Whitehaven, and a new school in Workington, were all abandoned. The area's amenities were thus affected, making it even more unattractive to any potential new employers.

The adoption of tariffs had an even greater impact on West Cumberland. Protection enabled the Government to engage in a tariff war with Ireland which began in 1932.

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<sup>15</sup> Unemployment figures for West Cumberland in 1933: Maryport (66.8%); Cleator Moor (60.7%); Workington (41%); Whitehaven (39.9%); Millom (37.7%). Figures taken from the *West Cumberland Times*, 1933.



The campaign was political in intent but economic in effect. The Irish imposed 20% duties on British products including coal, with disastrous effects for Cumberland (Lyons, 1973). The county's coal shipments to the Irish Free State were halved during 1932 while its Ulster trade was also affected, as some of the coal shipped to Belfast had been re-exported to southern Ireland. Though most of the collieries in West Cumberland were affected, Whitehaven was worst hit with only one of its four mines still working. In 1933 Whitehaven harbour had its worst year since 1878 (*West Cumberland Times*, 1934a). In August of 1934 the Whitehaven Colliery Company was forced to close. William Nunn (Member of Parliament, for Whitehaven) said: "Whitehaven is suffering, unfortunately from the effect of national policy. It is unfortunate, but obvious, that the policy cannot be altered" (*Whitehaven News*, 1934a). Jewkes and Winterbottom (1933) also stated: "It is patent from the events in Cumberland and Furness in the past five or six years, that measures taken by the State have had serious reactions upon the industrial fortunes of the area, and that economic policies of a haphazard kind have been and are being pursued which, whatever advantages or disadvantages they have had for the nation as a whole, have certainly made for more unemployment in Cumberland and Furness" (p.41). The effects of the destruction of many of these major branches of industry was the destruction of a way of life in many places.

The absence of any direct help from the Government meant that the depressed areas were thrown back on their own resources. Local authorities suffered financially, partly because of migration particularly among the young enterprising people, depriving the area of vital skills. The very young and the old remained, those who made the most demand on local services. As local unemployment persisted and unemployed workers exhausted their national insurance benefit, the burden on the local poor rate increased (Branson, 1975).<sup>16</sup> Initiatives came mainly from the early prototypes of governance, small local development organisations (Whitehaven Industrial Development Committee, Maryport Development Company, Millom Development Committee and the West Cumberland Development Board in Workington) which were supported by

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<sup>16</sup> National unemployment insurance benefits were only paid for a limited time, usually 6 months. Following this, the unemployed became dependent on local resources, financed through the rates (local taxes).

local authorities and businessmen, in attempts to attract new industries to the area (mainly by advertising). Cumberland had no regional development organisation so the effort was fragmented, as local rivalries prevented them from working together. Their main aim appears to have been to increase business for small tradesman by the promotion of carnivals and shopping weeks. Some areas began publicity initiatives to attract new industries, using methods of 'place promotion', producing brochures aimed at industrialists and businessmen, setting out the industrial advantages of the area. It would appear that their attempts to attract industry through advertisement proved ineffectual and that the main problem in West Cumberland was a lack of co-ordination between these development organisations.<sup>17</sup>

There were also no obvious local leaders who could unite the areas efforts. The local landowning families were uninterested in lending the prestige of their name to any local efforts. Nor were there any major industrialists in the area. United Steel, the largest industrial concern, had its headquarters elsewhere. There was also no university whose research interests could further local industry. The existence of local particularism prevented any co-operation among the local authorities, as extreme parochialism between villages and towns restricted any possibility of unity.<sup>18</sup> The local particularism destroyed plans to move County Council offices away from Carlisle, so that the county rather than the city would benefit from the rates paid for the offices. However, squabbles over whether the offices should move to Cockermouth, Maryport or Workington, prevented a united front, and ensured that the offices stayed in Carlisle.

West Cumberland was part of the county of Cumberland, which held its administration in Carlisle. The representatives of the industrial west were in a minority and thus found it difficult to push their point of view, as councillors from

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<sup>17</sup> Maryport was included in a list of towns with available factory sites published by the British Association of Chambers of Commerce; and Whitehaven Council published a booklet advertising the town's amenities in 1931 and 1933.

<sup>18</sup> For example, the animosity felt between Maryport and Workington was displayed in the columns of the *West Cumberland News* (This paper had three leader columns from Maryport, Workington and Whitehaven). "Ewanrigg", the Maryport columnist, claimed that Workington's dock had "killed Maryport and that this was base ingratitude as Workington's economy had originally been parasitic on Maryport's economy". The Workington writer responded with the same contempt, and such conflicts were regular, but particularly vicious in 1934.

other districts were not alive to its problems. Such difficulty in convincing Carlisle of the needs of the west coast, made it more difficult to be recognised in London. However, local Members of Parliament throughout the 1920's tried to persuade the Government to adopt policies favourable to the industries of West Cumberland.<sup>19</sup> The parliamentary influence of Cumberland remained weak, with only four Members of Parliament representing the county. They could not command much attention, particularly as, after the 1935 General Election, they came from three different parties.<sup>20</sup>

Despite this varying national representation, in political terms it was during the years of depression that the Labour Party gained its hold on West Cumberland. But there is no simple correlation between depression and Labour representation. Both the borough and parliamentary constituency of Workington went Labour before Whitehaven, though Whitehaven was arguably more depressed. The Whitehaven constituency did contain Labour strongholds such as Arlecdon and Frizington Urban District which had elected the first all Labour council in England in 1919. The Labour Party was strong where there were strong union leaders such as Tom Cape and Ambrose Callaghan in Workington and Jack Adams in Arlecdon. However, Whitehaven Council was not controlled by Labour until 1934, and at every election between 1918 and 1935 the Parliamentary seat changed hands. Dunbabin (1980) claims that "...after the first war...western Cumberland, like Durham, went Labour on a basis of class solidarity" (p.263), but the change was neither as sudden nor as simple as this implies. It took prolonged experience of depression to turn Whitehaven into a Labour stronghold.

Local initiative did, however, have one achievement. Despite local protests, the Board of Trade did not commission a survey in West Cumberland in 1931. In 1932, enough local funding was raised to finance a private survey which was carried out by two Manchester economists; John Jewkes and Alan Winterbottom (1933) who published

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<sup>19</sup> For example, Gavan Duffy (MP for Whitehaven) in 1922, asked that the Admiralty demand that a fixed proportion of British ores be used in steel for naval shipbuilding. The request was refused.

<sup>20</sup> The Members of Parliament returned in the 1935 General Election represented three different parties: Tom Cape and Frank Anderson were Labour; Alan Dower was Conservative; and Wilfred Roberts was Liberal.

*An industrial survey of Cumberland and Furness: a study of the social consequences of economic dislocation.* This report was bleak, suggesting that there were few opportunities for new industries in West Cumberland, that the prospects for the basic industries were poor and that transference would have to be the main remedy. Such tidings were unpopular in Cumberland and encouraged William Nunn (Member of Parliament for Whitehaven) to call a conference in Cockermouth to discuss the area's future, with local authorities, businessmen and unions in attendance. This meeting is significant because it marks the first time that the representatives of so many interests in the area had come together to discuss common problems. Also, the commissioning of this survey shows that people in West Cumberland and Furness had some awareness of the need to do something and diversify industry. But the area's problems were so intractable that self-help alone was not sufficient; there was the real need for Government aid.

By the beginning of 1934 it was obvious the distressed areas were not sharing in the general trade revival, and a series of events forced this contrast into public view. First, the National Unemployed Workers Movement (NUWM) hunger march in London, protested at the provisions of unemployment assistance (Hannington, 1937). Secondly, a few weeks after the hunger march *The Times* published a series of articles focusing on the distress of Durham, painting the bleak picture of the miseries of the unemployed and urging Government action. In April, the *Daily Express* appointed "Special Commissioners" to investigate the areas and "tell the story that must be told". The paper carried articles on towns in the North East of England, South Wales and Cumberland, bringing the problem of these areas before a much wider public (*Daily Express*, 1934, 12th to 20th April). The BBC were broadcasting Saturday evening programmes, consisting of interviews with the unemployed. Also there was the publication of Greenwood's *Love on the dole* (1933) and Priestley's *English Journey* (1934), which depicted the contrast between the prosperity of the Great West Road and the dereliction of Jarrow.

These events aroused public feeling to such an extent that the Government could no longer ignore the "...places without a future" (*The Times*, 1934). The Government were forced to respond to this public opinion by appointing four investigators to

inquire into the conditions facing four areas: North East England, West Central Scotland, South Wales and West Cumberland.<sup>21</sup> The *Daily Express* stated the aim of the investigation was to find out what new industries could be developed in the depressed areas. In Cumberland, the appointment of the special investigator was said to be "somewhat late" (*Whitehaven News*, 1934b; *West Cumberland Times*, 1934b). There was also some criticism of the exclusion of the iron mining districts of Furness from the investigation (*Millom News*, 1934). Nevertheless, the appointment of these investigators is significant because it marks the beginning of state intervention in areas suffering the effects of economic change.

The Government found that, far from causing the problems of the distressed areas to be shelved, the investigators stimulated more public concern and a desire for stronger action. The investigators agreed there was a problem of surplus labour and that transference would have to be the major solution. All proposed some form of land settlement and some individual schemes to improve amenities in the areas. Davidson's report was gloomy, accepting that "West Cumberland will have for years to come a substantial surplus of labour with no hope of outlet locally" (Ministry of Labour, 1934, p.83). As a result the Government reluctantly designated these same four areas as 'Special Areas'.

### *Special Areas 1934-1939*

The Special Areas (Development and Improvement) Act (Cmnd 4728) (HM Government, 1934) made available £2,000,000 and appointed two commissioners to promote the recovery of those four designated areas and to alleviate the social and political problems resulting from regional industrial decline. It was initially regarded as a temporary measure with a fixed length of time, two years. The 'Special Areas' were intended to be 'experimental' and the commissioners were given only limited powers, being unable to provide funds for any profit-making enterprise or to any project which could receive any other Government finance.

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<sup>21</sup> The special commissioners appointed were: Sir Euan Wallace (North East England); Sir Arthur Rose

Malcolm Stewart, the commissioner for England and Wales (1934-1936) identified three main hindrances to attracting industry to the 'Special Areas': sites, finance and rates. Following such suggestions the Government began slowly to act on addressing these problems through new forms of direct state intervention. In 1936 the Government introduced factory building into its regional policies with the creation of the North Eastern Trading Estates Limited. The intention was to encourage development of new light industry. In West Cumberland, such an approach was rejected by the Government on the grounds that the population was too small to provide a local market, that the adjacent area was agricultural and therefore provided limited purchasing power and that the area was too remote and difficult to reach to attract sufficient industry (Fourth Report of the Commission for the Special Areas, 1937, p.350). Indeed there were severe doubts in London about the industrial viability of West Cumberland: "...in future West Cumberland can only have tourists to supplement the existing industries which are based on natural resources" (Public Records Office, Note by Ryan, 15/9/36). This view resulted in projects in the county being justified simply on the grounds that the Government had to be seen to be doing something.

Apart from the problem of sites, the difficulty of getting capital was a major deterrent to new industry in the Special Areas. In April 1936, the establishment of the Special Areas Reconstruction Association (SARA) provided nominal capital of £1 million to provide loans of up to £10,000 for small businesses in the Special Areas. Also, in December 1936, a £2 million trust was established by Lord Nuffield (motor manufacturer) to help undertakings set up in the Special Areas (Andrews and Brunner, 1955). This gift was intended for use in more unorthodox ways, to finance businesses or promote social services, but also marks the beginnings of public-private involvement in depressed areas.

High rates were also seen as a deterrent to industry and Stewart argued that rate relief would increase the Special Areas attraction for industry (HM Government, Third Report, 1936, p.70) but on this issue Stewart was unable to make any headway.

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(Scotland); Sir Wyndham Portal (South Wales); and, J.C.C Davidson (West Cumberland).

By the time of Stewart's Third Report (November 1936) he was unable to point to any major changes in the industrial position of the Special Areas. The limited improvement in employment was more the result of rearmament than of the Special Areas policy. Stewart had, however, succeeded in winning more positive powers to attract industry, through the formation of trading estate companies and the establishment of SARA. Stewart admitted, the impact of these new powers would inevitably be long-term (HM Government, Third Report, 1936, p.31). In the meantime the immediate problem of dealing with the so-called 'surplus population' in the Special Areas remained.<sup>22</sup>

From 1936, the Government became increasingly preoccupied with foreign affairs, but important changes were occurring in domestic policy continuing the trend for state intervention in designated 'Special Areas'. In 1937, under the Special Areas Amendment Act, the Treasury was empowered to give loans to larger firms than those helped by SARA. The 1937 Act also further encouraged the development and use of trading estates and introduced special tax incentives for firms moving into the Special Areas. These powers represented the first attempt by the state to interfere in the economy at the extreme micro-level, the individual firm. There was also a Royal Commission under Sir Montagu Barlow commissioned in 1937 (Barlow, 1940) and in 1939 the Loans Facilities Bill was introduced.

### *The Special Areas Legislation - The Case of West Cumberland*

Of all the Special Areas, West Cumberland was the smallest, both physically and in terms of population. It was the most peripheral of the Special Areas, isolated from main roads, surrounded by agricultural areas with low purchasing power and with no nearby cities to provide focal points for growth. West Cumberland therefore presented a major problem to appointed District Commissioner L.St. Clare Grondona who had difficulty in finding suitable schemes to implement.

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<sup>22</sup> In November 1936, Stewart resigned to be replaced by Sir George Gillett.

The local authorities seem to have welcomed the legislation and put forward schemes for sewage works, roads and the development of public baths. Following this initial enthusiasm, however, disenchantment seems to have set in. One cause was the non-appearance of Stewart, who visited West Cumberland some weeks after touring the other Special Areas. Also, both politicians and the local press were critical of the way in which other areas were treated and were quick to pounce on evidence of favouritism. This problem was particularly acute in West Cumberland which, as the smallest area, did not get as much in absolute terms as the other Special Areas. By the summer of 1935, much of the initial enthusiasm for the Special Areas legislation had evaporated in West Cumberland (Clarke, 1981).

### *Cumberland Development Council*

One of Grondona's aims was to encourage local co-operation and initiative in an attempt to revive the area. Divisions between the local development boards had previously inhibited co-operation, and merger of these organisations was resisted by the Whitehaven Industrial Development Committee (*West Cumberland Times*, 1935), and Grondona also had a low opinion of the West Cumberland Development Board's capacity for action and initiative (Public Records Office, Grondona to Stewart, 17/5/35). It was decided to set up a completely new organisation and so the Cumberland Development Council (CDC) was formed on the 27th September 1935, the forerunner for the evolving system of institutional involvement in local economic development. The CDC had a large membership, resembling later partnership models, including representatives of local authorities and trade unions, though the prominent members were leaders of local industry:<sup>23</sup>

“The Development Council was formed as a voluntary organisation at a time of mass unemployment. Its sponsors came from all walks of life in the Area, and they had one objective in view; that was to try and bring work and employment to a district which they loved and whose people were passing through the most difficult economic catastrophe in the long history of the Area. They were determined to find a solution to their

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<sup>23</sup> Similar to present day involvement of BNFL in West Cumbria, W.S Sadler of Millom became the Chairman of the CDC, a retired director of Vickers, the Barrow shipbuilding firm. Jack Adams, a Labour member of the County Council became the secretary. Lord Lonsdale became the President.



problems and, as a first step, the Development Council was established. Representation on the Development Council has, from the beginning, been mainly of Industrialists and Trade Unionists, together with a number of public spirited individuals and, of course, nominated representatives of the local authorities” (CDC, 1957, p.13).

An initial grant of £5,000 was made by the Special Area Commission to the CDC with further funds promised from local industry and commerce. Its first objective was to promote the economic welfare of West Cumberland by publicising the industrial advantages of the region, in an attempt to attract new industries and revive existing ones. The second objective was to carry out a complete economic survey of the area, which was undertaken by Professor Daysh of the University of Durham.<sup>24</sup> The third objective was the creation of the West Cumberland Industrial Development Company (WCIDC) with the aim of providing industrial sites and factories.<sup>25</sup>

The overlap of membership between the two groups ensured co-operation. The WCIDC and CDC acted together through a joint committee upon which members of both bodies were represented. All of the local directors of the WCIDC were on the executive of the CDC. As the main body of the CDC was rather unwieldy, there was an Executive Committee with twenty members. The CDC was further divided into committees which dealt with different aspects of Cumberland’s problems (Advertising and Publicity Committee, Iron Ore Committee, West Coast Road Committee). Though the CDC as a whole was cumbersome, it met as a body only once a year, but it did represent a wide range of interests and could truly claim to speak for West Cumberland.

The CDC’s main powers were limited to advertising the county and acting as a pressure group. The aim of the CDC’s publicity was to attract both tourism and industry. One of the first projects was the production of a brochure, *Wonderful West*

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<sup>24</sup> See: Daysh, G.H.J (1938b) *West Cumberland (with Alston) A Survey of Industrial Facilities*, Cumberland Development Council, Whitehaven.

<sup>25</sup> The WCIDC was formed in 1937. It differed from Trading Estate Companies because of the nature of the problem in West Cumberland. The CDC had pressed for powers to acquire sites and establish new industries on individual sites within the area, rather than in one large concentrated Trading Estate. The CDC wanted “to take the work to the people”, and over a number of years sites were created at: Solway Estate in Maryport; Aspatria; Northside; Workington; Salterbeck; Distington; Hensingham; Kells; Cleator; Cleator Moor; Frizington; and, Millom, covering the main centres of unemployment.

*Cumberland*, covering the entire area. Consisting of photographs rather than text, the booklet emphasised the scenic beauty of the Western fells, but also mentioned the harbour facilities along the coast. A scheme also began to build a sea-wall in order to drain an area of land north of Maryport with a view to turning the town into a sea-side resort. The CDC also advertised in trade journals and produced leaflets emphasising the industrial potential of West Cumberland.

The CDC's main energies were directed towards attracting and maintaining traditional forms of industry with a view to providing more immediate employment. This strategy had limited success with the attraction of four new factories by the outbreak of the war: these were concerned with leather tanning (which closed by 1938); lawn mower production; leather goods; and, surgical instruments. In fact, the Reports from the Commissioners for the Special Area between 1935-38 show that there were more factories closing in the area than there were opening.

Several firms in West Cumberland, after years of depression, could no longer afford to replace old equipment and were in danger of losing markets because they could not keep up with orders. In such cases only the Nuffield Trust and SARA were empowered to help. Though such aid did not help to diversify the economy of the area, it did keep men in employment and was much more acceptable locally than loans to outsiders. The biggest success and effect was the reopening of Haig Pit and William Pit in Whitehaven, in 1937. Both pits had closed in October 1935 with the combined loss of 2,500 jobs.

By 1937, the CDC itself was beginning to recognise the size of the task and the futility of its attempts at creating employment. In its Annual Report (1937), Mr C.H Roberts pointed out that all the CDC had achieved since its formation was the re-opening of the Whitehaven pits (for which it needed financial assistance from the Nuffield Trust) and the establishment of three new companies:

“The public are losing patience with regard to the results of the Council's work since its inception...the blame must be placed on the tendency to procrastinate in 'higher-spheres', among the great men up in London” (CDC, 1937, p.13).

The CDC had realised that its powers were so limited as to be almost useless. Anything they wanted to do had to be approved by Whitehall. The conclusion the CDC arrived at was submitted as evidence to the Barlow Commission in 1938. The CDC believed that only a national planning scheme, and not a variety of uncoordinated local palliatives, could solve the problems:

“It would seem desirable to adopt a definite planning scheme for the country as a whole and not attempt simply patchwork cures for selected portions of it” (CDC evidence submitted to the Barlow Commission, 1938, p.15).

By the end of 1937 Britain was entering a recession and companies were not so willing to expand even with Government aid. In the event, much of the aid to industrialists went not to British companies but to refugees, forced by political circumstances to flee the continent. In addition, some continental manufacturers, worried about the future, took advantage of the legislation to open branches in Britain whilst retaining parent plants in Europe; this was the case with both West Coast Chrome Tanning and Hornflowa in Cumberland. Many of the refugees brought industries that were new to Britain. In Cumberland, the Hornflowa factory produced high quality buttons of a type not made anywhere else. The effects of such new industries, however, were slight, employing only 443 people by June 1939, against the expected total of 2,000 jobs (Cumbria Records Office, CDC Executive Committee Minutes, 5/7/39). Moreover, women and juveniles formed the bulk of the employees, and so the new industries did not offer a real solution to the problem of male unemployment. In an area where there was no real tradition of female employment, jobs for women were not regarded as an adequate substitute for jobs for men. There also seems to have been some resentment of the foreign ownership of so many of the new industries. Nicholson (1949) remarked that the new industries were “...all strangers and mostly foreigners...an alien, unassimilated and apparently affluent minority” (pp.253-254). Local demand, according to Nicholson, was for companies which would fit more easily into local traditions, and which would be tied to the area by the use of local resources. These companies would be preferable to those which

manufactured “...mass produced goods and gadgets which can just as well be made in the suburbs for which they are intended” (*ibid*, p.254).

As the European situation deteriorated, strategic considerations made the Special Areas on the west coast more attractive as sites for industry, in particular defence work. Again, the Government intervened by subsidising the building of a shell plant at United Steel in 1937, and in the same year began the construction of an RAF depot in north Cumberland which eventually employed 1,400 men. However, no Government factory was established in West Cumberland before the war, despite the areas undoubted advantages as a producer of high grade steel in a strategically safe area. Cumberland also benefited from the labour shortages at Vickers, who turned to West Cumberland as its nearest source of apprentices (Scott, 1962; *West Cumberland Times*, 1937). However, there remained the very real problem that the ‘surplus population’ in the Special Areas did not have the specific skills that were required for certain types of production. The placing of contracts in these areas did not always mean more jobs. In some cases, men in work were simply given overtime. This was partly because men in these areas had lost skills and their fitness for work during the years of unemployment (Clarke, 1981).

The 1937 Special Areas Report believed that rearmament may have actually hindered developments in the area due to its demand upon construction materials which restricted the building of new factories or the extension of existing industries. Also, the rearmament programme did not help to solve the basic problem of the areas reliance on a limited range of industries. Significantly, this problem was not always recognised in the Special Areas as the inhabitants remained faithful to the basic industries: “Britain cannot survive by the manufacture of wireless sets, umbrellas or buttons. We need the basic industries” (*Workington Star*, 1935). But there was also grave doubts beginning to be expressed as to what would happen when rearmament ended: “The problem (of the Areas) is not yet solved, especially as substantial numbers of those employed are in armament work...if this work stops then the situation would be as bad as ever” (Cumbria Records Office, Memorandum prepared by the Development Organisations operating in the Special Areas, October 1938). By August 1938 £6,464,000 had been spent on industrial development in the Special

Areas (*The Times*, 1938), a very small sum when compared to the £397,497,977 spent on defence in a single year, 1938 (Shay, 1977, p.297). Clearly the introduction of any new industries was going to be a long-term process.

### *Conclusion*

The First World War had given a temporary, false boom to the basic industries, but by the mid-nineteen-twenties the decline of the latter was clearly evident. The 'trough' of the inter-war period occurred between 1931-1934, with the nadir reached in the winter of 1932-1933. Unemployment at this time, in the worst hit areas, was far more general than it had ever been before. The years 1935-1939 are sometimes considered recovery years, but just as the depression had been concentrated in specific areas, the recovery was mainly limited to those regions that had been least affected by the economic slump.

The Government of this period was relatively impassive in the face of high levels of unemployment in the depressed areas because of an unwillingness to depart from the economic and financial status quo, and because it did not know how to deal with this unprecedented situation. Unemployment during the 1930's was not only high but it affected the population for longer.<sup>26</sup> The Government maintained its orthodox approach which claimed intervention would fail to improve the situation in the depressed areas and might even adversely affect the economy as a whole. Priority was placed not on the relief of unemployment but to the stimulation of business confidence; this involved balancing the budget, keeping Government expenditure down and allowing the market to operate relatively freely. Such a policy militated against giving aid to the depressed areas, for fear this would disrupt the normal operation of the economy elsewhere. As a result, this tended to exaggerate the uneven development of the interwar economy.

Following a public outcry in 1934, intervention eventually became politically unavoidable. The Special Areas legislation was belated and a minimal response. Its

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<sup>26</sup> This feature of unemployment has not abated to the present day.

measures were far more limited in scope than was desirable if effective economic rehabilitation was to occur. The Special Areas commissioners were hindered in their work due to the limitations imposed upon them by the terms of the Act, and by the policy of obstruction and lack of commitment by the Government. Glynn and Booth (1983) claim the Special Areas initiative was simply "...a political gesture devoid of economic faith" (p.342). By May 1939 the Special Areas organisations had helped to establish 158 new factories employing 6,954 people (Public Record Office, Special Areas Progress Report, 31/5/39) but the number of jobs provided was pitifully small in comparison with the size of the problem. There were still 232,647 unemployed in the Special Areas in March 1939 (Ministry of Labour, 26/4/39). Many of the new industries employed women and juveniles and so tended to attract new people to the labour force rather than tapping the pool of unemployed. Despite assertions of self reliance, the legislation did induce a degree of local dependency and selfishness. Once it was known that money was available, all efforts were concentrated on gaining as large a share as possible for Cumberland. The Areas were competing for a limited supply of money and each was concerned to get at least its fair share.

Though the CDC made no concrete gains during its first years, its formation was still a significant achievement because, for the first time, West Cumberland had an organisation that could act as its spokesman. Also, the CDC represented only the Special Area, so its attention was not diverted by rivalries between Special and non-Special areas. The CDC also seemed successful in gaining the support of business interests and local authorities. But it is also clear that publicity and marketing was not enough to counteract the depressed image of West Cumberland: "Manufacturers will not come into what has been described as a Special Area without inducements...for years the isolation and poor transport of West Cumberland have been topics of discussion in the press" (Public Records Office, Note by Grondona to Ryan, 31/8/36). Also, despite the CDC representing a wide range of interests it seemed unable to eradicate doubts and suspicions about its value and motives. As Fogarty (1947) claims:

"If the CDC's own work still attracts suspicion and political animosities on the part of interests not directly engaged in it, then clearly it can have made only a limited impression on labour relations or party politics in

general. While the by-passing of party politics, at least within its own ranks, is one of the main achievements...its performance in stirring up apathetic supporters and balancing out other forms of parochialism and sectionalism is distinctly less impressive. In the first place persuading the relevant interests to attend, and secondly inducing them to develop a 'common mind' - a reasonably non-parochial approach - in matters affecting each area or region as a whole...cannot in all honesty be said to have done as much as might have been desired" (p.40).

Overall, no remedy for unemployment in the Special Areas was found during the 1930's and the underlying structural problems in the economy remained. Nevertheless, this period marked the first signs of nation state intervention through regulation to deal with the crisis of the prevailing regime of accumulation and the CDC was the forerunner of public-private partnerships to come.

#### 4.4 The War Years 1939-1945

The Special Areas legislation continued into the war but full employment and high wages meant that much of the legislation was irrelevant. However, the sense of national emergency created by the war provoked a realisation that the dangers of the war were being felt by all, and that the nation's resources had to be shared. This idea underlay the famous leader in *The Times* on July 1st, 1940:

"If we speak of democracy, we do not mean a democracy which maintains the right to vote but forgets the right to work and the right to live. If we speak of freedom we do not mean a rugged individualism which excludes social organisation and economic planning. If we speak of equality we do not mean a political equality nullified by social and economic privilege. If we speak of economic reconstruction, we think less of maximum production (though this too will be required) then of equitable distribution" (p.5).

The first indications of the direction of possible post-war planning came with the publication of the Barlow Report in 1940 (Cmnd, 6153). It had become clear that the problems in the Special Areas of unemployment and underemployment, the solutions to which were proving more difficult than expected, were being added to by the social, economic and strategic disadvantages of the concentration of industry in London and the South East. The Report concluded that there was a need for a national.

planning agency to formulate a plan for the dispersal of industry from such areas and to be responsible for anticipating regional depression and encouraging diversification of industry. A Ministry of Labour memorandum clearly showed the changes in Government thinking: "...the approach to structural unemployment lies only partly in securing the mobility of labour, but more fully in securing that a sufficient and diverse proportion of light and developing industry establishes itself in accordance with employment and population needs" (Public Records Office, 15/10/43). Work was to be brought to the workers and the location of industry was to be determined by social needs rather than solely by the economic interests of industry.

The White Paper on Employment Policy emerged in May 1944 (Cmnd 6527) (HM Government, 1944), officially marking the Government's acceptance of what had emerged during the war years: "The Government accept as one of their primary aims and responsibilities the maintenance of a high and stable level of employment after the war" (Employment Policy, 1944, Foreword). The White Paper was clearly conditioned by a fear of a return to boom and slump which had followed World War One and also revealed a conversion in Government thinking to the interventionist ideas of John Maynard Keynes. The Government was pledged to maintain the total level of expenditure, in order to keep demand at a high level to ensure full employment. In cases of regional depression an active policy was also promised: "...where a large industrial population is involved, the Government are not prepared either to compel its transfer to another area or to leave it to prolonged unemployment and demoralisation" (*ibid*, p.13).

This commitment to high employment forced the Government to act as the slow down in war production became apparent in 1944. The Distribution of Industry Act (1945) was the result. In some ways resembling the Special Areas legislation, the Board of Trade was given powers to buy and build factories, to make loans to trading estate companies, to clear derelict land and give grants and loans to firms.

During the war, the Government's capacity for developing more active post-war policies had increased. Taxes were raised and the tax base increased preparing the way for more active Government policies after the war. At the same time, the Civil Service



expanded, to cope with the increased burden facing the Government. This enlarged body of administrators meant that future Governments would have the machinery to implement more interventionist policies.

In Cumberland, due to the war, unemployment had halved by March 1940 as the area was experiencing "...a situation more nearly approaching prosperity than anything seen for many years" (Cumberland Friends, March 1940). The remote location of West Cumberland and Furness benefited these areas during the war as companies moved for strategic reasons. The War also created demand for coal, iron and steel, shipbuilding<sup>27</sup> and heavy engineering which created a short reprieve for these industries. The fundamental structural problems in the county's industrial communities were to re-surface after 1945.

Government activity increased in the county: Royal Ordnance factories were established at Bootle, Drigg and Sellafield and Government aid was given to both new and established firms for armaments production. United Steel opened an electric steel making plant at Chapel Bank, Distington. Also in Distington, High Duty Alloys, a Slough firm, began production of aircraft parts. The iron mines, controlled by the Ministry of Supply, were in full production. So desperate was the need for ore that resources under Cleator Moor were exploited, necessitating the demolition of part of the town.

All of this activity, coupled with evacuation of people from more vulnerable areas, had several implications for West Cumberland. In mid-1941 the population of the Special Area was 154,160, an increase of 9% since 1939 (Daysh, 1949, p.120). This influx had created a major housing problem and in 1940 the North East Housing Association was commissioned to build 1,000 new houses in the area. The composition of the workforce also changed. The percentage of women workers increased from 9.64% in 1939 to 25% in 1945 (*ibid*, p.118). The industrial distribution

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<sup>27</sup> During the war eight destroyers, one cruiser and two light fleet carriers were among the naval vessels launched at Barrow. Ten of the semi-standardised "Empire" ships were also built, eighty-seven submarines were built during the six years of war, as well as eighteen X-craft midget submarines (Clark, 1971; Scott, 1962).

of the workforce also changed, though mining and metal industries continued to be important, by 1943, 37% of the insured population were chemical workers (*ibid*, p.123). Thus the effect of the war was to increase and begin to diversify the labour force.

This movement towards diversification was vital to the area because it was becoming clear that the mineral resources on which Cumberland industries were based were becoming exhausted. In 1942, the last of the Aspatria collieries had closed, which indicated that the inland coalfield was being worked out. Though significant under sea resources remained, they would be expensive to exploit, and Cumberland was already a high cost coalfield. Iron ore was also being depleted, though the local mines were being worked at full capacity, output fell during the war from 655,325 tons in 1939 to 405,800 tons in 1945 (Lancaster and Wattleworth, 1977).

The work of the CDC during the War was concerned with supporting new industries, protecting key workers from conscription and securing Government contracts. As part of the reduction in Special Areas spending, Government grants given to development councils ceased in March 1940. The North East Development Board closed and its Welsh counterpart was drastically reduced in scope as a result. However, in West Cumberland, some internal strength had been created by the CDC partners. Three firms immediately increased their subscriptions, encouraging others to do likewise and the CDC was able to continue. This survival was largely due to all the major local groups being represented on the CDC and all pulling together in the same direction. The WCIDC, which was still aided by the Government, continued to work with the CDC to help new industrialists in the area.

During the war years two new capital-intensive industries were created by in-coming refugees to become major employers which remain today. In West Cumberland, two Czech refugees, Marzillier and Schon, began the manufacture of firelighters in Whitehaven in 1941. Following a move to a new location on the site of a former colliery at Kells, in 1943, Marchon Products began. They later merged with Solway Chemicals and diversified into the processing of chemicals used in the production of

detergents, which were based on local sources of anhydrite. This operation emerged into a chemical industry which at its peak employed 2,000 workers in Whitehaven.

Similarly, Glaxo established a plant on the site of an old ironworks at Ulverston to process antibiotics to use as ingredients in pharmaceutical products. The location choice was partly related to the vast supply of clean water, to use in the fermentation process. Also, the location away from major centres of industry and population had strategic importance. The plant had significant military importance during the war years as it produced 80% of all penicillin supplies. Glaxo was to remain a significant employer for the Furness region.

Prospects still looked bleak in 1944, however, with work at High Duty Alloys and the Royal Ordnance Factories running down. A further problem was that the new Ministry of Town and Country Planning tried to classify Silloth, Drigg and Sellafield as rural areas, thus hindering industrial development on the Government sites there. The CDC fought this and won their re-designation as industrial areas.

The old rivalries between the Special Areas were revived. West Cumberland claimed that other areas were gaining more licenses for factory building. Also, when the Board of Trade began to establish a regional organisation in 1944, Cumberland was to be included in the North West region centred in Manchester. The response from Jack Adams<sup>28</sup> was: "Manchester has no conception of West Cumberland and we are not prepared to be part of the North Western machinery" (Cumbria Records Office, 12/12/44).<sup>29</sup> Possibly, as a result of this complaint, Cumberland, Westmorland and Furness were created as a separate sub-region of the North West area, and Adams himself was appointed Deputy Regional Controller.

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<sup>28</sup> For 25 years John Jackson Adams (known as Jack Adams) was synonymous with the development of Cumberland (see "The Lord Adams Story" in the *West Cumberland Times and Star*, 4 May to 13 July, 1968).

<sup>29</sup> It is interesting to note that Cumbria now forms part of North West Government Office and the North West Regional Development Agency.

## *Conclusion*

The war years changed the balance between the economic and political forces which had shaped the Special Areas legislation in the 1930's. The experiences of 1939-1945 demonstrated to the Government the need for intervention and regional policy. The expansion of taxpaying classes and the increases in income tax altered views of what was a tolerable level of taxation. In addition, the sharing of dangers and privations made the prospect of post-war unemployment intolerable. For the first time, maintenance of full employment became a priority of government economic policy. In West Cumberland, though the war promoted near full employment, the memories of the 1930's remained and the agents of governance which had been created, the CDC and WCIDC, continued their efforts to ensure that the economy of the county would remain diversified.

### **4.5 The Branch-Plant Economy 1945-1973 - The Emergence of Dependence**

It was the memory of the depression years of the 1920's and 1930's, and the experiences of World War Two which caused a major change in official attitudes towards state intervention in the economy. The experience of full employment brought about by massive Government expenditure made the efforts to help the Special Areas in the 1930's look inadequate and the challenge of War had created a commitment within Government to create conditions for industrial growth and employment. Regional policy intended to affect the location of industry by persuasion or inducements.<sup>30</sup> The aim was not only to attract industry to the economically depressed areas but also to relieve population and job pressure in the South East and Midlands. As a result, West Cumberland and Furness were designated as Development Areas.<sup>31</sup>

In 1947, the Distribution of Industry Act (1945) was supplemented by the Town and Country Planning Act. The Board of Trade was given a veto over location of all

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<sup>30</sup> For comprehensive reviews of the development of British regional policy see: Damesick and Wood, 1987; Law, 1980; Madgwick *et al.*, 1982; Parsons, 1988.

<sup>31</sup> The designation of areas had been changed from "Special" to "Development" areas.

industrial developments of more than 5,000 square foot floor area. The issue of an Industrial Development Certificate (IDC) was required before expansion could be undertaken with the aim to attain a more desirable distribution of industry.

There were two distinct phases in the operation of these Acts. The first, to 1951, saw industry scrambling to recover from the war, riding high upon the post-war boom and fairly tight control over the issue of IDCs. The period from 1951 saw some consolidation and a gentle slide into the “stop-go” cycle of managed demand. The Government also adopted a less stringent IDC policy. The impact of these Government interventions upon movement into the Development Areas was a post-war rush reaching a peak about 1949, then a slowdown with a comparatively slack period up to 1960.

The most significant Government decision to affect West Cumberland was taken in 1947 and involved the redevelopment of a former Royal Ordnance factory at Sellafield for the creation of plutonium needed in the manufacture of nuclear warheads.<sup>32</sup> There was a belief that there was no limit to what this new energy resource would achieve. It would revitalise the ailing British economy, restore the country’s prestige in the world, provide a deterrent to potential conflicts and a vital energy source for the future. This site became the largest nuclear installation in Britain, covering an area of one square mile.

The covert nature of Britain’s nuclear programme was evident by the Government’s avoidance of the issue. The only acknowledgement of any plans came in an answer by the Minister of Defence (12/5/48): “Research and development continue to receive the highest priority in the defence field, and all types of weapons, including atomic weapons, are being developed”. The Minister would not elaborate further since it was “not in the public interest” to do so (Patterson, 1983, pp.111-112). The perceived

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<sup>32</sup> In October 1952, the UK undertook its first nuclear bomb test. The test destroyed the frigate HMS Plym in the Monte Bello Islands in the Pacific (See Gowing, 1974).

need for secrecy in the Cold War stand-off with Eastern Europe ensured that nuclear energy remained shrouded from the public eye.<sup>33</sup>

From the early 1950's, the British had begun to investigate the possibility of a civil nuclear power programme. Continued military considerations (super powers increasing nuclear capabilities, the Suez crisis which had placed uncertainties over the world's oil supplies) resulted in dual purpose reactors, producing plutonium first and electricity as a by-product. In 1954, a ten year programme of MAGNOX<sup>34</sup> power stations were announced. The first reactor was to be named Calder Hall and situated on the Windscale site.<sup>35</sup> In 1956, Queen Elizabeth II linked Calder Hall to the national grid making it the first full-scale nuclear power station supplying electricity for the nation.

In 1957, Britain exploded its first hydrogen bomb, but in October the first large-scale nuclear accident took place with the "Windscale fire". In continuing the trend of secrecy it was over a day before the press were informed, the official inquiry report was never published and local people were not advised of the possible danger of radiation releases. As Bolter (1996) states:

"Local people were not even advised to stay indoors and shut their windows to avoid escaping radioactivity, even though the Sellafield site's managers were not sure how to put the fire out. Women went shopping, pushing young babies in prams and pushchairs, as Pile No. 1 spewed radioactivity into the air. Children played in their gardens in the shadow of the burning plutonium piles" (p.40).<sup>36</sup>

The range of nuclear services carried out at Windscale increased over the next few years as the British nuclear programme was expanded. In 1959, the beginning of shallow land burial of solid Low Level Waste began at Drigg, just south of the

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<sup>33</sup> For over 30 years the UK dumped radioactive waste at sea without public knowledge (See Berkhout, 1991).

<sup>34</sup> MAGNOX is the name for stations which use natural uranium metal encased in cladding made from magnesium oxide.

<sup>35</sup> The Sellafield site was renamed Windscale and Calder works to avoid possible confusion between the names Sellafield and Springfield, near Preston, in 1956.

<sup>36</sup> The only safety precaution undertaken at this time was a decision to pour local milk away after it was found to be contaminated with radioactive iodine, to which young children are particularly susceptible.

Windscale site. In 1962, a pilot vitrification plant to deal with High Level Waste was set up. The following year saw the first prototype for Advanced Gas Cooled Reactors, and in 1964, a second reprocessing plant, B205, was opened.<sup>37</sup>

However, the nuclear industry was fast developing a reputation for accidents, and was beginning to generate considerable opposition.<sup>38</sup> Organised competition was beginning to mount as nations began to fear “irresponsible, possibly criminal or fanatical groups” could gain access to fissile materials (Patterson, 1983, p.198). In Britain, the problems in Northern Ireland were beginning to escalate and anti-nuclear sentiments were given a new direction by the emergence of organised groups such as Greenpeace and Friends of the Earth.<sup>39</sup>

In 1971, there were institutional changes in the nuclear industry in Britain. The National Radiological Protection Board was established to give independent advice on dangers from radiation. Also, the United Kingdom Atomic Energy Authority (UKAEA) separated its production group and renamed it British Nuclear Fuels Limited (BNFL). BNFL was to be responsible for the supply of fuel for the civil nuclear programme, including fuel enrichment and reprocessing, and for the export of uranium.

In Furness, for a short time after the war, the Barrow shipyard met increased demand for passenger and cargo ships. By Spring of 1946, Barrow had orders worth £11,500,000, and the “Hinemoa”, “Chusan”, “Oronsay” and “Oriana” were built. However, the industry faced difficulties from 1947 due to steel shortages which held up deliveries (in 1947 Vickers only got half the steel they needed), rising production

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<sup>37</sup> Nuclear waste is categorised as either high-level waste (HLW), intermediate-level waste (ILW) or low-level waste (LLW). HLW is a concentrated liquid waste produced from the reprocessing of spent nuclear fuel. ILW consists of the irradiated cladding stripped off spent nuclear fuel, reactor components, chemical process residues and filters and resins used to trap radioactive wastes during reprocessing. LLW is mildly radioactive rubbish such as discarded protective clothing, paper towels and worn-out or damaged plant and equipment.

<sup>38</sup> Some examples of nuclear accidents include: Chalk River in Canada (1952); ‘Lucky Dragon’, which was a Japanese fishing boat which got caught in the test zone at Bikin Atoll (1954); Windscale (1957); SL 1 Idaho (1961); and Lucans, Switzerland (1969). For reviews of these incidents see King (1990) and Patterson (1983).

<sup>39</sup> Organised opposition was emerging throughout Europe: in Germany and France (See Nelkin and Pollack, 1981; Patterson, 1983); Spain (Falk, 1982).

costs, the need to modernise and re-equip the yard, and finally increased competition from Germany and Japan was leading to a gradual drying up of orders. Fortunately, a world-wide shortage of tankers brought in valuable orders, culminating in the 100,000 ton "British Admiral" and the methane gas carrier "Methane Princess". However, it was Barrow's pre-eminence in submarine building that was to be the saviour of Barrow shipbuilding. After the war the Admiralty wished to appropriate certain aspects of German submarine construction, and gave the work, involving the building of the experimental submarines "Explorer" and "Excalibur", to Barrow - foreshadowing to the future of the shipyard.

The change in Government policy in 1958 (The Distribution of Industry Act) extended the scope of financial assistance to service industries and to areas of "high and persistent unemployment", as well as designated Development Areas. Its successor, the Local Employment Act (1960), appears to have been a step back in regional policy. Its underlying assumptions were twofold: (i) that it was necessary to eliminate "black spot" employment areas by the use of subsidies; (ii) that the areas where subsidies were to be granted should be confined specifically to the "black spots" and a blanket policy of subsidising wider areas was discontinued. Thus the large Development Area was replaced by the much smaller Development District. The 1960 policy did very little for West Cumberland and Furness. Instead of promoting industries which would compensate for the decline in existing industries and job loss, it discouraged industrial movement by removing grants.

The long post-war boom had begun to falter by the late 1960's and unemployment again began to rise. During the 'stop-go' period, employment in coal and iron mining had continued to decline. Employment in coal mining fell from 5,590 employees in twelve working pits in 1947, to 2,906 employees in three working pits twenty years later (Wood, 1988, p.268). In 1963 the Barrow ironworks had closed, so ending Barrow's oldest heavy industry with the loss of 774 jobs. The Workington iron and steel works were forced to put its employees on short-time in 1966, and this lasted for 17 months. Iron mining virtually ceased in 1968 with the closure of the Hodbarrow mine and the loss of 550 jobs (Harris, 1970). Alongside these long-term structural changes, the flow of new industries into the area had begun to slow down.



In contrast to West Cumberland, Furness was relatively successful in retaining employment in the 1960's due to the shipbuilding industry based on defence orders. Barrow moved into the nuclear age with the building of the first "Dreadnought" submarine in 1960.<sup>40</sup> In 1963, Development Area status was granted to Barrow, encouraging Vickers to tender for the Polaris submarine programme. This may have influenced the government's decision to give the work to Barrow resulting in major new investments in the yard and attempts to make Barrow Britain's leading nuclear yard. This programme provided work and in 1974 employed 14,000 workers which was a 50% increase on levels in 1964 (Evans, 1978, p.256). However, despite this success at Vickers, there were significant reductions in employment in iron, steel and engineering industries which raised levels of unemployment during the 1960's.

In response to rising unemployment and regional inequalities the Government strengthened regional policy and in 1967, West Cumberland acquired the status of a Special Development Area. A number of companies were attracted due to the incentives on offer. For example: Eastman Chemicals in Workington; Ectona Fibres in Workington; British Celanese at Cleator Moor; and K-Shoes expanded to Workington from their Kendal base (Millward and Robinson, 1972). Other companies were directed to the area by the government such as: Thames Board Mills (then part of Unilever, now Iggesund) which came from Warrington in June 1967 to Workington. It invested £5 million into a plant to carry out the whole process of turning trees into packaging board and similar products. A joint development between British Leyland, National Bus and the Labour Government also led to the establishment of an automated bus production plant at Lillyhall near Workington. The deal included commitments to upgrade transport infrastructure links to the M6, which led to improvements in the A66 and the construction of a modern industrial estate at Lillyhall. This site was earmarked as being the strategic employment site for West Cumberland due to its location on the boundary between Workington and Whitehaven and was well placed for communications at the end of the A66.

Barrow could also offer incentives for new investment because of its Development Area status and promotion by the Lancashire and Merseyside Development Association (LMDA).<sup>41</sup> The largest investment into Furness during the 1960's was by Bowater-Scott (1967) which produces toilet tissue. The plant remains and since 1996 has been owned by Kimberley Clark. In 1959, British Cellophane had established a factory in Barrow and this expanded throughout the 1960's. A number of other small-scale industries set up because of the incentives on offer and the female labour force that was available, these included: Town Tailors; Wood Harris and Company; Northern Engineering Company; and Remploy (Orrell, 1975).

Cumbria County Council (1976) analysed the impacts of regional policy on attracting new industries. Table 4.1 shows that there were 54 industries attracted to Cumbria during the period 1945-1970, with the peak years between 1966-1970 with 30 new arrivals. Table 4.2 shows that these new industries employed a total of 11,461 workers. These inward investments were mainly in "noxious" chemical firms (22%) or more labour-intensive assembly activities which have proved to have short life-spans. Many of the industries employed large numbers of female labour, despite many of the jobs lost being in traditionally male dominated employment. Rogers (1972) states that almost half the jobs created in Furness between 1953 and 1963 were for women which increased female employment by 17%.

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<sup>40</sup> The cost of the 'Dreadnought' was estimated at £18,500,000 by the navy dockyard and Production Accounts 1963-4.

<sup>41</sup> Similar to the CDC, the LMDA promoted the industrial diversification and development of the Furness area. It had created a separate organisation: Furness Area Development Committee for Industrial Development in 1947 to deal with this area (Furness Area Development Committee, 1972).

**Table 4.1: Number of New Manufacturers in Cumbria 1945-1970**

	1945-50	1951-55	1956-60	1961-65	1966-70	Total
Number of Units	17	3	5	3	27	54
Units not in DAs	6	1	3	2	0	12
Units closed by November 1975	2	0	1	1	3	7

Source: Cumbria County Council, 1976, p.77.

**Table 4.2: Employment Created in New Firms by Industry in 1971**

	Employment in firms 1945-1960		Employment in firms 1961-1970		Employment in firms 1945-1970	
	No	%	No	%	No	%
Chemicals	2,455	37.1	85	1.8	2,540	22.2
Textiles	999	15.1	1,024	21.1	2,023	17.7
Other manufacturing	0	0.0	1,389	28.6	1,389	12.1
Instrument engineering	1,375	20.8	0	0.0	1,375	12.0
Paper and printing	0	0.0	1,288	26.6	1,288	11.2
Clothing	844	12.8	206	4.2	1,050	9.2
Remainder	939	14.2	857	17.7	1,796	15.7
Total	6612	100.0	4,849	100.0	11,461	100.0

Source: Cumbria County Council, 1976, p.77.

In terms of industrial promotion the CDC remained, but the Cumberland County Council Act (1964) allowed local government to promote industry and the County Council became a member of the CDC with a subscription of £3,500 a year - but not for long. In 1967 the County Council withdrew its subscription and set up its own Industrial Development department. Differences of opinion and difficulties in communication had emerged between the two bodies. The CDC's powers were now massively diminished.<sup>42</sup>

In 1969, the Government introduced the Community Development Project (CDP), the first Government policy to have community work built in as a major component. It was viewed as an experimental approach to meeting the needs of those living in areas of high social deprivation and it was neighbourhood based (Green and Chapman, 1992; Loney, 1983; Specht, 1976). The CDP was administered by the Home Office, but over time control effectively shifted to local project activists.

The CDP was set up on the basis of three assumptions: it was the “deprived” themselves who were the authors of their own misfortunes (also called “social pathology”); social problems would best be solved by forcing the “deprived” to overcome their apathy by promoting self-help; and, that locally based research could be utilised to influence and change government policy. Cumberland was the seventh authority to have such a project operating when introduced in 1971. The area selected covered the parishes of Cleator Moor, Arlecdon and Frizington, working-class areas with a strong Labour tradition, which had suffered from the collapse of iron ore mining.

These projects quickly began to change the agenda and focus attention on the failures of government and the wider socio-economic system. As Loney (1983) claims, despite being “...set up to reform the character of the poor and their communities, through the use of community action strategies, local community workers sought to

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<sup>42</sup> When in 1974 local government boundaries were changed industrial development was made the responsibility of Cumbria County Council. This resulted in the end of the CDC which was replaced by Cumbria Industrial Association Limited (1975) to represent industry in the county and foster industrial development. At the regional level Cumbria was also represented by the North-west Industrial Development Association (NORWIDA) to sell the area to potential investors.

mobilise around the larger issues of inequality, deindustrialisation and the declining physical infrastructure of deprived areas” (p.1). Essentially the CDP claimed that the deprived regions were a product of capitalism and the outcome of macro economic structural change. For example, research by the CDP linked the withdrawal of large companies, whether national or multinational, to rising unemployment levels (Cochrane and Dicker, 1979). It also argued that competitive take-overs resulting in the concentration of capital into fewer larger corporations left the workforce vulnerable to strategic, international investment decisions (CDP, 1975) and placed the responsibility for unemployment and social stress firmly on decisions made by private capital and the state (CDP, 1977; Moor, 1974).

In hindsight, these projects were destined to fail due to the emergence of a polarisation of attitudes and positions between community groups and project staff on one side and councillors and central government on the other. The local authorities resisted proposals for community intervention, as they assumed it restricted their control over council-funded community activities and services. The commitment of community workers to the autonomy of local community groups, and the belief that their primary responsibility was not to their employers but to the community ensured a confrontation.

The Cumbrian project was unique in being responsible to a Conservative County Council (the Council was controlled by the Alliance Group which united Conservatives and Independents). The significance of this is that the CDP could usually find allies among Labour councillors, but the seemingly radical nature of the local projects antagonised many Conservative councillors. In Cumberland opposition was not simply directed to the politics of the project staff as the *Sunday Times* (1975) reported: “But it was long hair and earrings among project members that brought vicious criticism that threatened CDP’s mission from the start. ‘They look so extraordinary’ says one local councillor ‘and some of them stink’” (p.11).

The Cumberland project was closed one year before its completion because the County Council claimed that it needed to cut costs. However, the Final Report of the project claimed that while there was a commitment among leading alliance group

members to reduce public expenditure the amount saved on the CDP was negligible. Furthermore, the Final Report suggested that the conservatism of the council stood in contrast to the “radical, social change tradition” from which the project had been established (Butcher *et al.*, 1979, p.210).

### ***Conclusion***

During the 1945-1973 period, West Cumberland and Furness remained reliant on Government regional policy to maintain employment and establish new firms, with companies setting up largely as a result of significant Government assistance and incentives. There was limited expansion into new growth industries, particularly chemicals, which filled the void left by the declining industries and alleviated the unemployment problem by soaking up some of those people out of work. Also, these new inward investments had the effect of diversifying the industrial structure to some degree, as this period saw the development of a new spatial division of labour which effectively assigned new roles to old industrial regions in the UK (Massey, 1984, 1995). However, the ‘branch plant’ economy created simply reinforced the dependence of these areas on shipbuilding and the nuclear industry (which developed in the Cold War era). The branch plant investment tended to be of relatively poor quality effectively creating a low-skilled labour force performing routine standardised tasks with only a limited role in stimulating long-run economic growth. It also resulted in both areas becoming increasingly dependent on decisions taken by the parent company’s outside the area and on external economic conditions.

As a result, despite increased state intervention to direct firms into ‘Development Areas’ and schemes such as the Community Development Project, the economy and communities of West Cumberland and Furness remained reliant on a small number of core industries, particularly the nuclear and defence industries. Government policy failed to embed many of the new industries into these areas and failed to change the traditional ‘bottom heavy’ working class social structure.

## CHAPTER 5

### REGIME I 1974-1985: LOCAL GOVERNMENT AS 'CARETAKER'

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#### 5.1 Introduction

The years 1974-1985 marked a distinctive phase in the post-1973 government of West Cumbria and Furness. Against the economic backcloth of 'false growth' in the nuclear and shipbuilding industries (which masked the reality of underlying structural crisis in the local economy), the national state remained the key actor leaving local government with a role that is best described as "caretaker". The existing hegemony of the old style *elected government* regime carried out limited amounts of economic development activity, undertaken in most cases for its political demonstration effects as much as its results (Duncan and Goodwin, 1985). The response by local councils remained very much defensive, largely undertaken on an ad hoc basis in response to a particular situation and reflecting the context of national economic policy, focusing the local accumulation strategy on orthodox approaches such as industrial promotion to attract inward investment, as well as marketing the ready made tourist 'product'. There was seemingly very little dialogue with the local business community on strategic economic development issues. In particular, both British Nuclear Fuels Limited (BNFL) and Vickers Shipbuilding Engineering Limited (VSEL) remained passive. In effect, the local economy remained reliant on government assistance through grants and the direction of 'new' industries into these areas. The biggest contribution made by national government was sponsoring the expansion in the nuclear and defence industries. Limited resources were also available from government to deal with the environmental symptoms of decline and changing the physical infrastructure, particularly through land reclamation and the building of advanced factories. By the end of this regime, experiments in governance began to be introduced in response to the particular economic situation of manufacturing decline, signalling the beginnings of the transition from *government* to *governance*.

## 5.2 From Labour to Thatcher and the Crisis in Manufacturing

In 1973, economic recession and a four-fold increase in oil prices created a crisis for manufacturing industry across the UK. For regulationists, this marks the beginning of the transition from the post-war era of 'Fordist' production supported by a Keynesian mode of social regulation (encapsulated in the vision of a welfare state) towards a 'post-Fordist' era marked by flexible production and a neo-conservative mode of social regulation. The minority Labour Government (1974-1979) continued its adherence to the 'Fordist' principles of full employment and the welfare state but, under increasing pressure from the IMF, was unable to deal with mounting budget deficits (Holmes, 1985). The unpopularity of the 'failing' Labour Government could even be seen in traditional Labour strongholds such as Workington. In November 1976, following the elevation of local MP Fred Peart to the House of Lords, a by-election was called. The unthinkable Conservative victory became a reality for two reasons: (i) the closure of the steel making plant at Workington in 1975; (ii) the commonly held belief that the Labour Government was failing (*The Times*, 1976a; *The Times*, 1976b; *The Times*, 1976c). For the first time in 58 years this traditional Labour stronghold was won by the Conservatives. Although Workington returned to Labour in 1979, the failure of the Labour Government left its mark on the minds of the national electorate, who rejected national Labour politics in favour of a new brand of conservatism for the next 18 years.

The "winter of discontent" in 1978-1979, so-named after the wave of strikes in both the public and private sector in those years, helped to pave the way for a Conservative General Election victory in May 1979, under the leadership of Margaret Thatcher and heralding the introduction of what has since been labelled 'Thatcherism' (Gamble, 1994; Hall and Jacques, 1983; Michie, 1992). The Thatcherite state project was based upon the idea of a strong state committed to a top-down model of policy making, underpinned by a distinctive brand of conviction politics and a radical new philosophy for managing the economy through strict control of the money supply and a priority to defeat inflation. This 'supply-side' approach was linked to an accumulation strategy which privileged the role of the private sector, through a combination of increased emphasis on the forces of competition, deregulation and privatisation. The associated



hegemonic project was rooted in the promotion of the enterprise culture according to the image of popular capitalism. The ideological hegemony of Thatcherism was articulated through institutional reforms which sought to advance the interests of the social forces behind the Thatcherite project. Regime formation in West Cumbria and Furness was clearly subject to strong political forces emanating from outside them.

Initially, the conquest of inflation by maintaining a strict monetarist policy was the government's top priority. The new Government stated that "...public expenditure is at the heart of our current difficulties" (HM Government, 1979, p.1) and from the outset the government attempted to reduce public expenditure in order to lay the foundations for long-term economic revival and prosperity. This included, for example, raising prescription charges, slashing the regional aid budget and reducing its area coverage, cutting grants to local authorities, abolishing Parker Morris standards for the building of new council housing, charges for school meals and raising council housing rents (Gamble, 1994). Despite continued recession, particularly in 1980, with the consequences for local economies dependent upon manufacturing activity most severe, the government maintained its adherence to monetarist economic thinking.

From 1981 the worst of the recession had passed. The government began to loosen its hold on the monetary supply and this, combined with recovery in the world economy (due largely to supply-side reflationary policies pursued in the US) created boom conditions which brought unemployment down to very low levels in some parts of the UK. Government economic policy began to shift from concerns with monetary targets and control of inflation towards supply-side remedies considered essential to spread prosperity and revive 'enterprising' activity. In order to introduce a more 'business like' approach into the public sector, the government needed to control public spending and find new sources of public revenue. The first objective was tax cuts and concessions in the belief that these would give the incentives needed to revive enterprise. To help counterbalance these tax cuts local authority spending and subsidies for nationalised industries were controlled.<sup>1</sup> On the revenue side the

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<sup>1</sup> This policy of controlling public spending in local authorities, particularly Labour-controlled councils, led to confrontation between local and central government which came to a head in 1986 with

government began selling public companies (denationalisation) and privatising public services (Gamble, 1994).

In terms of regional policy the Thatcherite approach had three key characteristics. First, it involved a distinct shift from a demand-side to a supply-side approach, which rejected the economic argument for regional policy having positive benefits for national output and employment growth. The Thatcher view was that the depressed regions were responsible for national industrial decline as a result of too much government intervention and assistance, insufficient wage flexibility, excessive union power, poor productivity and a lack of enterprise, all undermining competitive efficiency and adaptability of the traditional industrial regions (Pickvance, 1986). Secondly, as already noted the rate, scale and coverage of regional assistance was dramatically reduced with the abandonment of Industrial Development Certificates (IDCs) and the watering down of Regional Development Grants (RDGs) (abolished in 1988) in order to return to indigenous self-sustaining growth through the introduction of more cost-effective and discretionary systems of assistance targeted at promoting new firm formation and business development. Among the policy instruments retained were Regional Selective Assistance (RSA) (available to firms in assisted areas), Government Advanced Factory Building (carried out by English Estates) and Derelict Land Grant (to put derelict land back into use). Thirdly, the policy emphasis shifted away from large-scale capital investment in the regions to the promotion of indigenous enterprise, self employment, small firms and market competition in the depressed areas intended to restore the values of 'enterprise'. Some areas of distress received Enterprise Zone (EZ) status (from 1981 onwards) in order to stimulate the enterprise culture (Martin, 1985, 1988; Martin and Tyler, 1991, 1992).

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the abolition of the Greater London Council and the six metropolitan councils. A major confrontation also emerged between central government and the trade unions seeking to protect jobs and communities. The Miners Strike (1984) challenged government policy but ended in complete defeat for the miners demonstrating the political hegemony of 'Thatcherism' at the time.

### 5.3 'Creating Cumbria'

Cumbria was created in 1974 out of the local government changes of that year. It comprises the former counties of Cumberland and Westmorland, the district known as Lancashire North of the Sands, and a portion of Yorkshire and Sedbergh at the fringe of the Yorkshire Dales (See Figure 5.1). Table 5.1 lists the county boroughs (C.Bs), municipal boroughs (M.Bs), urban (U.Ds) and rural districts (R.Ds) which, before 1974, constituted these areas and shows how they were combined to make up the new district council areas and the new county. Cumbria was sub-divided into six local authorities: Allerdale; Copeland; Eden; South Lakeland; and the urban districts of Carlisle and Barrow (See Figure 5.2).<sup>2</sup>

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<sup>2</sup> Local Government is principally administered by three tiers of authority and are reflected in Cumbria by: (i) Cumbria County Council (CCC) responsible for various services across the whole county including: education, social services, police, fire, highways, structure planning, and public protection. There are 83 County Council electoral divisions, each returning one County Councillor; (ii) Six District Councils each responsible in their respective areas for functions which include: housing, local planning, and, environmental health. There are 284 District Councillors in total elected from 171 wards; (iii) Parish and Town Councils whose role within communities is to provide local facilities and represent local opinion. They have responsibility for a range of functions, including allotments, local public buildings, local open spaces, sports facilities, and burial grounds. All of these functions are shared with the district council, except for allotments.



**Table 5.1: The 1974 Reorganisation of Local Government**

Area	Pre-1974 Authorities	Post 1974 Districts
Cumberland	Carlisle C.B Border R.D  Workington M.B Cockermouth U.D Keswick U.D Maryport U.D Cockermouth R.D Wigton R.D  Whitehaven M.B Ennerdale R.D Millom R.D  Penrith U.D Alston with Garrigill R.D Penrith R.D	Carlisle  Allerdale   Copeland  Eden
Westmorland	North Westmorland R.D Appleby M.B Lakes U.D (Patterdale Parish)  Kendal M.B Lakes U.D (excl Patterdale Parish) Windermere U.D South Westmorland R.D	Eden   South Lakeland
West Riding of Yorkshire	Sedbergh R.D	South Lakeland
Lancashire	Ulverston U.D Grange U.D North Lonsdale R.D  Barrow-in-Furness C.B Dalton-in-Furness U.D	South Lakeland   Barrow-in-Furness



The politics of Cumbria pre-1974 reflected the geographical features and traditions of these different areas. In Cumberland, the majority of the population was concentrated on and near the industrial coast where shared experiences of work and unemployment had created 'old-fashioned' communities with solid Labour traditions. The rural county of Westmorland was a predominantly Tory haven. In Furness, which was part of Lancashire, the working-class, industrial, shipbuilding town of Barrow was dominated by strong Labour traditions (Waller, 1991). The creation of the county of Cumbria brought together for the first time in history Carlisle and Barrow as part of one administrative unit and the rural county of Westmorland with the urban county of Cumberland. In essence, Cumbria was a completely artificial creation with different political, social and economic traditions and outlooks:

“The likes of Hawkshead, Broughton and Ulverston may have felt uneasy at being in the same County as Salford or Widnes but at least they were far enough away to be forgotten; Whitehaven and Workington were much closer and there was no wish for Furness to be added to the relatively poor County of Cumberland. Yet that is what happened in 1974 when local government reorganisation created the paper County of Cumbria out of the separate realities of Cumberland, Westmorland and Furness. No one particularly welcomed Cumbria, but Barrow was mortified. Not only was the seat of power now based in Carlisle, but Barrow had also lost a whole range of responsibilities with the abolition of County Borough status. Whereas Furness had once been removed from the rest of Lancashire by the flat expanse of Morecambe Bay, it now found itself cut off from Carlisle by the mountain barrier of the Lake District” (Trescaheric, 1993, pp.13-14).

“There exists a fascinating paradox. Barrovians in general object to the idea of absorption into Cumbria, and have never been happy with the idea, notwithstanding their emotional roots in the beautiful countryside of Furness and the southern Lake District. One of the basic reasons for this objection is political. The 1974 reorganisation swamped the strongly Labour-inclined western industrial towns, and put them under the remote county council which met in distant Carlisle...Go into West Cumberland, and one finds very much the same attitude - and who can say that it is not justified? For the industrial transformations of the last century made West Cumberland into a district, or a world, very much distinct in its outlooks and its ways of life. It was a world that had much of the Cumbrian past within it, and yet it was as new as the flaring furnaces and the shining railway lines that had helped to bring it into being. West Cumberland has remained very much a self-conscious region since those days, made still more aware of itself by vicissitudes and sufferings experienced mainly in the inter-war years, and it is questionable whether it should have been

bundled unceremoniously into the new county area” (Marshall, 1981, p.13).

“If you come from London looking with a tourist perspective which identifies Cumbria with the Lake District, it seems to be an entity, which it is in physical terms with the mountains, but that is where the similarities end. Never in history have Barrow and Carlisle been part of the same administrative unit until 1974, never in the entire recorded history, going back to the Romans, as that been the case. Even north of the watershed, anyone who thinks that East Cumbria and the Eden Valley is the same sort of place as the Solway Plain and West Cumbria must have their eyes shut, because they are completely different” (County Council Officer, interviewed, 24/9/97).

The results of County Council elections during the regime (1973-1981) appear to reflect both the diversity of Cumbria and local reaction to national government. Thus, the election of a Conservative County Council in 1977 clearly reflected the unpopularity of the national Labour government and the election of a Labour County Council in 1981 was the fall out from a Conservative Government which had failed to reverse the effects of recession (See Table 5.2).

**Table 5.2: Results in County Council Elections 1973-1981**

Election	LAB	CON	LIB	IND	Comment
12 April 1973	38	31	1	12	Cons formed an alliance with the Ind to gain overall control [82 Councillors representing 72 divisions]
7 May 1977	23	52	-	7	Cons Overall Control [82 Councillors representing 72 divisions]
8 May 1981	42	35	3	3	Lab Overall Control [83 Councillors representing 83 divisions]

(LAB - Labour, CON - Conservative, LIB - Liberal, IND - Independent).

#### 5.4 False Boom in the Local Economy

Both West Cumbria and Furness experienced a ‘false boom’ in their economies during the 1974-1985 regime, particularly in the 1980’s. There were two key reasons for this ‘false boom’, one national and one local. First, was the privileging, by Central Government, of expansion in the nuclear and defence industries (in the shape, for Cumbria, of shipbuilding). Secondly, local government carried out its “caretaking”



duties by subscribing to well established policies, diversifying the industrial base through the Cumbria Industrial Development Office and North-west Industrial Development Association (NORWIDA) promoting and marketing the area. Also by the continued commitment to established industries such as tourism, particularly in the Lake District, promoted under the aegis of the Cumbria Tourist Board.

### *False Boom I: Expansion of the Nuclear Industry (THORP)*

The oil crisis of 1973 gave a boost to the nuclear industry and West Cumbria, with nuclear power being seen as a viable alternative energy source. BNFL began to make expansion plans for reprocessing facilities and moving towards securing foreign orders. It proposed to construct new waste vitrification and encapsulation plants, and to expand the MAGNOX reprocessing capacity. It also proposed the Thermal Oxide Reprocessing Plant (THORP) to reprocess fuel from reactors using uranium oxide fuel from around the world. The Cumbrian site was to be made responsible for the 'back end' of the nuclear fuel cycle: spent fuel reprocessing, radioactive waste management and disposal and decommissioning of nuclear plants.<sup>3</sup> THORP was to give a fresh impetus to the nuclear debate. The whole issue surrounding the nuclear industry is caught up in the struggle between jobs and the environment and has continually dogged Cumbrian politics.

THORP construction was to be partly paid for by overseas customers but the idea of marketing reprocessing services intensified fears of nuclear weapons proliferation, with THORP seen as a stepping stone to massive expansion of fast breed reactors. Perhaps the most controversial idea was that foreign waste would be travelling into Britain, and such concerns were expressed publicly when on October 21, 1975 the *Daily Mirror* ran a story under the headline 'Plan to make Britain World's Nuclear Dustbin' (See Montage 5.1). This aroused increased public interest in the nuclear industry.

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<sup>3</sup> The only competitor providing similar services is the Cap Le Hague facility in Normandy, in France.



Cumbria County Council (CCC) referred BNFL's planning application for THORP to the Department of the Environment. A period of government hesitation followed over whether to hold an inquiry. This hesitancy was resolved when high levels of radioactivity were discovered in the soil at Windscale forcing the Government to announce a public inquiry into the THORP proposal. The public inquiry, chaired by Mr Justice Parker, lasted from June 14 to November 4, 1977.

The Windscale Inquiry was different from other public inquiries which are "...designed to deal with purely local objections" (Rudig, 1990, p.15). On this occasion, the groups opposing THORP were principally non-Cumbrian and the proceedings became a matter of national concern receiving national media coverage. The opponents of THORP argued that storage of spent fuel presented a viable alternative as the reprocessing of oxides was unproven, the cost of recovering uranium and plutonium would be greater than the market price for fresh fuel, and that reprocessing would complicate the question of dealing with radioactive waste (Berkhout, 1991). Friends of the Earth pointed out the dangers to world security and the possibilities for weapons development. The main argument against THORP related to the health risk of further radioactive discharges (Patterson, 1983).

BNFL's arguments for the THORP construction centred upon the idea that the storage of oxide fuel would be unwise as oxide fuel would corrode more rapidly than vitrified reprocessed materials because of the increased plutonium content in unprocessed fuel. It argued that there was no extra risk to the British public from radioactive waste by reprocessing, since the High Level Waste originating in foreign reactors would not remain in Britain but would be returned overseas.<sup>4</sup> Another argument advanced was the notion that if Britain offered the service of reprocessing foreign fuel there would be less justification for other nations to develop such facilities.

The Windscale inquiry accepted BNFL's argument that plutonium represented a source of energy too valuable to waste, especially in light of the oil crisis. It also found that plutonium from THORP would not add to the proliferation of nuclear

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<sup>4</sup> At the Public Inquiry it was revealed that between 1950, when reprocessing started, and 1976, there had been 177 incidents at Sellafield which were sufficiently serious to warrant a formal investigation.

weapons, and that reprocessing was environmentally safe, with the direct disposal of solidified liquid waste preferable to the direct disposal of spent fuel. Accordingly, on January 26, 1978, BNFL received permission to build THORP.

Nevertheless, the nuclear industry was coming increasingly under pressure and being scrutinised following a series of incidents and greater public awareness of the nature of the industry.<sup>5</sup> However, at this time, the industry was still seen to offer an alternative to the uncertainty over the future of fossil fuels and given the unemployment situation in West Cumbria the decision to build THORP not only brought employment to the area but also involved financial assistance for community projects. These projects included improvements to the Georgian town centre of Whitehaven (through the renovation of sixty Georgian properties which had fallen into decay), road, rail and sewerage improvements at or near Sellafield, construction of a 250-bed hostel for BNFL staff, landscaping at Sellafield, the construction of a new training centre for apprentices, a relatively small grant to Copeland Borough Council for recreational facilities, and, the building of a road bypass at Egremont. A symbiotic relationship between BNFL and the local authorities was being nurtured.

The decision of the Windscale Inquiry established a core of stable employment in West Cumbria and led to an increasing number of jobs in construction work on THORP (See Montage 5.2). By 1990 there were 7,500 construction workers employed on the THORP project in addition to 9,000 BNFL employees (PIEDA, 1991). However, during the 1980's the nuclear industry was increasingly shrouded by controversy.<sup>6</sup>

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<sup>5</sup> A number of incidents occurred during the 1970's to raise concerns over the safety of the nuclear industry: Rancho Seco, near Sacramento in California (March, 1977), a reactor shut down; Hunterston, Scotland (September, 1977), sea water poured into the reactor core; Hinkley Point (June, 1977), water pipe damage led to dangerously high temperature levels of shielding; Brunsbuttel, near Hamburg in Germany (June, 1978) radioactive steam was released into the atmosphere; Beloyarsk, in the Soviet Union, massive fire which nearly caused a meltdown of two reactors; Three Mile Island, Pennsylvania (March, 1979), radioactive gas released into the atmosphere and the fuel began to melt. The report on the Three Mile Island incident said "a catastrophe had been avoided mainly by dumb luck" (King, 1990, p.57).

<sup>6</sup> In December 1979, a plan for ten new reactors was announced, although, this proved contentious because the Government favoured the American Pressurised Water Reactors (PWR) - despite the Three Mile Island incident - in preference to the British Advanced Gas Cooled Reactor. The first reactor of the PWR programme was Sizewell B (O'Riordan *et al.*, 1988). Growing protests against nuclear power focused on the dangers of weapons production. The Soviet invasion of Afghanistan in 1979, and the election of Ronald Reagan as President of the United States in 1980, intensified the Cold War stand-

To de-politicise the problems at Windscale, in 1981, the Nuclear Installations Inspectorate recommended that Windscale and Calder Hall Works be renamed Sellafield. Arguably, the UK Government was legitimising the findings of the Windscale Inquiry and its own commitment to the nuclear programme. By changing the name, it was hoped to remove associations with the Windscale fire and the reprocessing problems of the 1970's. In some ways, this decision could be seen to herald the public relations considerations which became important to the nuclear

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off, resulting in increased arms development, including the Star Wars programme of space weapons. By 1983, cruise missiles were sited in the UK and this led to growth in the Campaign for Nuclear Disarmament (CND). Waste disposal became prominent on the nuclear agenda and in 1982 the Nuclear Industry Radioactive Waste Executive (NIREX) was set up to investigate the options for future waste disposal and storage. Initially, NIREX favoured sea dumping but this came under increasing attack by Greenpeace which adopted a policy of harassing ships. In addition, the National Union of Seaman, the Transport and General Workers Union, and the Association of Locomotive Engineers and Fireman boycotted the handling of nuclear radioactive waste. Spain also launched a campaign against the British sea dumping zone which was 420 miles from Spain but 500 miles from Britain. As a result, land based alternatives were sought. Initially two sites were to be investigated: Billingham in Cleveland and Elstow in Bedfordshire. It was assumed there would be little protest, with Billingham suffering from severe unemployment, whilst Elstow's Member for Parliament, Trevor Skeet, was a strong supporter of nuclear power. However, local opposition sprung up quickly due to the lack of local consultation and the methodology of site selection, and both sites were abandoned (Blowers and Pepper, 1987). The waste disposal issue was further strained with the publication of the Rossi Committee Report (1986), which condemned the poor state of UK research on waste disposal and management, and recommended that near-surface facilities be used only for Low Level Waste. It insisted that disposal projects should adopt a "rolls royce" approach to minimise risk, and that retrievability of the waste was vital. Driven by such findings the Government committed itself to the development of a deep disposal facility in order to take different types of waste, issuing a Special Development Order to authorise NIREX to carry out investigations at Elstow, South Killingholme in South Humberside, Fulbeck in Lincolnshire and Bradwell in Essex. These communities were again represented by Conservative Members of Parliament, but again the local communities objected, antagonised by the Special Development Order which removed any democratic features of the selection process. There were 'not in my back yard' protests, and the overwhelming local opposition forced the four Conservative Members of Parliament to oppose the schemes. In the run up to the 1987 General Election the programme was withdrawn. The most serious nuclear event took place on April 26, 1986, an explosion at the Chernobyl power station in the Soviet Union, 60 miles north of Kiev, resulted in 9 reported deaths, 229 people suffering severe radiation sickness, and 18,000 hospitalised. The towns of Pripyat and Chernobyl were evacuated, a total of 92,000 people. Half of the fallout from the power station fell within a 35 kilometre radius of the reactor, but the rest spread across twenty countries worldwide as winds carried radioactive clouds, causing alarm where there was heavy rainfall. Chernobyl affected nuclear programmes across the world. Austria decided to dismantle the newly completed Zwentendorf reactor without ever being used while Denmark put pressure on Sweden to close the Barsebaeck plant 12 miles from Copenhagen. In Germany protests raged against their nuclear programme. In Italy a referendum was taken which resulted in the abandoning of their nuclear programme, and Yugoslavia closed its one functioning reactor. Only France continued with nuclear expansion.

## Montage 5.2: Expansion of the Nuclear Industry (THORP)

# GO, GO, GO THOR

IT'S THUMBS UP for Sellafield's THORP as the government gives the go-ahead for thermal oxide reprocessing.

Environment Secretary John Gummer ended a year long wait when he pointed the way in the House of Commons yesterday for the plant to be operational early next year. But the conditions are stricter than previously indicated and will mean greater costs for British Nuclear Fuels which can appeal against the tighter controls, but is unlikely to do so.

Mr Gummer said that he and other ministers had come to the conclusion "that the extensive consultation already carried out has provided an adequate opportunity for full and informed representations."

Because of that it had been decided not to hold a hearing on a public inquiry.

During Mr Gummer's address to the House there was disruption from the public gallery.

He said it was concluded that the discharges permitted by the authorisation would not lead to unacceptable risks in human health or the environment. But it had been considered appropriate to propose a number of amendments to ensure that discharges from Sellafield would be minimised.

These would require BNFL to provide the Nuclear Installations Inspectorate each year with reports on the means for further reducing discharges and on their forward research and development programme for nitrogen abatement technology.

They would also require them to produce within six months of the authorisation coming into effect an analysis of different treatment programmes for dealing with the stored waste under the IARP (waste treatment) plant available. Also, to provide greater clarity and consistency in the authorisation, amendments would include the incorporation of a specific limit on uranium discharges to proceed and a total beta limit on atmospheric discharges from the Calder Hall reactors.

The announcement has been welcomed as a big boost for Crompton's employment and economy, but a local anti-nuclear group branded the decision as lacking an ounce of courage and a slap in the face for the future of the area.

John Guinness, Chairman of BNFL, said: "This is obviously a major step forward for THORP. It takes us towards the point of being able to fully operate the plant with all the benefits it will bring to West Cumbria."

"It is a major step forward in allowing us to provide a first class service to our customers and save billions of pounds of valuable overseas revenue for the UK. So the BNFL flagship is now well afloat, but it is still in troubled waters. Not yet can the way ahead be said to be all plain sailing."

Under the Radioactive Substances Act, there has to be 28 days between the granting of an operating licence and its implementation. And in that time, Greenpeace will seek to prove in the High Court that it is unlawful for the government to give its approval without a public inquiry.

A Greenpeace spokesman said: "We believe it is unlawful for the government to give a go-ahead for THORP without a public inquiry. Our barristers will go the High Court and press our case as a leave to apply for a judicial review."

**BRYAN BONE reports on the long awaited decision which means so much to so many in West Cumbria. But opponents warn that they will not give in and will seek a judicial review.**

"It is quite possible for a judicial review on the legality of the government's actions to be held within the 28 days that must elapse. We believe we will win and we don't regard the government's announcement as a green light for THORP."

Jane Wildblood of Greenpeace said: "The green light given to THORP will soon turn to red when the High Court decides that a public inquiry must be held."

And Friends of the Earth, another prominent anti-nuclear pressure group, is looking to the European Commission to intervene.

Dr Patrick Green, IOP campaigner, said: "The government is flouting its legal obligations under EC law. THORP must be prevented from opening. We will take legal action to enforce Community laws if necessary."

Opponents of the plant argue that there is now no use for the materials recovered via reprocessing, and that uranium from THORP will be a threat to global security in terms of terrorism and proliferation.

But union leaders representing the 8,000 Sellafield workforce were last night celebrating the government decision after months of uncertainty.

John Kane, Secretary of the Sellafield Shop Stewards Committee, said: "It's good news for Sellafield, good news for West Cumbria and good news for Britain. It is the decision we and the local community have."



**More jobs**

WORK will start next month on a £50m plant to pack 400 tonnes of plutonium contaminated material at Sellafield.

The project means more construction jobs on the BNFL site, but the company has not yet disclosed employment figures.

—BBC, Laid

Now turn to Pages 18 and 19 and, for

## Relief and anxiety as THORP wins through

"They now have no-one to appeal to but The Almighty, and bearing in mind that we have the support of local churches. He is on our side."

— JOHN KANE, Sellafield unions.

By Bryan Bone

**THORP Director, David Bonser, could not hold back the smile that signalled his delight, outside the High Court in London.**

He had been waiting 15 months to say what he could now tell the world's media: "This is great news for British Nuclear Fuels and for more than 5,500 long-term jobs. We have been trying to manage an international business in the face of a lot of uncertainty. At last we have the green light to get on with providing a service to our customers."

The uncertainty had been lifted by the judgment of His Lordship of Justice, who said that the government had not acted unlawfully in giving the go-ahead for Sellafield's

thermal oxide reprocessing plant (THORP) without a public inquiry.

Since the start-up of the £1.5b complex on January 17, progress towards full commissioning was in doubt while Greenpeace, with Lancashire County Council, made a last ditch bid for a halt to be called. The attempt failed. Now the attempts are being made for the nuclear fuel recycling sequence to move to the point of reprocessing. With the chipping of fuel rods into two-inch chunks, separation processes, the plant will become contaminated and decommissioned. That stage could be reached by the end of the month.

Mr Justice Patten, in giving his judgment, said that the government's Secretary of State (John Gummer) had acted unlawfully in not ordering a public inquiry. He said he considered that it may be thought to be in the interests of the representations of the public and the desirability of allowing public anxiety would

have directed an inquiry.

"But this is not a matter for me. The essential question is whether the Secretary of State, in refusing to direct an inquiry, was acting lawfully within the powers conferred upon him by Parliament."

"Applying the principles of law to the whole of the material adduced before me, I come to the conclusion that he was not in error in law. The judge ruled that the government had complied with legislation concerning the public on consulting the public on the authorisation, emissions and radioactive emissions and the environmental impact. THORP's emissions would cause environmental damage. But they were willing to conclude that British and European legislation would not compel them to justify THORP's operations in terms of the net benefits to the economy and society compared to its environmental costs. However, even if they did not consider themselves legally bound to do so, they carried out a careful process of weighing the benefits against the disadvantages."

It was a decision against which neither Greenpeace nor Lancashire County Council will appeal. But the fight against THORP will continue as there is the prospect of attempts to block deliveries of spent fuel to Sellafield.

Peter McInnes, the green group's Executive Director, said: "I am bitterly disappointed that we did not manage to persuade the judge that what we were saying was right."

In contrast, a delighted John Kane, Sellafield shop steward, said: "The court ruling on behalf of the workers' union is the good news we have waited for and fought for through 15 long months."

He said it was "time for the green gang to get on our case. We have no-one to appeal to but the Almighty."

However, Bridget Patten, the judge's clerk, said: "The judge's decision that the government's actions would be a public inquiry."

## THORP: winner! chairman

THORP is a reprocessing plant for spent nuclear fuel. It recycles uranium and plutonium which has already generated electricity in nuclear reactors.

The oxide fuel handled by the plant is more efficient than Magnox fuel, of which more than 30,000 tonnes has been reprocessed at Sellafield.

BNFL insists that reprocessing nuclear fuel is a necessary part of the nuclear fuel cycle. And the process will be carried out in a building to be built in the area of Sellafield.

BNFL's Chairman, David Bonser, said: "This is a major step forward for the company and the local community."

## THORP key to long-term jobs security

industry in the 1980's. The growth of the industry was to be beset with public relations difficulties.

In 1983, there was a flurry of events which brought Sellafield under the national microscope. A television documentary made by Yorkshire Television entitled '*Windscale - The Nuclear Laundry*' was shown nationally on November 1, drawing attention to incidences of leukaemia in children living in the vicinity of Sellafield (Bolter, 1996; Macgill, 1987). The programme was watched by over 3 million viewers, and provoked considerable interest, focusing, as it did, on the emotive themes of children, cancer and radioactivity. The programme was followed by a barrage of media condemnation. *The Sun* (1983) printed an article 'Villages of the Damned', and the *Observer* (1983) captioned a picture "A corner of Cumbria where calves are born deformed and ramblers walk at their peril" (p.18). TVAM breakfast programme carried an emotive interview with one of the leukaemia stricken families. The reputation of the nuclear industry was cast in doubt and within 24 hours, a Committee of Enquiry was set up under Sir Douglas Black.

In the same month, despite a court injunction, Greenpeace attempted to block an effluent pipeline from Sellafield to publicise discharges into the Irish Sea. As a result of these actions several Greenpeace members were contaminated. Furthermore, what became known as the 1983 Beach Incident, took place on November 18. It involved the release of radioactive material into the Irish Sea, which presented a risk to the public and effectively closed local beaches for six months. The Department of Environment issued a statement which advised the public to avoid "unnecessary use" of the beaches.<sup>7</sup> Sellafield was now commonly portrayed as a dangerous polluter, a dangerous place to live and work near, and BNFL themselves was open to allegations of dishonesty and excessive secrecy (Harding, 1990).<sup>8</sup>

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<sup>7</sup> After a seven-week trial by jury in Carlisle, ending on July 23, 1985, BNFL was found guilty on four counts in relation to the 'Beach Incident'. Fines totalling just £10,000 were imposed and costs of £60,000.

<sup>8</sup> The Black Inquiry (1984) heightened concerns over health risks, concluding that a high leukaemia rate existed in Seascale although the numbers involved were small, and that there was no proven link to establish Sellafield as the cause. The group recommended that further research should be carried out. Nevertheless, with other leukaemia clusters discovered around other nuclear installations, including Aldermaston, Leiston and Winrith, the debate over the health risk of nuclear power intensified. One study was carried out by Professor Martin Gardner at the University of Southampton. In 1990 the

The 1983 Beach Incident particularly angered the local community, because of the belief that it had been covered up and the community misled:

“The Beach Incident did not enamour the industry to Cumbria and local politicians wanted some recompense for what they saw as detrimental to the perception of the area. Therefore, they would come up with pet schemes such as an athletics track and what BNFL started to do was provide a piecemeal programme of assistance” (Ex-BNFL director, interviewed, 6/11/97).

In effect, BNFL bowed to local pressure for further community assistance but, as previously, this was provided in an unstructured manner: help with the cost of renovating Whitehaven town hall, the construction of the Copeland athletics stadium, sponsoring a pro-am golf tournament at Seascale, and investing in Whitehaven Rugby League Club. There were also benefits provided for Allerdale, such as money for the Maryport harbour development and projects put forward by CCC such as the excavation and development of Hadrians Wall. Basically BNFL bought its way back into some sort of favour, spending £3 million on community projects (Bolter, 1996, p.234).

Public relations became very important for BNFL to counter increasing public concern and criticism in the media. BNFL undertook a massive advertising campaign and the Sellafield exhibition centre (opened in 1982) became the entrance for the general public into the secretive world of nuclear power. The industry invited people to come and see the Sellafield site for themselves (in order to remove the secretive reputation of the industry) and to learn how the nuclear fuel cycle operated:

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Gardner Report into incidences of leukaemia and non-Hodgkins lymphoma near Sellafield again placed serious questions against the health record of the nuclear industry. The Reports main finding was that the external radiation received by fathers during their employment at Sellafield was associated with the development of leukaemia among their children. This led to headlines speaking of ‘Sellafield’s Deadly Inheritance’ or claims stating that “dads passed cancer to babies”. An alternative approach was offered by Dr Leo Kinlen (1995) who suggested that the diseases may be caused by the migration of populations carrying infective agents to new settlements, such as might happen when new workers were attracted to Sellafield. The Kinlen hypothesis, therefore, appears to rule out the likelihood of radiation being responsible for leukaemia clusters. However, neither theory has disproved or proved the link between nuclear materials and ill health conclusively, and either approach needs to be



“The visitors centre idea was to explain the philosophy of the nuclear power industry and to normalise the nuclear industry. What BNFL were trying to do was place itself as a normal business in a normal community, which was difficult” (Ex-BNFL director, interviewed, 6/11/97).

The economic arguments for THORP were also being questioned following the public revelation of the excessive costs of reprocessing, waste disposal and decommissioning. This economic cost compounded existing concerns with regard to health and safety and the environmental impact of the nuclear industry. The new debate concerned the economic long term cost of nuclear power.

### *False Boom I: Expansion of Defence Industries (Shipbuilding and the Trident Programme)*

In 1977, shipbuilding, repairing and marine engine building companies were nationalised to become the new state corporation, British Shipbuilders (*The Times*, 1977). At this time the shipbuilding industry in both the UK and internationally faced a crisis of over capacity. Governments were under increased pressure to alleviate the pressure on the industry and subsidies were integral to the maintenance of the shipbuilding industry. In Barrow, the town and the Vickers company were synonymous, with the local economy largely dependent on the success of Vickers. Unlike other yards facing potential crisis, Barrow had developed into the leading shipyard for producing naval ships including the Navy's nuclear-powered hunter-killer submarines. This continuous programme had maintained a level of prosperity in the local economy and left some 14,000 workers and their families dependent on the shipyard (*The Times*, 1978).

During the Thatcher period the Barrow shipyard witnessed unparalleled growth and expansion. The development and production of the Trident submarine programme gave Barrow employment stability during the 1980's. When shipbuilding was nationalised in 1977, Vickers<sup>9</sup> employed 9,500 workers at Barrow. This stabilised at around 8,000 employees during the mid 1980's and grew to 14,000 by 1990 (PIEDA, 1995). The local *Evening Mail* heralded 'Boomtown Barrow', in which workers were

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confirmed by at least one other study of the same or similar subject matter before reliance can be placed on the results.

coming from Tyneside and the Clyde, house prices were increasing and the Borough Council was dealing with new schemes for residential development. This success was based on an order book which relied almost totally on the Trident submarine programme (See Montage 5.3).

The construction of the Devonshire Dock Hall and ship lift, described as 'the most advanced naval shipbuilding facility in the world', locally known as the 'Trident Sheds', was given approval in 1982 and was completed in 1988. This provided a covered facility for the Trident programme and future nuclear submarine building. In the 1983 General Election, arguably as a result of local prosperity, Albert Booth, a former Labour Minister and Member of Parliament since 1966, lost his seat to Cecil Franks, who became Barrow's first Conservative Member for forty years.

### ***False Boom II: Local Government and the Orthodox Approach***

The established system of economic governance within the region was dominated by old style *elected government*, which in turn simply reflected existing political party divisions. The traditional source of leadership and hegemony were councils and councillors who saw themselves as representing the community, able to provide local services and pick up on any significant local issues. The existing formal party system and orthodox thinking reinforced entrenched traditional views regarding development of the local economy, namely the need to: (i) maintain the level of national government assistance; (ii) secure the future of existing industries; and (iii) diversify the local economy through attracting new industry to the area.

### ***Maintaining National Government Assistance***

Maintaining national government assistance during the period, however, proved difficult. As a consequence of the relative success of the local economy, unemployment rates had fallen (although there remained some very real difficulties in some areas, notably Workington) which affected eligibility for assistance, exacerbated by much greater selectivity in designating Assisted Areas introduced as

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<sup>9</sup> Vickers was privatised in 1986, taking the name Vickers Shipbuilding Engineering Limited (VSEL).

Montage 5.3: Expansion of Defence Industries (Shipbuilding and Trident)

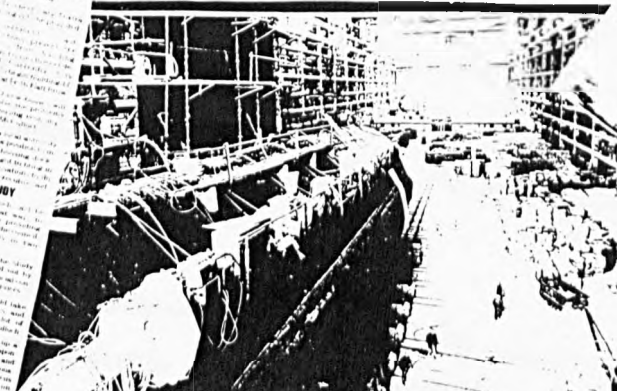
# Boomtown' bulge

House prices  
soar as the  
new workers  
crowd in

By Peter Coulton

As Barrow is facing a housing crisis, the new workers crowding in to the town are...

**STUDY**  
The study...  
The study...  
The study...



As it sets off, the workers breathe...

## LIZA PERKS

...of the boat it, for almost five years...  
...the massive Devonshire Dock Hall...  
...the town's history of...  
...the town's history of...

...the town's history of...  
...the town's history of...  
...the town's history of...

## CLASSIFIED

...the town's history of...  
...the town's history of...  
...the town's history of...

## CO OPERATIN

...the town's history of...  
...the town's history of...  
...the town's history of...

# OPEN HALL HOURS



# IT'S YOUR BARROW

## Barrow welcomes 7

From John Chatter, Barrow-in-Furness  
Barrowians, the 60,000 odd...  
...the town's history of...  
...the town's history of...

...the town's history of...  
...the town's history of...  
...the town's history of...

...the town's history of...  
...the town's history of...  
...the town's history of...

# Boomtown Barrow...

The Evening Mail bring you the facts and figures behind the most successful businesses in Barrow. Companies who have planned for the future. The men & women who together have built a solid foundation right here in our town.

SINCE 1950 the Sand...  
...the town's history of...  
...the town's history of...

## STANDARDS



NUMBER

9



part of the Thatcherite project. Both Barrow (1982) and Copeland (1985) lost any form of assistance as a result of the growth at VSEL and BNFL. Workington was downgraded from a Special Development Area to a Development Area in 1982 but remained the only area to maintain its Development Area status on a consistent basis. Significantly the loss of regional assistance in Barrow and Copeland showed how important regional policy was to these areas as very few industries were attracted in the ensuing years. It could be suggested that industry attracted to these areas is a result of the advantages given by regional policy. The loss of regional policy confirmed a lack of long-term thinking within the Government and the lack of serious support from the Government for these areas. It is undoubtedly clear, with hindsight, that the wind down in Government assistance was a retrograde step for Cumbria's areas of need.

Limited national Government assistance was available to deal with the environmental symptoms of decline and changing the physical infrastructure, particularly through land reclamation and the building of advanced factories. The availability of this national Government assistance clearly shaped the nature of local government economic development policy. Thus, the derelict harbour site at Maryport was identified by Allerdale District Council in 1982, as the key to rejuvenating the town. From the 1930's the Maryport story had been one of decline and failure. The harbour, once part of the thriving coastal trade discussed in Chapter 4, had ceased operations in 1961. Unemployment had become endemic and remained persistently high, reaching 66.8% in 1933 and was still at 23% in 1983. English Heritage and Cumbria Tourist Board felt strongly that the harbour development should be based around tourism. A mixed development, however, was needed to draw down reclamation money:

“The harbour redevelopment came about because the circumstances fitted the Government Derelict Land Grant legislation of the day. People criticised us for throwing money at the harbour and not in the town where it was suggested we would achieve far more economic improvement. The facts are that this money was not available for the town because it did not qualify under the criteria set” (Retired former project manager MDL/English Estates, interviewed, 15/10/97).

As a result, a strategy of land assembly, the removal of dereliction, the provision of new infrastructure and the development of residential, leisure and commercial uses was agreed (See Montage 5.4). Derelict Land Grant totalling £5.3 million was provided by the Department of Environment to prepare the area for development. The objectives of the development were threefold. First, to bring in visitors and private sector investment and thereby income and employment. Private sector involvement was successfully levered in the form of a £2.4 million housing development at the harbour and a private operator was found for the 200-berth marina. Secondly, to provide improved facilities and amenities for the local population and thirdly, to act as a launch pad for rejuvenating the town through more general efforts for economic development.

Following a study by Segal Quince Wicksteed (1985), English Estates, Cumbria County Council and Allerdale Borough Council came together and set up a joint venture company, Maryport Developments Limited (MDL), with the three partners holding equal shares to own, fund and manage the 100-acre scheme. English Estates took the lead role in the formation and management of this private company and appointed its Regional Projects Manager (a local man - Mr Eric Martin) in charge of the reclamation and redevelopment of the derelict harbour and adjacent town.

The Maryport harbour development was significant in that it represented the first attempt to *target a specific locality* to concentrate resources. It involved establishing a partnership between local and national government to get directly involved in supporting job-creating initiatives and create an attractive physical infrastructure (orientated towards attracting visitors to the area) to act as a catalyst for the overall economic regeneration of Maryport.

### ***Securing the Future of Existing Jobs and Industries***

Due to the lack of new inward investment into these areas, particularly Copeland and Furness, during the 1980s, the local economies became highly dependent upon the investment and employment performance of established firms, particularly BNFL and VSEL. However, there were several other well-publicised re-investments which

# Harbour must lure tourists to survive

MARYPORT Harbour Commissioners are convinced that the only viable future for Maryport Harbour is in its development as a tourist attraction.

Meeting for the first time in two years, the commission's harbour advisory committee plauded the enterprise of two Northumberland

brothers, Bill and Amos Treloar in setting up a steamship museum in the Elizabeth dock. Committee chairman Mr Brian Ashmore said the commissioners had spent the last two years endeavouring to attract commercial operations within the harbour area. "It became clear that any large organisation development would be out of the question," he said. "Development would have to come from small enterprises and we made it known that the commission would meet any requirements for land and water space. Unfortunately there was little response."

### GOOD USE

Then at the beginning of last year the Treloar brothers mooted the idea of using part of the Elizabeth dock for a permanent exhibition of historic steamships. "The commission's policy is now to look

principally to tourism and pleasure boating as the means most likely to put the harbour to good use," said Mr Ashmore. The Treloar scheme, which has the active support of Cumbria Tourist Board was given approval last November under the title of Maryport Steamship Company. One vessel is already berthed on the East side of Elizabeth Dock and a second is due to arrive before the end of March (The total fleet will comprise four or five steamships).

The Treloars have leased the East side of the dock for 20 years," Mr Ashmore explained. "We believe the biggest collection of steam vessels the bigger the attraction."

### COMPATIBLE

It was to Maryport's advantage to support the project which will bring business to traders and ultimately benefit other harbour users, he maintained.

Asked by Mr Danny Skelly if the Treloar project would eventually take over the dock basin, Mr Ashmore stressed that the scheme only involved the East side of the dock. Alternative berths would be offered to any owner at present berthed in this area.

There are still a number of matters to be ironed out regarding the project," he admitted, including berthing rights and security.

"The commissioners would like to have an informal discussion with the proper concerns in the harbour use, for we have to find compatible solutions in any problems which arise," said Mr Ashmore.

# Allerdale bids for £7½m boost to harbourside

By IRIS WALTON

ALLERDALE planners have enthusiastically given the green light to an impressive harbour reclamation and redevelopment scheme for Maryport harbour and docks.

Presenting their 'text' book for redevelopment at Tuesday's planning committee meeting, engineers told councillors that providing sufficient Government backing is given to the scheme, basic redevelopment could be carried out within two years.

The project - costing £7½m to complete - is "totally realistic" and "buildable," but at the end of the preparation period, access would depend on private investment in the scheme.

Meanwhile an application for finance is being sent to the Department of the Environment.

However, several private companies had already indicated their interest in the project, said Mr George Hindmarsh, of Ward, Ashcroft and Parkman, the consulting engineers commissioned to carry out the engineering feasibility study for the reclamation.

The Department of the Environment was already ready to invest public monies in reclamation and he consid-

ered that the Maryport scheme would prove attractive to them.

### MAIN POINTS

Basically the scheme put forward by Ward, Ashcroft and Parkman and architects, Cass Associates, involves:

1. The dredging and stabilising of the harbour and docks.  
2. The removal of unsightly and disused buildings to make way for some industrial and commercial development in the South Quay area.

3. A marina in Senhouse Dock.  
4. Facilities for commercial fishing and a living steamboat museum in the Elizabeth Dock.

5. A touring caravan site south of the Senhouse Dock.  
6. A beach area and esplanade on the south shore.

7. Extensive land scaping and tree planting and car parking facilities for 450 cars.

8. A new access road across the disused railway line adjacent to Ellenborough Place.

9. A wild life reserve in the Mole Hill area.  
10. The building of a weir in the River Ellen up river of the Harbour

Bridge to prevent silt washing into the harbour, and erosion of the river banks.

In outlining the report, Mr Eric Bond for Ward, Ashcroft and Parkman explained that the major engineering problems resolved found the removal of the 400,000 cubic metres of mud which had silted up the docks and harbour channels. It controlled storage for future use as an lagoon, and the stabilising of the dock and harbour walls.

Various methods had been considered for removing the silt but the most acceptable and economic answer at the present time was to jet pump the material along pipelines to an area near the existing Allerdale Council depot south of the Senhouse dock for storage.

After appropriate treatment the silt could be used as topsoil in the landscaping of the dock area - or sold.

The silt was a valuable resource and could realise between £2 million and £3 million.

The condition of the dock walls showed, on

TURN TO PAGE TWO

## £7½m boost for harbour

FROM PAGE ONE

preliminary survey he said that they were to a great extent unstable.

Any reclamation would involve an extensive operation to cement around the material behind the walls and reface the outer stone-work," said Mr Bond. "It is the silt which has prevented them from collapsing and so this work is of primary importance."

It was recommended that the dock gates be replaced by hydraulically operated flap gates.

Two other major engineering recommendations were the fitting in of the South Pier and Timber Jetty framework and the building of a weir up river from the Harbour Bridge.

### HALT HITTING

"Our survey has shown that the silt is primarily land based," said Mr Bond. "It is the silt which has prevented them from collapsing and so this work is of primary importance."

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# Dock scheme has good chance of success

## Yacht expert's verdict

THE £15 MILLION plan for redevelopment of Maryport dock is entirely realistic in concept and has a very good chance of success.

That is the considered opinion of one of the country's leading experts in the creation and operation of yacht marinas, Mr Colin Perkin, chairman of the National Yacht Harbour Association.

Guest of Allerdale Council for the day, Mr Perkin came to Maryport to reinforce what he had learned from reports and other documents relating to the scheme with an on the spot inspection.

Mr Perkin, who has given his services free, said: "It is one thing to read about a proposal of this kind, but a totally different thing to see it on the ground. I was able to see the area at extremely low water which is the best time to assess potential."

### IMPRESSIONS

"I must say at once that I am very impressed by the council's approach to the question based on the work of its own officers and on the advice taken from consultant engineers."

The organisation which Mr Perkin represents is using its collective skills to improve the overall facilities for leisure boating all round the coast of Great Britain, and feels that the West Coast is particularly well served in that respect.

"The association's view for some time has been that there is a need to produce better facilities at the right place and in the right way. Clearly where there is a harbour that has gone out of use or lost most of its commercial trade there is an opportunity to introduce new leisure facilities."

"Where harbours have declined through the loss of coastal trade and gone into disrepair, it can be too expensive to maintain without income. But over the last two or three years we have had two very good examples of what can be done at the old docks at Swansea and at Hull - and like Maryport that is because instead of being the massive cost of constructing a yacht harbour from nothing one can be imposed on an existing situation."

Mr Perkin said there had been several schemes for the revival of Maryport in recent years, but they were to a large extent unrealistic and with no chance of being successful both for its users and for the local authority," he said.

There had been some very reassuring experiences in other places, where yacht marinas had been developed in association with other facilities, of significant economic benefits to the adjoining town. This spin-off of increased spending power would be a general benefit as the scheme evolved, and in a place like Maryport the staff and employment could be critical.

He dismissed as a "myth" the idea that "yachting had to be a rich man's sport. The Maryport scheme would accommodate all ranges of boating activities - from those who started with up the scale to use bigger and bigger boats."

Mr Perkin similarly dismissed the idea that people had to live close to a marina to make use of it.

"It is worth pointing out that people are prepared to travel substantial distances to where they wish to keep their boat," he said.

The catchment area could involve travelling times of three to four hours. We have, for example, people living in the Midlands keeping boats at Plymouth because the water never freezes there. At Harrogate, many berth holders live in the west of Scotland."

Mr Perkin said the National Boat Show in London in January and the Southampton Boat Show in April were held at higher attendances than in previous years, and there was tangible evidence of greater sales of boats.

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# MP calls for action at harbour

WORKINGTON MP Dale Campbell-Savours has asked the government to consider the development of Maryport harbour as a capital project.

During questioning in the House of Commons on Wednesday, he pointed out that the harbour, which was privately owned, had "lain fallow" for 30 years.

"It could be a good object for capital investment which is in a community that is desperate for work," he maintained.

### ENLIGHTENED

In reply, Mr Gerald Eyles, junior minister at the Ministry of Transport, said that the harbour was owned by the Harbour Commissioners and was leased to the Maryport Steamship Company.

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failed miserably. "While I welcome any successful investment in opening up the harbour as a tourist attraction, the Maryport Steamship Company I understand will be concentrating on one particular section only along the Elizabeth dock where the ships will be berthed," said the MP.

What was needed, he said, was a massive investment in the construction, excavation and general rehabilitation of the harbour which was likely to come through private enterprise.

The main objection for Maryport must be open up new industry and factories in the town but I do believe."

Mr Campbell-Savours said that an investment in the harbour would be a major link in the chain to get Maryport back on its feet.

He considered public ownership of the harbour was the only way it could be revived.

"I shall publish a press for this at an appropriate time," he said.

That has been tried before in recent years and

safeguarded some existing jobs. British Steel, in Workington, invested £4 million in new capital equipment in the Track Products division (BSC, 1983). British Steel (Engineering) also won important new business involving the production of flasks for transporting nuclear material for BNFL Sellafield. A series of new investments were made at UCB in Wigton, which had been under threat of closure by its Belgian owners, while the acquisition of Thames Paperboard at Siddick, by the Swedish firm, Iggesund, secured the immediate future of this firm.

### *Creating New Jobs by Attracting New Industry*

Local government was also committed to encouraging new industries and the attraction of inward investment through the Cumbria Industrial Development Office and NORWIDA which existed to promote available industrial sites to potential investors. There was growth in a number of successful new firms which collectively generated new jobs. Examples of these new firms include Lilliput Lane, in 1982 (producing model cottages - originally in Penrith but expanding to Workington and Carlisle), US owned New Balance athletics shoes in 1982, in Workington, and the Colony Gift Corporation in Furness, producing speciality candles, was founded in 1979. The success of these firms was in part a result of tapping into the tourist market of the Lake District. There was also an emerging trend to establish factory shops for the sale of local produce (companies such as Kangol at Cleator Moor and New Balance at Lillyhall - now Flimby - established factory shops). In Furness, particularly in Ulverston, a cluster of high-tech electronics industries was emerging which included: Ashley and Rock (electrical), Ulvertch (underwater engineering), Marl (optical electronics), and, Tronic (electronics). The Morecambe Bay gas field and the construction of the Barrow gas terminal had also given fresh stimulus to the local economy.

### **5.5 Local Government Failure, the Real Economy of Decline and the Emergence of Governance**

The limited efforts of local government to carry out economic development activity also met with a number of setbacks. In 1979, the change of national government led to a policy change in the location of a government chemist with analytical laboratories.

Despite Conservative county control, the Conservative government chose to locate the chemist in Guildford (in Conservative Surrey) rather than Cockermouth (in Labour Allerdale) amid claims that the incidence of earthquakes in West Cumbria were too high. This project was again evidence of central government hegemony and local governments reliance on central government assistance. Another setback related to the proposed construction of a special chemical industry estate (to be called the Process Industry Park) in 1982, at Siddick, north of Workington. The estate was designed for firms which had difficulty finding suitable locations because of the hazardous and environmentally sensitive nature of their industry. It was estimated that the Process Industry Park would create 1,800 jobs to benefit the depressed areas of Workington and Maryport, but despite finding favour in the County council, this idea was rejected following considerable local objections.

Despite the THORP and Trident projects and attempts to attract new industries and inward investment, the economy of West Cumbria and Furness still had profound structural defects. The introduction of the Thatcherite project coincided with the worst recession in manufacturing since the 1930's and this had severe effects on local economies dominated by manufacturing activity. Between 1980 and 1982, the blast furnaces at Workington were shut down (although the engineering works remained) with the loss of over 2,000 jobs (mainly men). There were further redundancies particularly in the clothing and footwear industries including Courtaulds (700 jobs), Kangol (156 jobs), Condura Fabrics (60 jobs), Sekers (40 jobs), Bata shoes (450 jobs), Millers Footwear (295 jobs) and K-Shoes (200 jobs). Many other firms were on short-time. In Furness between 1980 and 1983 unemployment more than doubled (from 5.4 per cent to over 13 per cent) with over 5,000 people officially jobless. Over 4,500 manufacturing jobs disappeared in the Furness economy. The textiles and footwear sectors in particular experienced significant decline (See Montage 5.5).

These job losses were important in shaping the development of the regime. The job losses at the Workington ironworks produced a first example of the public-private partnership model to local economic development in the shape of the Moss Bay Enterprise Trust (MOBET). It was formed in 1981, by British Steel in partnership with Allerdale District Council and Cumbria County Council (CCC), specifically to



# Montage 5.5: Job Loss in the recession of 1980-1982

## JUDS 10 77 Local mills feel the crunch of mounting recession

Twenty-two Kangol Wear workers at Cleator and Frithlington are told that they are redundant, just three days after the announcement that 64 jobs are to be lost at the Kangol Fabrics mill in Honningham.

The Kangol management calls after lengthy talks between management and workers of the Cleator and Frithlington and Kangol Fabrics Union and N.M.S. yesterday afternoon.

The redundancies will affect 22 workers at the Kangol Fabrics mill in Honningham and 64 workers at the Cleator and Frithlington mill. The Kangol management says that the number of jobs to be lost will be 64.

It had originally been hoped that the main loss of jobs would be at the Honningham mill. However, the workers at the Cleator and Frithlington mill have been spared.

Employees per cent of the Government through the Government. Some workers during lay-off.

Short-time for 390 at Edgards  
A decision by the Government to allow for short-time for 390 workers at Edgards.

Town wholesaler to cease trading  
In yet another sign of recession, Harry S Taylor, a town wholesaler, has decided to cease trading at the end of October.

More than 900 will lose jobs  
The decision affects 28 employees at the Frithlington mill, while 64 workers at the Kangol Fabrics mill will be made redundant.

The fight to convince the Government of job losses in West Cumbria's special case is being stepped by Alford Council.

Fresh ammunition has been provided in the first of the monthly reports on the local situation by means of which chief planning officer Mr Peter Colley plans to keep the council in touch with the changing scene.

"If we intend to take positive action, now is the time before the situation gets worse," Mr Ian Francis told the development control committee. "It seems that the Government is starting to listen to people now."

He interpreted the figures as showing that, since December, unemployment in various parts of Allerdale had risen in varying degrees, by 25 per cent in Aspatria and by 46 per cent in Cockermouth and district.

New a further letter will go to the Cleator and Frithlington Council seeking a reversal of its previous thumbs down verdict on calls for special treatment for West Cumbria. Copies of the letter will go to local Members of Parliament.

The committee felt that the position might be worse than the bare figures indicated.

Mr Francis said there was a further removal of jobs through "natural wastage".

And Mr Bob Blackburn said there was an unknown quantity in North Allerdale, as figures for the area from Billshaws northwards were included in those for Carlisle.

"We have to get those figures before we know the full picture."

MANAGEMENT'S TOO  
The 64 jobs will be lost in all departments in the clothing market. It is not clear how many jobs will be held with the firm over the next year.

A spokesman at present the firm is not commenting on the matter. The management are sure that if they are any more, they will be held with the firm over the next year.

### REduNDANCY NOTICES AT COCKERMOUTH

The slump in the shoe trade has cost nearly 100 more jobs at Cockermouth, Millers Footwear Ltd. is to pay off 88 employees in anticipation of dwindling markets in 1981.

Management and unions were in conference at Derwent Mills on Thursday before the scale of the latest pay-off was announced.

Twice in little more than two months the depressed trade has produced similar crops of redundancy notices, and the latest brings the total to 293 leaving about 700 still in employment at Derwent Mills and at Clay Platts, Workington.

At the end of October, the first blow fell, on 88 jobs, through the loss of the Derbyshire branch of the firm, which had been a major supplier of shoes to the firm's other car accessories.

### MORE THAN 900 WILL LOSE JOBS

Axe falls on ironworks  
For months of speculation the axe has finally fallen on the BSC Corporation's Cumbria complex at Workington.

The decision is a thing of wonder, as the works are one of the most profitable in the BSC group.

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Worst news since war  
The BSC announcement was described by Mr Brian Wilson, Workington Labour Party agent, as the worst news since the war.

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### MORE REDUNDANCIES HIT THE LOCAL FOOTWEAR INDUSTRY

A second wave of redundancies broke over the local footwear industry, with 100 more workers to be laid off before the end of the month.

The local footwear industry is facing a second wave of redundancies, with 100 more workers to be laid off before the end of the month.

Commenting on his analysis of the unemployment by occupation, Mr Colley said: "It can be seen that, for the most part, it would need a general upturn in the economy to re-employ these groups, rather than a local initiative."

"In particular, in the 1980-1982 recession, the local trade would count for many of the currently out of work."

The committee said that in 1980 redundancies and closures cost 3,194 jobs in 41 firms, the bulk of which were in the north-east, with the 1,111 jobs particularly badly hit.

### AREA'S SPOT

The county's blackspot for unemployment is West Cumbria where 14.1 per cent are now unemployed, according to Jobcentre figures for the month.

This is in sharp contrast to last year's figure of 8.3 per cent, and even last month's 11.9 per cent.

Mc John Thompson, manager of Workington Jobcentre, attributed the increase to redundant workers mainly from British Steel Corporation, K Shoes and Millers Footwear who had not previously registered now being included in the count.

This month there were 2,112 males and 2,702 females unemployed and registered for work at Workington, Aspatria, Maxeyport and Cockermouth.

At the beginning of the month only 110 vacancies were notified to the Jobcentre Programme providing places Vacancies at 91 against a drop of 100.

Statistics show the adult male unemployment rate this month was 10.83, a rise of 27 over last month. Adult female unemployment rose by 16 to 13.3. The total jobs by 16 represents 11.3 per cent of the insured working population.

The only glimmer of hope came in the jobless figure for young people. These dropped by 48 to 243 but a spokesman of the Department of Employment said most of this was accounted for by the Youth Opportunities Programme providing places Vacancies at 91 against a drop of 100.

The breakdown of local figures is Carlisle 4.44, Workington 14.14, and one in ten people - and in Workington 4.14.

### 826 WILL LOSE JOBS

More than 800 jobs are to be lost at BSC Cumbria's Workington.

The grim news on the massive redundancies came in an announcement by Mr Langton Highton general manager of Shop stewards and union officials had been informed.

Worst news since war  
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find jobs for redundant iron workers. The idea of MOBET was based on the concept of the enterprise economy and self employment, which were largely underdeveloped in West Cumbria. It attempted to use empty buildings on the site of the ironworks to provide managed workspaces. This smacked of the Thatcherite vision that assumed it was possible to convert former steel-workers traditionally used to working for large employers into entrepreneurs and self-employed business people. The creation of MOBET is thus doubly significant because it signals both the beginning of a public-private partnership to deal with a particular economic problem and the formal introduction of small firm development onto the local economic development agenda.

MOBET's ability to deliver its programme was increasingly influenced by national Government regulation following the designation of Enterprise Zone (EZ) status for parts of Workington and Maryport, in October 1983, for a period of ten years. This EZ status was intended to limit the effects of steel restructuring but also reinforced the Thatcher governments commitment to establishing an 'enterprise culture'. The zone offered firms tax allowances, rate-free periods and relaxed planning regimes. A reclamation project costing £17 million was undertaken at the Workington ironworks site to create a new industrial and commercial centre and English Estates (EE), the government factory building organisation, built advanced factories. This was immensely successful for a short period of time. Workington was 'cleaned up' and new advanced factories were created. A surplus labour supply was available following the closure of local businesses. And probably most importantly Workington had Development Area status. However, the typical response of government to build new factory units through EE could be questioned:

"Millions were spent and most of these factory units stood empty. Worst still, because these factory units were subsidised, existing businesses took the opportunity to move out of their present premises and into the new ones, so a series of 'boundary hopping' took place, for example, New Balance moved from Lillyhall to Flimby. In effect, there was very little in the way of new jobs simply a reshuffling of existing employment" (Former Development Agency Chief Executive, interviewed, 30/10/97).

Reclaiming the old ironworks site and granting EZ status on these sites switched the emphasis away from Lillyhall, which had been conceived as the *premier* employment

site for West Cumbria. For ten years the Lillyhall site was neglected with some firms, such as New Balance, taking advantage of the assistance available in the EZ. Also, from 1983 onwards, Copeland had no inward investment of any note, suffering from Allerdale being awarded both Development Area Status and an EZ (Segal Quince Wicksteed, 1996).

## 5.6 Conclusion

By the end of this period there had emerged a realisation among some within local government (particularly officers) that the existing political regime was ill-equipped to deal with the challenges facing it. Regime I was faltering because of the long standing reliance on central government assistance which had begun to be cut (particularly in Barrow and Copeland) and the continued weakness of local government to deal with economic restructuring. The 'false boom' in the local economies of West Cumbria and Furness was the result of central government enabling expansion in the nuclear and shipbuilding industries, which simply reinforced the over dependence of these areas on these dominant employers. Increasingly it was being recognised that there was the need for more specific interventions and direct economic development projects in order to plan ahead for the potential crisis when, in particular, the THORP and Trident projects would come to an end. As a result, local government led experiments in governance, such as MOBET, began to plant the seeds for the ensuing transition towards the growth in new agencies and partnership. The identification of key projects, such as the Maryport harbour development also marked the beginning of regeneration schemes which would deal directly with issues of localised economic development problems.

## CHAPTER 6

### REGIME II 1986-1989: THE EMERGENCE OF 'ENTREPRENEURIAL' PUBLIC-PRIVATE PARTNERSHIP

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#### 6.1 Introduction

The 1974-1985 regime was clearly faltering due to reductions in central government assistance, the weakness of local government to develop an effective local economic policy and the falsity of the early 1980's boom had become clear. The emergence of Regime II 1986-1989 is symbolic because in the wake of the election of a hung county council, which heralded a phase of weak politics in Cumbria, there emerged a commitment towards governance and the emergence of public-private partnership in order to deal with the effects of industrial restructuring and job loss. The most significant event was the creation of the West Cumbria Initiative (WCI) which represented this new found commitment to develop public-private partnerships which were locally driven, locally led and with local ambitions. It marked the formal starting point of business and local government joint working on strategic economic development issues and consensus on the need to find innovative new forms of regeneration. In particular, the involvement of BNFL was vital as the resources they made available enabled economic development work to be carried out and the creation of an institutional structure based on the foundations of partnership. However, there were also signs that this was likely to be an 'unequal partnership' as BNFL insisted on maintaining effective control of the money that it was contributing and with the strategic placement of BNFL representatives or ex-BNFL employees (many still being paid by BNFL) in key decision-making capacities. This hegemonic posture instilled the BNFL mind-set and pro-growth economic thinking throughout the politics of the developing local accumulation strategy for West Cumbria.

## **6.2 The Political and Economic Context: A Failing National Political Regime and a Failing National Economy**

Following the 1987 General Election the Thatcher government continued with its hegemonic project to promote an entrepreneurial society, a free-market economy and to reconstruct the state. However, during this period the unpopularity of the 'radical' nature of some key Thatcherite policies would eventually lead to the downfall of Margaret Thatcher in November 1990.

The government boasted that the British economy had been growing uninterruptedly since 1982, and that its policies for reducing direct taxes, privatising public-sector assets, deregulating business and curbing trade-union power were the means for achieving high growth, low inflation, recession-free economy (Gamble, 1994). However, the first signs of the impending recession emerged with the crash of the world stock markets in October 1987. Yet the government maintained short-term economic recovery by initiating a set of proposals in the 1988 budget which included reducing income tax (to 25p in the pound with the top rate at 40p), increasing personal allowances to twice the rate of inflation and cutting corporation tax and inheritance tax. The consequence of these policies was to prolong growth at the expense of storing up serious economic problems. However, by 1989 inflation (which peaked at 10.5 per cent in 1990) and then recession (rising interest rates, economic contraction, bankruptcies and high unemployment) began to re-emerge.

The Thatcher government also continued its reconstruction of the state by identifying public services (local government, education, health and social security) as key areas for further change. What became known as 'new public management' involved new forms of management for institutions in the public sector through devices such as internal markets, contracting out, tendering and financial incentives. In effect, central government introduced a new range of measures to limit the power and responsibilities of local authorities including the opportunity for schools and council estates to opt out of local authority control (Gamble, 1994). The most controversial measure was the introduction of the community charge (poll tax) which was designed to shift the cost of local government services away from central government and on to

local government. Citizens would be forced to pay for local services, leading to a choice between more public spending or lower taxes. The introduction of the poll tax, however, was to lead to massive protests and contributed significantly to the Thatcher government's loss of political credibility.

Clarke and Newman (1997) claim Thatcherism set in motion a “transformational project” which set about to reshape local state institutions and erode the conventional distinctions between public and private sector, between state and market provision. The project was about transforming attitudes and practices to make the public sector more like the private sector in its values and ways of working. In particular, it was to become less bureaucratic and more ‘business like’, it was to be “...a large scale *cultural* change through which hearts and minds could be engaged” (p.36, emphasis original).<sup>1</sup> There are three mechanisms of change which can be identified as achievements and which represent the Thatcherite “transformational project”: (i) the introduction of the ideology of managerialism and programmes to reduce the power of local authorities by increasingly fragmenting their service provision.<sup>2</sup> The control of service provision for the local community was increasingly ceded to the private sector and greater emphasis was placed on competition, market mechanisms and customer-driven service delivery; (ii) attempts at job creation were rooted in the promotion of the ‘enterprise society’ and encouraging small firms regardless of who profited and it was unusual for the unemployed and deprived areas to benefit (Imrie and Thomas, 1999; Martin, 1989; Robson, 1991; Turok, 1992); (iii) the creation of unelected quangos were promoted aimed at encouraging business leaders to take over the agenda of local economic development from local government, on the assumption that resources are best utilised in a private sector culture (Davis and Stewart, 1993; Hall and Weir, 1996; Skelcher and Davis, 1995).

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<sup>1</sup> The ideology of Thatcherism was articulated through a series of institutional reforms intended to advance certain social forces: middle-class, professional/managerial people and attractive to so-called “middle-England”.

<sup>2</sup> A series of legislation including: Housing Acts (1980, 1986, 1988); the Local Government and Housing Act (1989); Employment Acts (1980, 1982, 1988, 1990); Trade Union Act (1984); Compulsory Competitive Tendering (1985); and, some forty other Acts affecting local government were passed during the 1980's (Marsh and Rhodes, 1992). This coincided with a massive rundown in Government regional policy and assistance for weak economies. By 1994 national expenditure on regional policy had fallen to a quarter of its level in the early 1980's (Gudgin, 1995).

The 12 years of Thatcherism thus represented a 'radical' approach to government with the apparent paradox of movement towards a minimalist neo-liberal state set against greater centralisation of policy making. The new policy model involved a distinct shift from a demand-side to supply-side approach, privileging the role of the private sector and free-market forces. A continued restructuring of local government resulted in reduced local powers and the fragmentation of local services alongside reductions in the scale and coverage of regional policy and the emergence of increasing numbers of unelected quangos. And Cumbria, like other regions, could not fail to be affected.

### **6.3 Local Political and Policy Change**

#### ***A Hung County Council***

The politics of Cumbria entered into a phase of uncertainty following the County Council elections of 1985 resulted in a hung council (see Table 6.1). This hung council classically reflected the traditional urban (Labour) and rural (Conservative) splits within Cumbria. It could also be explained as a vote of confidence in the national Conservative governments expansion of the nuclear and defence industries and the unpopularity with a national Labour party committed to nuclear-disarmament. For the next twelve years a period of 'passive politics' prevailed in Cumbria with policy at the mercy of coalition administrations that were driven by political expediency on many issues and with no clear source of political leadership. Political tactics resulted in unlikely alliances being formed and very little progress in many areas of policy, as the hung council was unable to offer adequate policy guidance in terms of having one unified voice.

**Table 6.1: Results in County Council Elections 1985-1993**

Election	LAB	CON	LIB	IND	Comment
2 May 1985	39	36	5	3	Hung Council [83 Councillors representing 83 divisions]
4 May 1989	37	37	6	3	Hung Council [83 Councillors representing 83 divisions]
6 May 1993	39	28	14	2	Hung Council [83 Councillors representing 83 divisions]

(LAB - Labour, CON - Conservative, LIB - Liberal (From 1985 there have been different forms of the Liberal Party), IND - Independent).

The research revealed widespread recognition on the part of elected members of the failure of the hung council:

“The problem with hung councils which we’ve had is that they may save money but they get nothing done” (County Councillor, interviewed, 3/10/97).

“As a member, because of the way things have worked with a hung council, everything has been done in small groups and this has resulted in being inward looking. It forced people on the defensive and some strange alliances were set up. On reflection the hung council didn’t work because the political parties didn’t work together, deals have been done, but they have not worked together” (County Councillor, interviewed, 5/12/97).

However, despite failure to meet agreement on a number of issues, there was general consensus in the hung council over the need to deal with problems in the local economy.

### ***Emerging Public-Private Partnerships***

In 1986 the Cumbria County Council (CCC) set up an Economic Development Department to act as a catalyst in the county’s economic development strategy. The evolving strategy was officer-led, in particular John Burnet took the lead role. The development strategy aimed to create an attractive economic and physical environment for business, support job-creating initiatives, and involve trade unions in collective bargaining and long-term planning (CCC, 1987). At this time, direct involvement in economic development by local government and governance agents was relatively undeveloped and experimental:



“Originally, at this time, you had a variety of agencies all dabbling in the field of economic regeneration, except it was called enterprise development, with people coming at it from different viewpoints. To say that we were all bringing in each other’s washing is maybe an over simplification of the case” (County Council Officer, interviewed, 24/9/97).

Following the closure of the last deep coal mine at Haig Pit in Whitehaven, in 1986, the Moss Bay Enterprise Trust (MOBET) was transformed into Enterprise West Cumbria (EWC). Its remit was extended to cover Allerdale and Copeland, to promote and market both areas as places to do business, to offer advice and support to businesses and to look at innovative ways of helping businesses develop. EWC thus marked the beginning of Allerdale and Copeland district councils working together on economic development as most of what had gone before had been limited to individual districts. While its funding by loan support was provided by the private sector, in particular British Steel (Industry) and British Coal Enterprise, EWC represented the emerging trend towards public-private partnership. However, EWC had limited objectives remaining basically an enterprise agency aimed at helping new businesses to set up.

A key event in the development of the regime was the publication, in March 1986, of a paper entitled *BNF: A Programme for Constructive Change* written by John Burnet of Cumbria County Council (CCC) and Bob Metcalfe of Copeland Borough Council (CBC) (and given political legitimacy by the support of Jimmy Johnston, Leader of Copeland Borough Council). This paper raised questions over whether the benefits of the nuclear industry were being felt elsewhere and not in West Cumbria, and if the area should be compensated accordingly. Despite the local economy benefiting from the THORP construction, the paper predicted future employment decline following the completion of THORP would total 5,000 jobs. Also, following a number of “incidents” within the nuclear industry it was believed that media coverage, together with wider international concern, had created a stigma whereby the image and confidence in the area had seriously been damaged creating a “no-go” area for investors and visitors alike. Therefore, on the basis that the local community was increasingly concerned about future prospects for both employment at the plant and

alternative employment in other industries, it suggested six proposals to secure the future for the area:

“1. Autonomy at Sellafield in direct purchasing, administration, design and contract. 2. Sufficient finance be made available to create separate development funds for: enterprise; tourism; infrastructure; reclamation; and promotion. 3. Full BNF co-operation to attract new service industries to West Cumbria and to develop increased contracts for services and manufactured goods from existing Cumbrian firms. 4. Full BNF co-operation to create a training plan and facilities to meet the future needs of West Cumbria. 5. BNF to invest in the development of a West Cumbrian science park and to actively encourage spin-off in high technology to be based in West Cumbria. 6. A unit to be set up by BNF to develop this programme of initiatives with the aim that West Cumbria becomes a centre of excellence for the nuclear industry” (Burnet and Metcalfe, 1986, Preface).

BNFL had been providing financial assistance to West Cumbria as agreed as part of its application for planning permission to build THORP but much of the early spending had been in BNFL's interest and provided in an unstructured manner. Nevertheless, BNFL needed support from the local community to ward off detractors:

“By putting resources into West Cumbria, BNFL maintained its licence to operate. The local people were willing to accept the nature of the industry, which perhaps other areas of the country would not accept. It was imperative that BNFL had the support of the communities because if they turn against the industry then there is no business” (BNFL manager, interviewed, 13/11/97).

On the other side of the coin, BNFL was absolutely vital to the local economy in terms of direct employment and its spending power locally:

“In West Cumbria, BNFL is overwhelmingly dominant, when they sneeze the economy catches a cold. It has proved to be a major source of revenue and required a large workforce. Equally, periodic expansion projects, such as THORP, have greatly increased the size of the workforce. In employment terms, BNFL's influence on the local economy is quite striking. Due to the labour intensity of nuclear reprocessing, Sellafield employs a large workforce and is the largest nuclear installation in the UK in terms of numbers. The biggest contribution Sellafield makes is in wages it pays and that's over £100 million a year. It also brings indirect economic benefits through the multiplier effects it creates, especially in supporting industries and things such as shops” (Ex-BNFL director, interviewed, 6/11/97).

Despite attempts to get involved in the community and to “normalise the industry” (BNFL manager, interviewed, 13/11/97), it became clear that the distribution of the BNFL largesse was inappropriate:

“What came out was that in those areas where the help had been given, it was very favourably received. However, there was a great deal of jealousy and resentment engendered in areas that didn’t receive any assistance. So, for example, the people in Workington were not very happy that they were getting nothing and Whitehaven was getting a lot. Equally, the people of Silloth were unhappy that they were getting nothing whilst Maryport was getting a lot. So it seemed there would be a lot of benefit to BNFL to find a way of smoothing their assistance across the community. They had talks with the councils and local MP’s to find out what they could do and the consensus was that the real problem for West Cumbria was in economic regeneration” (Development Agency Chief Executive, interviewed, 24/6/97).

“It became clear that this was the wrong approach but also that the company needed to develop a better relationship with the local community rather than when there just happened to be a problem. Also, planning applications which were subsidiary plans for THORP could be stalled by the local authority until it had got what euphemistically was called planning gain. They all wanted something and the muscle came from delaying projects at some cost to the company. There was a need to get a better relationship, a partnership of some kind. So BNFL, Copeland Borough Council and Cumbria County Council started talking about doing something” (Ex-BNFL director, interviewed, 6/11/97).

As a result, BNFL, CBC and CCC commissioned the consultant company WS Atkins to “... consider ways of promoting the economy, environment and image of West Cumbria with special reference to employment promotion” (WS Atkins, 1987, p.1). The West Cumbria Joint Initiative was published in August 1987 and it concluded that:

“The most effective means of addressing these and related issues is seen to be by **local collaboration through a public and private sector business and local government partnership**, based upon the view that a healthy and dynamic local economy with a thriving business sector will be to the mutual benefit of all parties and the community as a whole” (p.12, authors emphasis).

The West Cumbria Joint Initiative led to the creation of the West Cumbria Initiative (WCI) in 1988 which brought together CBC, Allerdale District Council (ADC), CCC and BNFL, with the aim of adopting a deliberate policy of informal networking between the public sector, local business, quango creations and government officials in the hope of fostering joint initiatives and building consensus on economic development issues (See Montage 6.1). The West Cumbria Joint Initiative report made suggestions for developing a local progrowth accumulation strategy in an attempt to encourage private sector investment and introduce new types of regeneration initiatives, including: a science and technology park related to BNFL's requirements and technology spin-off, with the park envisaged to become a centre of excellence for science, engineering and technology research and development; the expansion of tourism; and, manpower development and training.<sup>3</sup> Significantly, in support of this initiative, BNFL put forward £1 million a year initially for three years, later extended to 10 years and the local authorities committed £50,000 each a year.<sup>4</sup> The aim of the initiative was to address a combination of problems, namely: forthcoming employment losses, particularly in the nuclear industry; continuing high levels of unemployment; the imbalance in economic development between Allerdale and Copeland created by the loss of regional assistance for Copeland (caused by the artificial conditions of BNFL's expansion) and the continued programme of government assistance in Allerdale; and, the perceived detrimental effect of the nuclear industry on the image of the area for attracting new industries. The principle aim was to enhance employment opportunities and job retention through economic development schemes and expansion of the industrial base in the area.

Two organisations were created as part of the Initiative. First, the West Cumbria Development Fund (WCDF) was given a commercial budget, to be used for supporting existing or new business developments through venture capital loans, equity participation or loan guarantees. It had to try to obtain a reasonable return on the money it invested, with the objective of achieving earnings which would enable the WCDF to become self-supporting. BNFL firmly championed the cause for

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<sup>3</sup> These suggestions were not new but simply reflected the ideas which had originally come from the Burnet and Metcalfe paper.

<sup>4</sup> Since 1976, BNFL had ploughed an average of £2 million a year into the area (see Bolter, 1996).

# Montage 6.1: West Cumbria Joint Initiative

## West Cumbria

The partnership which created the West Cumbria Initiative is working hard to ensure success. Representatives made to the European Commission have been successful in obtaining recognition of the problems confronting West Cumbria and the areas for investment and assistance for economic, structural and industrial projects including tourism and leisure, training, European Regional Development Fund and West Cumbria Joint Initiative.

Nevertheless, there is still a long way to go. The West Cumbria Initiative needs to involve everyone, both in the community and in all areas of



industry, commerce and education. Its success is dependent on the adoption of the philosophy that the whole community can not only benefit from but also contribute to the Initiative's activities. Everyone has a part to play in determining the future of West Cumbria.



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**Rising to the challenge**

## West Cumbria Initiative



The West Cumbria Initiative was established in 1988 as a partnership of the private and public sectors. Its key aim is the highest possible level of employment through the regeneration of the Alport and Capheaton ex-mining

community. West Cumbria has had only two of three key industries employing the greater part of the working population: mining and coal, and more recently, the non-ferrous industry. With the loss of so many jobs in the deprivations and the non-ferrous industry particularly in the early 1980s, it was recognised that there was an urgent need to diversify into other high growth businesses to locate in the area and to establish an enterprise culture in West Cumbria.

## The Partnership

How to overcome the serious consequences of those job losses who had in parts of Capheaton create a major unemployment rate approaching 30%. British Nuclear Fuel, the County Council at Capheaton and Alport have led the West Cumbria Initiative in June 1988.

The Initiative-based entity consists of three principal parts: the West Cumbria Development Fund, West Cumbria Development Agency (private) and companies limited by guarantee and wholly owned by the local authority. The Initiative is supported by other organisations and private companies, including British and Wessex Energy.

## West Cumbria Development Agency

The West Cumbria Development Agency has a major role in offering help and assistance to the small business start-up. The existing business and those knowing to reach a company to the area. They can take the form of general business counselling, financial consultancy, grants, help with start-up capital, grants, staff loans and venture capital, skills and personnel, labour, training, transport and communications.

Tourism, rural development and local planning are also part of the Agency's remit, with a local enterprise network providing vital links between training providers and local industry/business.



In addition to the problems of the early 1980s, in 1986 the ex-mining Capheaton and Alport District Council together with BNFL Management identified an urgent main priority that in West Cumbria.

It is established that by 1992, 1991, around 1,200 people will have been laid off following the completion of one of the largest re-structuring projects in Western Europe at the British Nuclear Fuel site in West Cumbria. Although not all immediately affected, half of these will move out of the area. To secure new jobs, the initiative linked to the local authority from these well-paid jobs will have a serious impact on the local economy. It is expected that within West Cumbria around 2,000 will lose their jobs.



Fisheries, British Nuclear Fuel (Industry), British Coal, Enterprise, British Telecom, Furness, Moredun, Harrogate and National Westminster Banks, among others, and many more companies both large and small.

## West Cumbria Development Fund

The West Cumbria Development Fund provides grants and equity investment in small to medium-sized enterprises, allocated by the local authority. The Fund offers self-help and equity investment in small to medium-sized enterprises, allocated by the local authority. The Fund offers self-help and equity investment in small to medium-sized enterprises, allocated by the local authority.



## Westlakes Properties Limited

The organisation is providing property development services and building plans, helping to attract new investment and high-tech businesses to the area. The park will offer an ideal location for a high-tech business, offering a high-quality, modern, fully furnished office building, suitable for a wide range of businesses.

# Aiming to provide alternatives

AROUND 650 jobs have been created or secured since the West Cumbria Initiative the only one of its kind in England was formed six months ago.

Set up to boost employment prospects in the area, the initiative is supported by local authorities and industry, and consists of a Development Fund and Devel

...from Kington to Millom. One of the reasons why BNFL has thrown its weight behind the project, which has placed a real emphasis on training facilities is that this forces a major

...job problem in a region. By 1992, when 2,000 jobs are completed, about 5,000 will come in, and more than 10,000 will be lost.

# Tony heads drive to sell West

TONY Winterbottom is to head the new West Cumbria Development Agency.



agency is being set-up with backing from local industry, Alport and Capheaton Councils, the Government and the BBC.

British Nuclear Fuel, alone has promised to give the agency a funds of £10 million boost.

Tony Winterbottom is likely to be in his new post by the end of the month when the agency should finally be registered under the Companies Act.

Backed by the Government and its partners West Cumbria, to push for its development to get business to set up here.

He said he expects Enterprise West Cumbria and the area's initially work on funding until F.W.C. is established. West Cumbria will take over.

developing a science and technology park in West Cumbria and the WCDF would be the vehicle for developing this 'flagship project'. Clearly, a project focused on developing science and technology is indicative of the control BNFL held in the local regime.

For short-term political reasons the WCDF approved a number of rescue packages for 'lost causes', lame-duck companies which had limited future employment potential:

"In the early days we had a number of rescue operations which came to us, companies that were on the brink of collapse, and some involved companies that in West Cumbrian terms were big employers, such as Millers Shoes in Cockermouth, Cumbria Clothing which came in on the back of heavy development grants and the moment those dried up they went and Turner and Whitehouse was another which had been a long established clothing factory at Whitehaven. If your faced with that and the dilemma of how long it will take to regenerate 200 jobs in the area, there is a tremendous temptation to go in and be part of the rescue package. This is what we did and in all three cases we lost heavily our money in a very short period of time" (Development Agency Chief Executive, interviewed, 24/6/97).

"The WCDF when it started wasted a lot of money on lame duck industries, we almost knew we were going to waste money but at the time you've got to look at the issue of increasing unemployment, so the dilemma is to put people out of work or to keep the industry open for a short-time which would buy us time to find something else. As a politician you have got to take all these factors into account" (District Councillor, interviewed, 18/9/97).

"At the outset it seemed that the WCDF was a fire fighter, attempting to put the fires out all the time with money. As a result, a number of local companies that were ready to go to the wall, for local political reasons were maintained. This meant giving good money to bad causes because these businesses eventually closed anyway" (Ex-BNFL director, interviewed, 6/11/97).

The second organisation was the West Cumbria Development Agency (WCDA) which replaced EWC and was intended to be the executive arm of the WCI and to act as an agent for local councils by taking over some of the latter's functions. Its main aim was to create and develop new businesses and attract inward investment. It was to involve itself in providing assistance to existing firms, identifying local entrepreneurs and helping them get their business ideas off the ground, providing resource

packaging assistance and advice to companies considering moving into the area and taking responsibility for property management and development. The WCDA was kept separate from the WCDF but relied on it for its day-to-day running costs and the capital it needed to support new ventures.

The WCDA was encouraged to extend and develop the previous role of EWC from attracting small scale growing companies to attract large scale industrial developments. However, the WCDA programme concentrated on attracting small scale growing companies to form part of the culture of West Cumbria in the belief that the area would be unable to attract any large scale inward investment. Some initial successes included: Microtech which moved to Workington in 1989 (producing electronic assemblies for third parties and electronic components for Newport Components Limited in Milton Keynes which took ownership later that year) and Historical Collections in 1990 (a mail order and gift retailer). However, both councillors and the BNFL controlled WCDF were critical of this approach:

“What we needed were new industries to replace those that we had lost. Now I’m not saying that the small scale of many of the new industries were not needed, they were gratefully accepted, but I do think we could have done better by attracting a couple of industries which employed about 500 employees” (District Councillor, interviewed, 18/9/97).

“The area could not support a manufacturing unit of 2,000 jobs because there was not the necessary labour but it could support units of 500 but we have continued to fail to do so because we have not been in the market for this size of industry. I believe we under sold the area by convincing ourselves that we could only attract small scale industries” (Development Agency Board Member, interviewed, 30/6/97).

“I remember going to Allerdale Council and being laughed out of the council chambers when I was so proud of bringing Newport Components to Workington. But this wasn’t considered sexy enough, what they wanted was a Nissan” (Former Development Agency Chief Executive, interviewed, 30/10/97).

Peck *et al.* (1997) argues that Cumbria missed the “windows of locational opportunity” available during the 1980’s when the circumstances were right (a labour reserve and grant assistance) in other declining regions for global and local circumstances to combine to create conditions favourable for new inward investment (p.31). West Cumbria and Furness were unable to compete for new foreign

investments which were largely attracted to North East England and South Wales (Cooke, 1995, 1998; Morgan and Sayer, 1988; Peck and Stone, 1992; Sadler, 1992; Stone, 1995). It could be argued, however, that the new SME's were entirely appropriate to the capabilities of these areas. The strategy for attracting SME companies reflected an understanding of some basic economic problems of the area related to geography and economies of scale.

Clearly these new organisations were constrained by local political demands and BNFL's insistence that any money put into a new initiative should be kept under BNFL's effective control:

“BNFL were always worried about the organisational structure because Cumbria County Council, Copeland Borough Council and Allerdale Borough Council all had access to the WCDF and each wanted to dip into the financial allocation. BNFL wanted to know that the money they were putting forward was being well spent. So because BNFL was putting the money in, it was their power, so the power was held with BNFL” (County Council Officer, interviewed, 18/7/97).

The balance of membership of these organisations were clearly tipped towards the private sector and more specifically control by BNFL. Clearly, business power was to be given a 'privileged position' in policy making in line with the objectives of the Thatcherite state project and the developing WCI progrowth policy agenda. As Table 6.2 reveals the WCDF board was effectively staffed by BNFL people, with a BNFL chairman and representatives exclusively from the main financial contributors. In a sense, this unrepresentative body had taken responsibility for the overall management, strategy and allocation of local funding resources for West Cumbria. The independent members were drawn from local private sector industries and nominated by existing WCDF board members.



**Table 6.2: Board Membership of WCDF and WCDA in 1987**

WCDF		WCDA	
BNFL	3	Industry (Including BNFL)	6
CBC	2	Local Authorities (CBC, ABC, CCC)	6
CCC	1	Independents	3
Independents	2	Chairman	1
Chairman (From BNFL)	1		
<b>TOTAL</b>	<b>8</b>		<b>16</b>

The WCDA board also revealed a bias towards increased private sector involvement in decision making, but in contrast to WCDF the WCDA board was not controlled by BNFL. This did lead to a number of creative tensions:

“There was a great deal of internal rivalry between the people running the WCDA and the staff of WCDF, who were mainly provided by BNFL” (Bolter, 1996, p.238).

“There were creative tensions between WCDF and WCDA because effectively the WCDF was BNFL, the WCDA was not although it was apparently at arms length” (Former Development Agency Chief Executive, interviewed, 30/10/97).

Clearly, BNFL was positioning itself to play the part of *paternal benefactor* in West Cumbria, with overall control of WCDF and indirect control over the operations of the WCDA. BNFL contributed the majority of the local financial resource and BNFL (or ex-BNFL) people were placed in key decision making roles in developing the local economic development strategy. Inevitably this BNFL influence overshadowed other considerations (particularly direct involvement within local communities) as decisions were taken to keep in favour with the main sponsor and to allow BNFL to keep hold of the purse strings.

In contrast, despite continuing local economic growth as a result of the Trident submarine programme, the CCC and local councils in Furness began to pursue a fairly active economic development policy aimed at instilling the notion of partnership working. ‘Project Furness’ reflected prevailing thinking to deal with the physical and

environmental effects of industrial decline through land reclamation by using Central Government assistance. It aimed to transform the old ironworks site in Barrow, which was suffering from physical dereliction, into a new industrial park with the assistance of £7 million in Derelict Land Grant, undertaking reclamation work, diversifying the local economy by marketing the area for new inward investment and encouraging the creation of a tourism product (Industrial Review, 1989, p.9).

'Project Furness' had some successes but these were limited due to the small amount of resource available and the small scale of the operation. There were developments in reclaiming land on the Hindpool Trading Estate and in developing the Furness Business Park, which would be the centrepiece of Project Furness. Inward investment was restricted by the lack of regional assistance available to new companies, as a result of Barrow losing Assisted Area status in 1982. The Barrow and South Lakeland local authorities, English Tourist Board and Cumbria Tourist Board got together in 1987 and looked at the idea of developing tourism in the Furness and Cartmel peninsulas. The aim would be to 'piggy-back' on the success of the Lake District and entice tourists to less traditional tourist trails in the Furness and Cartmel peninsulas. This led to the construction of tourist based schemes, the 'flagship' development being the dock museum in Barrow.

Despite these attempts at economic development, there are three important points to make in explaining the limited success of the strategy in Furness during the late 1980's. First, Barrow was a *boomtown* as a result of the Trident programme which meant there was little apparent need or urgency to plan ahead for the end of the Trident programme. Secondly, despite efforts to diversify the industrial base, the local economy remained largely dependent on the shipyard, continuing the overdependence on this single industry.<sup>5</sup> Thirdly, although Vickers and Barrow had a long-standing relationship, the company was not the benevolent firm that BNFL had set itself up to be in West Cumbria. Taking these factors together reduced the scale and scope of

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<sup>5</sup> The 1987 General Election was fought on a single issue, the future of defence policy. Cecil Franks, the existing Conservative MP, ran a simple campaign asking "what will the lads do on Monday?" in the event of victory by a Labour party committed to nuclear-disarmament. Perhaps inevitably, the result was a 3,928 majority for the Conservatives and a vote in favour of the continuation of shipbuilding in Barrow.

economic development work and restricted the development of partnership working to being primarily 'public' sector led in Furness. As a result, the 'public' sector led regime (with few resources) was limited to the types of project it could introduce, reflected in the standard physical regeneration projects developed according to Central Government set criteria.

#### 6.4 Conclusion

The end of this period saw an emerging consensus among *local* business, particularly with BNFL taking a key role in West Cumbria, and *local* government over the need to work in partnership to develop an economic development strategy. The creation of the WCI, made up of the WCDF and WCDA, represents the most significant act of the regime showing signs of favouring the creation of new depoliticised (in theory), unelected agencies of governance to carry out economic development work. The THORP and Trident projects continued to bolster the local economy in the late 1980's but the developing partnership now called for the introduction of new innovative projects in order to diversify the economy, reduce reliance on the dominant industries, deal with the structural deficiencies of the west coast economies, and plan ahead for the anticipated employment decline at BNFL and VSEL. Schemes such as the planned establishment of a science and technology park in West Cumbria and the construction of the Furness Business Park would be key projects in attempting to stimulate local economic regeneration, but were also indicative of the existing regimes belief in developing a strong pro-growth business agenda.

## CHAPTER 7

### REGIME III 1990-1996: CONTROL BY ELITES AND PRO-GROWTH CORPORATISM

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#### 7.1 Introduction

The period 1990-1996 saw a major change in the governance of West Cumbria and Furness. Against a backdrop of a 'triple economic shock' governance of the locality became more complex as national government introduced competitiveness into funding streams and a new - supra-national tier of policy intervention was introduced in the form of European Union Structural Funds. The significance of these changing forms of national assistance and the inclusion of European aid was not only the increased sources of funding that they made available for the region, but also their influence on local governance and the type of regime. In the context of weak local elected politics, a space emerged for a proliferation in the number of private sector led agencies, many based on a functional basis, rooted in the 'partnership model' of economic policy which fitted most comfortably with unlocking resources from higher levels of government and espousing a pro-growth business agenda. Coalition-building and elite consensus on economic development projects became almost axiomatic as hegemony was ceded to two dominant agencies where a small number of largely unelected 'business-oriented' elites controlled the local economic development agenda.

#### 7.2 The Local Economy in Crisis: the 'Triple Economic Shock'

Between 1990 and 1992, three events seriously damaged the local economies of West Cumbria and Furness: (i) the completion of the THORP construction at Sellafield; (ii) the gradual completion of the Trident programme at VSEL coupled with the end of the Cold War and the implications for defence spending set out in the Government

paper *Options for Change* (1991); (iii) a national recession. Together these comprised what can only be described as a significant 'triple economic shock' to the locality.

The completion of the THORP construction in 1992 reduced the construction workforce at Sellafield from its peak at 7,300 in 1991 to only 1,400 in 1995 (and forecast to be only 1,000 by the year 2000). BNFL's core workforce also declined from a peak of 8,400 in 1993 to 7,700 in 1995 (and forecast to be 6,900 by the year 2000; Segal Quince Wicksteed, 1996). However, employment at BNFL still represented 37 per cent of total employment in the Whitehaven travel to work area (Copeland Borough Council, 1994). This severe overdependence on a major employer (in decline) meant that Copeland faced severe structural problems (See Montage 7.1).

The nuclear industry also had its problems. THORP was completed in 1992, however, as the time neared for the plant's commissioning its role began to be questioned again. There were calls for another public inquiry due to the changing situation of the nuclear industry since the 1970's. The need for plutonium had become less evident, the Cold War had ended, and the stagnation of the nuclear industry world-wide raised real doubts over future contracts for reprocessed fuel.<sup>1</sup>

The health and safety controversy surrounding THORP was exacerbated by the screening of the film 'Fighting for Gemma' on November 16, 1993, which depicted the short and traumatic life of local cancer victim Gemma D'Arcy and which attracted an audience of 8 million viewers. Despite this, on December 15, 1993, the go-ahead was given for the operations at THORP. This followed one year of Government indecision without any public inquiry.

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<sup>1</sup> The case for THORP is by no means as strong as it appeared two decades ago. At the time of the Windscale inquiry (Parker, 1977) it was assumed that there would be a very substantial expansion of nuclear power, in fact, only one new station, Sizewell B, was brought into operation. During the course of design and construction of THORP it became apparent that the cost of reprocessing would be considerably higher than expected. THORP is expected to reprocess 7,000 tonnes of fuel during the first ten years of operation but in 1994-95 BNFL's annual report stated only 65 tonnes of fuel had been reprocessed. The intention expressed at the THORP inquiry was to have a fifty-fifty split between UK and overseas customers. That balance has steadily been eroded, to the extent that overseas fuel accounts for 70 per cent of reprocessed fuel, perhaps the term 'World's Nuclear Dustbin' is appropriate.

# Long, hard climb out of recession

RECESSION battered West Cumbria has a mountain to climb to recovery. A leading economist claimed today

The district is suffering from severe lack of inward investment in new industries, with investors put off by poor transport links, said David Kern, chief

**QUOTE:**

The challenge to the local economy is to find new sources of employment

By SIMON LEE  
Business reporter

He said the delay over opening the Thorn site at Sellafield had affected hundreds of permanent jobs in the

The challenge to the local economy is to find new sources of employment. The defence and nuclear will remain very significant, considerable scope to develop in and services

Mr Kern was due to address management students at the Northumbria campus in Carlisle. He said: "The effects of the recession coupled with the

which he said shown considerable resilience to the recession. Unemployment across the county rose by 92 per cent between March 1990 and January 1993 although it has dropped slightly in the

## Town's jobless leaps by 50%

and market intelligence head  
bank

## Brave talk as district sinks into job gloom

By IAN BRODGEN

RECESSION hit West Cumbria will slump further into the jobless doldrums next year as more workers join the dole queue.

Experts predict Allerdale's unemployment rate will soar to 13 per cent — and that could put the district in the top ten of the country's unemployment blackspots.

Based on the latest unemployment league table only a handful of areas like South Tyneside with 17.2 per cent and Redruth with 15 per cent would have lower dole queues.

The problem is already so severe a three-man government action team has begun the daunting task of tackling the crisis, which in neighbouring Copeland will be even worse.

Economy in crisis  
See page 3

It is spearheading an emergency £30 million rescue package and will work closely with job creation agencies such as English Enterprise and the West Cumbria Development Agency, which brought a defiant posture from Tony Herbertson, WCDA executive.

"This is a challenge. As a 12% concerned the people must fight for themselves," he said. "I then 5,000 jobs directly lost over a three years as in Sellafield's complex ends. The

final number of losses, which will also include shop, pub and service industry workers, is not known.

The recession has been blamed for the sudden decision by Workington's Volvo bus to close its Laidlaw factory next year with the loss of 376 jobs. This came just days after Whitehaven's Marchon plant announced it is axing 120 workers.

The number of people chasing every county job vacancy has more than doubled in the last year.

Twelve people are applying for every job that comes on offer compared to five last year.

And a fifth of new firms set up in Cumbria in the last four years have since closed.

Government-backed investment agencies, the Northern Development Company and Inward, must re-double their efforts to bring new firms into the region.

"The Government must put pressure on them to ensure we get inquiries which we can translate into jobs.

**SELF-HELP**

"If they don't we'll have to do it and do much more ourselves — which we are not financially equipped to do," added Mr Winterbottom. The WCDA has created 600 new jobs, many in Aberdale, over the last year by attracting firms such as Design Fabrique and Historical Collections. "We are looking for firms which will come here, be part of the community and treat people properly. We do not want jobs at any cost."

"The government has got to take us seriously and bring one or two employers into West Cumbria," he said.

UNEMPLOYMENT in Whitehaven has increased by 50% over the past year and is expected to continue to rise.

A grim new report has revealed that the jobless figure for the county stands at over 15,000 with prospects for 1992 looking no brighter.

The gloomy statistics

show that long term unemployed rose by 3,100 last year. 21% of Copeland's and 25% of Allerdale's unemployed have been on the dole for over a year.

Whitehaven and Furness are the worst affected, according to the county council report, with predicted job losses at VSEL and BNFL's Thorp plant promising an even gloomier 1992.

"Already there are 20 vacancies for every notified

vacancy in Furness and 15 for every vacancy in Whitehaven. These figures will worsen in 1992/93," the district economic development statement for 1991/92 predicts.

County Economic Development Officer Brian Graham adds that farming, the traditional Cumbrian industry is also under threat. Cumbrian agriculture currently provides employment for about 14,500 farmers, their families and employees, but this is down 800 over the last decade.

County councillors will hear at a Joint Committee meeting in Penrith on Monday that better training, communications, skilled

work and several planned to the area council is to be created (four plans in 1) push to imp and training courses to service as to upgrade sites and ment sites

And the work closed such as Ely to create city to beat most crisis.

Soaring is sending crime rates

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## Double figure dole queue rate likely next year

AN unemployment rate of 13 percent has been predicted for the Workington travel-to-work area by the end of 1992.

Tony Winterbottom, director of the West Cumbria Development Agency, made his gloomy forecast as the dole queue percentage edged towards double figures.

He said: "That's a terrible figure to quote but it is quite possible unless we can bring some new investment to the area."

And Workington MP, Dale Campbell-Savours, didn't mince his words. He said: "We are from line casualties of the recession and I blame the Government."

hard work but that's what we're here for and we will do all we can.

**DEPRESSING**

"One thing we are doing now is really stepping up the pressure on the government agencies who are supposed to be bringing us inquiries — agencies like Inward and the Northern Development Company."

A spokesman for the careers service in Workington described the figures as "depressing" for pupils coming up to school leaving age and college leavers.

It's a tough world out there, and at times like this it's more important than ever for youngsters to appreciate the advantage in properly thinking out what they are going to do

beyond compulsory school leaving age and planning what the next steps are in achieving their full level of potential.

"Career opportunities are still there and the chances of success are much higher for people who have taken advantage of educational and vocational training opportunities," he added.

# Jobs problems looming large

CUMBRIA faces massive dole prob-

The number of vacancies notified to job centres fell by over 1,000 — nearly 20 per cent — between September

urges the Transport Department to upgrade trunk roads. The document also stresses the importance of providing

and 1992. The performance of manufacturing industries, agriculture and some of the county's larger firms is being affected.

The County Council's

schools, colleges and players

• The planning unit to meet changing employers through education colleges

In addition, in June 1994, BNFL announced it was to build a new plant in Cheshire to manufacture 10,000 stainless steel containers each year. This decision was taken despite the accumulated knowledge and expertise offered by British Steel at Workington. Jobs were being taken from the county which could have off-set those lost at Sellafield. Also in July 1994, more local indignation came from BNFL's announcement that the £4 million refit of the Sellafield Visitors Centre was to be carried out by a London firm (Brennan and Whalley of Wimbledon) because BNFL felt that no local firm was capable of performing the task. So much, it could be argued, for BNFL's attempts at local economic development.

The long-awaited Government nuclear review brought a bleak outlook for the future of the nuclear industry (HM Government, 1995). In the immediate future, no atomic power stations were to be built. The future of the MAGNOX stations would be reviewed every five years and decisions on waste disposal policy were also to be deferred for the same period. Once again the traditional deferment of difficult decisions by the government with reference to the nuclear industry was in evidence.

Perhaps unexpectedly, given Cumbria's nuclear history, was the vote by CCC (by 40 to 33) to reject NIREX's application for planning permission for a waste repository in December 1994. NIREX had considered three options for the disposal of waste: a deep mine cavity underground, a repository under the sea bed with access from mainland tunnels, and, a repository under the sea bed with access from an island or drilling platform. Twelve sites were considered suitable following geological studies, but NIREX claimed that there were "only two areas of the country where local authorities did show a measure of support; Cathness and Copeland which were already familiar with the nuclear industry developments at Dounreay and Sellafield respectively" (Environmental Resources Management, 1993). This political aspect appeared to take precedence as the West Cumbrian site was chosen (July, 1991). However, NIREX were not expecting the scale of objections to the proposal as the council received 499 letters of objection to the scheme, including Workington MP Dale Campbell-Savours, and only 143 in favour. But why did NIREX fail? One respondent stated:

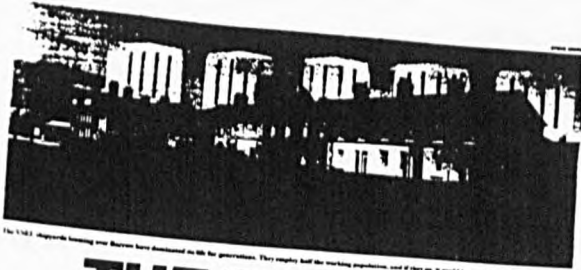
“The problem was that the people from Nirex were not responsive to local needs. They came to the area with a lot of arrogance, ‘we’ll teach these people how to solve this problem. We won’t talk to them in a meaningful way about the impact of what we would like to do. We won’t make positive contributions to the aspirations of the local community, and we are not prepared to be partners or to co-operate’. Also, they picked a poor site, which they realised but thought they could get away with it” (Former District Council Officer, interviewed, 2/9/97).

Significantly, the rejection of NIREX’s application for planning permission for a waste repository marks the first rejection of the nuclear industry by the council in Cumbria and, with hindsight, could be seen to represent the first stirrings of anti-private sector feeling among some of the elected councillors. As Councillor Bill Minto said: “I think we have sent a very strong message to the people who think we are a soft touch and that everything is going to come here” (*News and Star*, 1995a; *West Cumberland Times and Star*, 1994a).

Up until the early 1990’s, Barrow was a relatively affluent area, so in terms of unemployment it had always been below the national average and relatively immune from national cycles in the economy. However, the end of the Cold War and the publication of *Options for Change* (1991) by the Government, signalled a change in defence spending which made it unlikely that major new defence work would be available for Barrow. By 1990, VSEL employed over 14,000 people with around 85 per cent of its workforce dependent on Trident. As the Trident programme was being completed, in March 1991, 5,000 job losses were announced at the shipyard. The ‘Boomtown Barrow’ slogan was replaced by ‘Blues Over Barrow’ (See Montage 7.2). The feeling in the town was one of despondency. A letter to the *Evening Mail* (1991) claimed that Barrow had been manoeuvred into the position of being “a one-horse town handcuffed to Trident” (p.1):



Montage 7.2: 'Blues over Barrow'

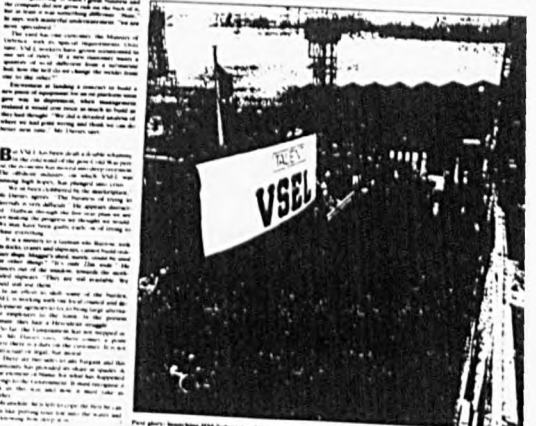


The peace dividend has fired a torpedo at Barrow, where everyone depends on the shipyards that build the Trident submarine. Whether they sink or swim is in the hands of VSEL chief Noel Davies (right), as he fights to save the company. Chris Blackhurst reports



# THE TOUGHEST JOB IN TOWN

**A** SHIPYARD IN THE heart of the Arctic wilderness, VSEL is the only employer in Barrow, Alaska, that can provide a steady stream of jobs for its 7,000 employees. The town's survival depends on the company's ability to produce the Trident submarine. The plant's operations are a complex of interlocking parts, from the design of the hull to the final assembly of the missile. The company's success is tied to the federal government's budget, which is subject to annual appropriations. The company's future is uncertain, as the government's budget is under review. The company's employees are facing a difficult future, as the company's operations are being scrutinized. The company's employees are facing a difficult future, as the company's operations are being scrutinized. The company's employees are facing a difficult future, as the company's operations are being scrutinized.



**Davies spells it out — up to 5,000 jobs to go**

## BARROW, THIS IS YOUR FUTURE

- 7-9,000 yard workforce
- Appeal to No 10 for help
- Diversify-or-die warning

**Paying for the peace dividend**

**'I was told I would be here for life — now I'll be looking for another job'**

TURN TO PAGE THREE

BEAT THE DRUM FOR OUR WORLD-BEATERS: Mail Opinion — P

# BLUES OVER BARRROW

What W the lads on Mon

**'I was told I would be here for life — now I'll be looking for another job'**

TURN TO PAGE THREE

“No Travel To Work Area in the UK has suffered the amount of job losses that we have suffered in South Cumbria in the 1990’s and they have mainly been at skilled or semi-skilled level. So the problem has been accentuated by the speed of which these job losses have happened, the skills that have been affected and the taking away almost over night of what was seen to be a ‘job for life’, where generations worked alongside each other in the shipyard. That has gone within the space of 5 years” (Member of Parliament, interviewed, 15/9/97).

It is very difficult not to overemphasise these dramatic changes. In numeric terms VSEL’s workforce dropped from 14,000 in 1990 to approximately 5,000 in just five years (a decline of 64 per cent) - a dramatic fall in employment in the town’s major employer which had significant indirect “knock on” effects on the local economy (PIEDA, 1995).

VSEL responded to the cutbacks in defence expenditure and levels of procurement by a programme of retrenchment at Barrow with the aim of diversification.<sup>2</sup> Since 1995, Barrow, which now formed part of GEC Marine<sup>3</sup>, began a programme aimed at securing commercial and export orders and reducing reliance on the Royal Navy contracts, by attempting to break back into surface warship building and merchant shipbuilding and to compete in niche markets for smaller vessels, one-off more sophisticated vessels which lend themselves to defence yard capabilities, as well as maintaining submarine building (Dabinett, 1994). However, the Ministry of Defence work remains important as the Barrow shipyard received the order to build three Astute class submarines, the latest generation of nuclear powered hunter killers (construction began in 1997).

Clearly, the dominance of these two employers had changed dramatically. At its peak in the late 1980’s, BNFL and VSEL together accounted for 38 per cent of all industrial employment (including construction) and 16.5 per cent of total employment in the county. By the mid-1990’s, these dependency figures had been reduced to

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<sup>2</sup> The entire diesel/electric submarine programme was cancelled at a stroke, leading ultimately to the closure of Cammell Laird at Birkenhead. A management buy out has resuscitated the company and it now carries out refurbishment work on merchant shipping.

<sup>3</sup> GEC Marine is part of GEC Marconi (comprising Barrow, Yarro shipyard on the Clyde and the National Nuclear Corporation in Knutsford. The firm has gone from a focus on Barrow to being part of an international conglomerate.

approximately 29 per cent and 9 per cent respectively (Peck *et al.*, 1997) although both BNFL and VSEL still remained the biggest employers in their respective localities.

The third element of the 'triple shock' was national economic recession and its local impact which was seen most visibly and significantly in the restructuring of industries attracted to the area by the national regional policy of the 1960's. As Faux (1994) reflects:

"Cumbria's persistent high unemployment is aggravated by the rundown of industries brought in as former salvation" (p.4).

Many employers in the local economy were subsidiaries or satellite branch plants of firms with head offices elsewhere, making the area vulnerable to corporate strategies and decisions made from outside the area. During the national recession of the early 1990's and throughout this period such a reliance led to job losses or total closure in many industries, particularly in manufacturing, as many externally owned companies were forced to restructure to enable them to survive and compete in an increasingly international economy. Such employment decline in the context of Cumbria, was hard to bear (See Montage 7.3). In Workington, the closure of the Lillyhall Bus factory by Volvo, in 1993, resulting in the loss of 374 jobs offers a classic example of failed central assistance, creating branch-plant factories based on production which were externally controlled. Volvo claimed that it was no longer viable to work from Workington and moved to Irvine in Scotland. The largest single factory site in Britain remained idle for over 5 years (the Eddie Stobbart haulage firm finally took it over in 1997 with a much reduced workforce).

The substantial job losses and factory closures (See Table 7.1) and the change to the local economies of West Cumbria and Furness that the 'triple economic shock' produced demanded a response from the governance regime. This response was itself being increasingly conditioned by developments in national and supra-national (European level) government.

# Montage 7.3: Job Loss in the recession of 1990-1996

## Dole faces Elbeo's workers

**By Susan Stone**  
 A 300,000 sq ft Elbeo plant in the town of Elbeo, Italy, is set to close in the next few weeks, according to a spokesman for the Italian government. The plant, which was built in 1980, is one of the largest in the world. It produces a wide range of products, including paper, cardboard, and other paper products. The closure is expected to result in the loss of 1,500 jobs. The Italian government is providing financial assistance to the workers who will be affected by the closure. The workers are expected to be laid off in a phased manner over the next few weeks. The closure is part of a broader restructuring plan for the Elbeo group, which is facing financial difficulties. The group's sales have declined significantly in recent years, and it is struggling to remain profitable. The closure is expected to have a significant impact on the local economy, as Elbeo is a major employer in the area. The workers are expected to be laid off in a phased manner over the next few weeks. The Italian government is providing financial assistance to the workers who will be affected by the closure. The workers are expected to be laid off in a phased manner over the next few weeks. The closure is part of a broader restructuring plan for the Elbeo group, which is facing financial difficulties. The group's sales have declined significantly in recent years, and it is struggling to remain profitable. The closure is expected to have a significant impact on the local economy, as Elbeo is a major employer in the area.



# Docks to close

**PRODUCTION changes** at Whitehaven will mean the loss of 120 jobs, says the company. The closure is part of a broader restructuring plan for the Elbeo group, which is facing financial difficulties. The group's sales have declined significantly in recent years, and it is struggling to remain profitable. The closure is expected to have a significant impact on the local economy, as Whitehaven is a major employer in the area. The workers are expected to be laid off in a phased manner over the next few weeks. The Italian government is providing financial assistance to the workers who will be affected by the closure. The workers are expected to be laid off in a phased manner over the next few weeks. The closure is part of a broader restructuring plan for the Elbeo group, which is facing financial difficulties. The group's sales have declined significantly in recent years, and it is struggling to remain profitable. The closure is expected to have a significant impact on the local economy, as Whitehaven is a major employer in the area.

**Marchion announces 120 job losses**  
**Port boss says: This is the end for us**

## More Maryport jobs to go

**Over 50 of the staff, including 15 drivers and support staff, stand to lose their jobs in April.** Company director Peter Corbridge explains the reasons for the job losses. The company is facing financial difficulties and is struggling to remain profitable. The closure is expected to have a significant impact on the local economy, as Maryport is a major employer in the area. The workers are expected to be laid off in a phased manner over the next few weeks. The Italian government is providing financial assistance to the workers who will be affected by the closure. The workers are expected to be laid off in a phased manner over the next few weeks. The closure is part of a broader restructuring plan for the Elbeo group, which is facing financial difficulties. The group's sales have declined significantly in recent years, and it is struggling to remain profitable. The closure is expected to have a significant impact on the local economy, as Maryport is a major employer in the area.

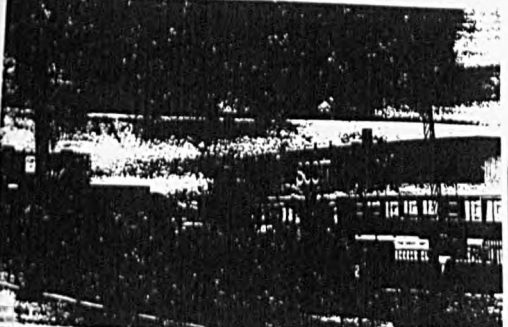
# Workers hope for good deal on redundancy

**UNION bosses have pledged to fight Volvo's closure decision the way — despite the firm's claims it is irreversible.** A Convener Pat Barr has said the factory's 370 workers would do their best to protect jobs. He said they had been shocked by the sudden news. "We were taken into a meeting and it was just dropped as a bombshell," he said. The firm's closure decision is expected to result in the loss of 1,500 jobs. The workers are expected to be laid off in a phased manner over the next few weeks. The Italian government is providing financial assistance to the workers who will be affected by the closure. The workers are expected to be laid off in a phased manner over the next few weeks. The closure is part of a broader restructuring plan for the Elbeo group, which is facing financial difficulties. The group's sales have declined significantly in recent years, and it is struggling to remain profitable. The closure is expected to have a significant impact on the local economy, as Whitehaven is a major employer in the area.



© M Campbell

## cession-hit Scott, Barrow's second biggest employer, all set to chop its workforce by more than a third



Scott Limited in Park Road, Barrow, used to be one of the largest papermills in Europe

# PAPER GIANTS WIELD THE AXE

**T**his week the managing director of Scott Limited, Nigel Thomas, warned that the world paper industry was going to be hit by a tough market. The company is facing financial difficulties and is struggling to remain profitable. The closure is expected to have a significant impact on the local economy, as Scott Limited is a major employer in the area. The workers are expected to be laid off in a phased manner over the next few weeks. The Italian government is providing financial assistance to the workers who will be affected by the closure. The workers are expected to be laid off in a phased manner over the next few weeks. The closure is part of a broader restructuring plan for the Elbeo group, which is facing financial difficulties. The group's sales have declined significantly in recent years, and it is struggling to remain profitable. The closure is expected to have a significant impact on the local economy, as Scott Limited is a major employer in the area.

## An Economy In Crisis

## Egremont jobs blocked

**Long established firm out, sheds 116 jobs** The closure of the Egremont factory is expected to result in the loss of 116 jobs. The workers are expected to be laid off in a phased manner over the next few weeks. The Italian government is providing financial assistance to the workers who will be affected by the closure. The workers are expected to be laid off in a phased manner over the next few weeks. The closure is part of a broader restructuring plan for the Elbeo group, which is facing financial difficulties. The group's sales have declined significantly in recent years, and it is struggling to remain profitable. The closure is expected to have a significant impact on the local economy, as Egremont is a major employer in the area.

**'No support only words'**  
**'Roads system awful'**  
**'Set to expand over border'**

## Fish firm file

**Another nail in our...** The closure of the fish firm is expected to result in the loss of 116 jobs. The workers are expected to be laid off in a phased manner over the next few weeks. The Italian government is providing financial assistance to the workers who will be affected by the closure. The workers are expected to be laid off in a phased manner over the next few weeks. The closure is part of a broader restructuring plan for the Elbeo group, which is facing financial difficulties. The group's sales have declined significantly in recent years, and it is struggling to remain profitable. The closure is expected to have a significant impact on the local economy, as the fish firm is a major employer in the area.

## Another nail in our...

**'We tried to...'** The closure of the fish firm is expected to result in the loss of 116 jobs. The workers are expected to be laid off in a phased manner over the next few weeks. The Italian government is providing financial assistance to the workers who will be affected by the closure. The workers are expected to be laid off in a phased manner over the next few weeks. The closure is part of a broader restructuring plan for the Elbeo group, which is facing financial difficulties. The group's sales have declined significantly in recent years, and it is struggling to remain profitable. The closure is expected to have a significant impact on the local economy, as the fish firm is a major employer in the area.

## Sellafield: Into the future, with 2,000 fewer

**THE WHITEHAVEN NEWS** The closure of the Sellafield factory is expected to result in the loss of 2,000 jobs. The workers are expected to be laid off in a phased manner over the next few weeks. The Italian government is providing financial assistance to the workers who will be affected by the closure. The workers are expected to be laid off in a phased manner over the next few weeks. The closure is part of a broader restructuring plan for the Elbeo group, which is facing financial difficulties. The group's sales have declined significantly in recent years, and it is struggling to remain profitable. The closure is expected to have a significant impact on the local economy, as Sellafield is a major employer in the area.

**Table 7.1: Major Redundancies (100+) and Plant Closures in Allerdale, Copeland and Furness, 1990-1996**

Year	Company	Location	Number	Comment
<i>Allerdale</i>				
1990	Millers Shoes (Footwear)	Cockermouth	250	Closure
1990	Volvo (Automotive)	Lillyhall	177	
1990	RH Lowe (Textiles)	Aspatria	100	
1991	British Coal (Opencast Mining)	Potatopot Site	225	
1992	Davy Engineering (Fabrication)	Workington	130	Closure
1992	NATO (Defence)	Broughton Moor	130	Closure
1992	Prima Shoes (Footwear)	Maryport	100	Closure
1993	Volvo (Automotive)	Lillyhall	374	Closure
1993	Bussman Cooper (Electronics)	Salterbeck	100	Closure
1996	Homepride (Food Processing)	Maryport	123	Closure
<i>Copeland</i>				
1991	Albright and Wilson (Chemicals)	Whitehaven	120	
1991	Whitehaven Port	Whitehaven	100	Closure
1992	BNFL (Nuclear)	Sellafield	5000	
1992	Elbeo (Clothing)	Millom	201	Closure
1992	Dawnfresh (Food Processing)	Whitehaven	140	Closure
1992	Peter Black Accessories (Travel Goods)	Egremont	116	Closure
1993	BNFL (Nuclear)	Sellafield	1700	
1994	BNFL (Nuclear)	Sellafield	2200	
1994	LMG Smith Bros (Packaging)	Moresby	150	
1996	Albright and Wilson (Chemicals)	Whitehaven	100	
1996	Kangol (Clothing)	Cleator Moor	123	
<i>Furness</i>				
1990	Scotts Ltd (Paper Products)	Barrow	100	
1991	VSEL (Defence)	Barrow	5000	
1992	VSEL (Defence)	Barrow	1500	
1993	VSEL (Defence)	Barrow	1200	
1994	Scotts Ltd (Paper Products)	Barrow	400	
1995	Ashley and Rock (Electronics)	Ulverston	100	
			19959	

Source: Allerdale Borough Council, Barrow Borough Council, Copeland Borough Council, national and local newspapers.

### 7.3 The Re-Positioning of Central Government Policy

#### *The Major Government: Competitive Funding Programmes, Special Regional Aid Packages, TEC's and Business Links*

In November 1990, Margaret Thatcher resigned as prime minister to be succeeded by John Major. The new Major government inherited the legacy of the Thatcherite state project. This legacy included the controversies surrounding Britain's role in the European Union, repercussions over the unpopular community charge (poll tax), continued friction with Labour dominated local authorities, and, the collapse of the economic 'miracle' and the return of familiar economic problems (Gamble, 1994; Peele, 1995).

The Major administration continued the trend for direct government intervention and the attack on local government through legislation and the introduction of central government quangos which basically reduced the amount of resource and responsibility available to local councils.<sup>4</sup> In particular, legislation such as the Local Government and Housing Act (1989) effectively forced local councils to embrace public-private partnerships and develop alternative ways to deliver, finance and carry out regeneration projects, although as Valler (1996) notes this Act has been critical in providing local authorities with the legal framework to pursue economic development strategies. As a consequence, the resource (both financial and human) that most authorities could put towards economic development was very small indeed as they also had to provide other statutory services:

“The council is simply paying lip-service to the function of economic development, when you look at the financial and staff resources they use. You could argue that the council have either got to say they will play a serious role in economic development and resource it properly, or say that they can not afford to have a role and give it to somebody else. But like so many other things, they are clinging on to there little bit of power” (Former District Council Officer, interviewed, 2/9/97).

This changing role for local government was itself linked to changes in three main strands of national government policy: urban policy, regional policy and training and

business development. Taken together, these changes critically influenced the development of governance in Cumbria.

### *Urban Policy*

The changes in central government urban policy introduced in the late 1980's, early 1990's had particularly significant implications for the developing nature of local governance. The impact was felt both in the funding regimes which shaped the nature of local partnerships and the contests that were created over this funding both within and between localities and the agents of governance.

The introduction of the Single Regeneration Budget (SRB) in November 1993 marked central government's continued commitment to influence local governance through competitive bidding processes and the creation of public-private partnerships in order to draw down funding. SRB brought together twenty existing regeneration programmes and introduced competitive bidding processes into regeneration grants.<sup>5</sup> The SRB had ambitious aims. It aimed to benefit ethnic minorities, tackle crime, protect and improve the environment, enhance quality of life, improve housing, encourage sustainable economic growth and wealth creation, enhance employment opportunities, education and skills particularly for the young and disadvantaged, and to make support for regeneration more responsive to local priorities (Department of the Environment, 1993). Its significance for Cumbria was that for the first time it allowed the area to access funding previously reserved for designated urban priority wards:<sup>6</sup>

“We have found, and perhaps you won't hear many people saying this at a national and regional level, that the SRB formula has worked very well for us. Now I know there are criticisms of SRB, about it not being needs based, but until the advent of SRB because [place name] was not considered big enough to be an urban area we were not able to access a

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<sup>4</sup> Local government maintained their functions for land-use planning and in developing local partnerships (Lawless, 1994; Shaw, 1993).

<sup>5</sup> It emerged from the research that 'partnership' at this time essentially meant the public and private sectors, the voluntary sector had little input.

<sup>6</sup> City Challenge was the first programme introduced in May 1991 which marked the changing approach to urban policy by central government. However, Cumbria was unable to access City Challenge funding (see Davoudi, 1995; Davoudi and Healey, 1995; De Groot, 1992; Edwards, 1995).

lot of other funds which urban centres were. When SRB came along they amalgamated 20 funding streams, and that allowed us to access those really for the first time. We have also found that SRB does have a higher degree of flexibility than the European money and that is something we particularly value" (District Council Officer, interviewed, 18/6/97).

Since the introduction of SRB a combined total of £25.3 million has been allocated for eight schemes which eventually came on stream towards the end of the 1990-1996 governance regime (See Table 7.2). Four of these schemes are directly aimed at area-based regeneration within the case study area (Renaissance of Whitehaven, Heart of Barrow, Salterbeck Community Regeneration, and, Regeneration Maryport).

**Table 7.2 SRB Projects in Cumbria**

SRB Round	Funding	Project
1 (April 1995)	£573,000/3 Years	<b>Appleby Training Centre</b> - A £1.6M project to create a heritage training skills centre and IT business suite in a disused historic railway building. Intended to support diversification of the rural economy and exploit tourism attracted by the Settle-Carlisle railway.
1 (April 1995)	£1.6M/3 Years	<b>Carlisle Raffles Estate</b> - A £3.7M package of training, education and crime prevention measures to complement and protect substantial Estate Action investment.
1 (April 1995)	£4.0M/3 Years	<b>The Renaissance of Whitehaven</b> - A £32.1M scheme to complete the economic regeneration of the harbour area and town centre by strengthening the tourist and service sectors of the economy.
2 (April 1996)	£5.6M/5 Years	<b>Heart of Barrow</b> - Projects to maximise retail investment linked to business and community programmes in a £17M scheme to regenerate Barrow town centre.
2 (April 1996)	£8.5M/7 Years	<b>Cumbria Credits</b> - A £20M county wide scheme to give local access to adult education and training through the use of IT.
3 (April 1997)	£1.2M/5 Years	<b>Guided Steps to Lifetime Learning</b> - This is a £3.7M initiative to provide careers and employment guidance and counselling to adults across Cumbria.
3 (April 1997)	£1.1M/3 Years	<b>Salterbeck Community Regeneration</b> - Targeting a housing estate in Workington, this £9.3M scheme supports tenant management of the estate and community enterprise.
4 (April 1998)	£2.7M/5 Years	<b>Regeneration Maryport</b> - A £13.2M scheme to regenerate the town through supporting tourism, business development, upgrading retail space and housing.

Significantly, the availability of SRB had critical implications on the way local governance developed in West Cumbria and Furness. The SRB was to be project based, which required competitive bidding between areas for funding. Perhaps



inevitably, the competitive element of funding led to 'contested governance', as local agents were forced to compete in order to be able to draw down funding. Such a competitive approach for distributing funds were heavily criticised by some as being unfair and inefficient:

"Local authorities detest the concept of having to bid for funding on a competitive basis. The Local authorities believe that if a project needs to be done, there should be access to available funds. At the moment, a lot of money, time and resources are put into establishing a bid, which you don't even know whether it will be successful. If you had two possible projects, and one had a particular photo-call opportunity, it is more likely that this would be the successful project" (District Council Officer, interviewed, 1/9/97).

"I am an opponent of competitive bidding, it wastes a huge amount of time and effort, and falsely raises expectations in some cases. Its a question of planning on a basis of need, putting forward a 5 year programme of works that you'd like get carried out, based on evidence of need, and then working to an agreed programme with government and Europe if necessary. This year on year funding which we are faced with at the moment means you can't really plan anymore more than 12 months ahead" (District Council Officer, interviewed, 7/7/97).

There were also contests identified with the administration of the SRB programme by Government Offices for the region (Government Office North West [GO-NW] deals with Cumbria) which were seen locally as outposts of Central Government rather than local offices representing local needs:

"We have problems with the bureaucrats of GO-NW whose attitude is one of an headmaster talking to pupils. The bureaucrats don't appreciate that the cash is for the areas and for the people" (CVS Area Manager, interviewed, 26/6/97).

"Better co-ordination with GO-NW is needed because I think it's by and large the systems within which they work which cause the problems. Each system has its own audit drills and audit system and it is increasingly difficult to break through the morass. At the end of the day and I think we all tend to forget, it is about delivering projects. It is not about grants and grant systems, its about delivering projects to people which are going to help regenerate the areas economy. You can spend a huge amount of time in the fruitless pursuit of money and having to chase up bureaucratic systems" (District Council Officer, interviewed, 18/6/97).

The availability of this funding regime also had implications for local governance as it began to have significant influence on shaping the nature of partnership. In many cases the 'partnership' had been created as a marriage of convenience to conform with the culture of grant-chasing (Jones and Ward, 1998). It certainly appeared that the vast majority of agencies began to adopt a strategy which attempted to meet the criteria of funding regimes rather than the specific needs of the area:

"If someone is willing to give you money then you go for it and that's where I start from...I subscribe to having strategies, policies and plans which are two pages and give a lot of flexibility...A good bid is tailor-made to meet the criteria set down by the funders. My point is let's spend the money on offer and worry about justifying it to the funders later" (County Council Officer, interviewed, 18/7/97).

"It is about meeting the funding criteria, and that is about using the correct jargon, agency speak and current buzz words like capacity building, additionality and sustainability. All these things massively increase your chances of getting the cash" (Former Development Agency Chief Executive, interviewed, 30/10/97).

"You try to set up whatever organisation is necessary in order to draw down money to help you, and its been promoted by government that anything you do has to have its own partnership which forces you to work with others" (District Council Officer, interviewed, 1/9/97).

"Things are dependent on where the money is sourced, so we remain hostages to the criteria set down as to the nature of its spending" (Development Agency Chief Executive, interviewed, 24/6/97).

Furthermore, the availability of funding began to firmly establish unelected elites within the regeneration process as they began to take the lead in accessing funding from their positions within newly created forms of governance:

"I am critical of the way agencies, and within them particular individuals, have developed their own priorities. It is certain that they have been substantially assisted by Conservative government policy changes" (Member of Parliament, interviewed, 15/9/97).

"It is a symptom of competitive funding programmes that you draw up a shopping list of which agencies to put on board your partnership. What results are the same faces, and many are unelected, strategically positioning themselves on every important board, committee or panel

going so that they can network and disseminate their own ideas and make sure that their particular project is a success" (Voluntary Agency Worker, interviewed, 19/12/97).

Clearly, these changes in urban policy were positive for the regime by making available new sources of funding. However, it also significantly shaped governance by reinforcing movement towards competitive funding programmes and partnership working.

### *Regional Policy*

Alongside the growing emphasis in urban policy the Major government continued the drive towards reducing the scale and coverage of regional policy. In 1993 Workington was downgraded from Development Area to Intermediate Area status, while Whitehaven and Barrow were granted the same Intermediate Area status. In effect, although some status is better than no status it is accused of being of little use:

"People always look at the Development Area first and foremost, and losing this status has proved a huge blow. However, Intermediate Area status does help a bit, but other Intermediate Areas are better located in the North West of England, straddling motorways and close to airports and are therefore better located, so West Cumbria and Furness can not compete" (District Council Officer, interviewed, 1/9/97).

"Intermediate Area status isn't that much of a help, although RSA has been used for existing companies. The issue is quite clear that to get a real chance of inward investment you either need Development Area status or a package in place that allows you to compete with development area incentives" (District Council Officer, interviewed, 18/9/97).

These reductions in regional policy are more significant for Cumbria than the availability of new funding regimes such as SRB because the downgrading of regional policy has significantly reduced an important piece of the local economic development jigsaw.

As a result of the 'triple economic shock' seriously affecting the economies of Barrow and Copeland, and with neither area having any regional policy assistance, the government made available a £15 million special aid package for these areas (13 June,

1991). The money was allocated to English Estates to carry out factory building, road improvements and training initiatives on specified sites. However, it was suggested in the research that this was an attempt on the part of the Conservative Government at 'political gain' preceding the 1992 General Election:

"In 1991, just before the election, Barrow and Copeland were given £7.5 million each from government as recognition of the special problem caused by the run-down of VSEL and BNFL. If I was a cynic, you could claim that the money in Barrow was for votes because it was a marginal seat. In the previous election (1987) when Labour were standing on unilateral disarmament, Barrow had returned a marginal Tory seat" (County Council Officer, interviewed, 18/7/97).

An alternative interpretation could be that there no longer exists a committed regional economic policy with the government simply responding to the problems of regions as they arise, with the object of preventing unemployment from rising to unacceptable levels. This was clearly the case with the failure of government to plan for the job losses experienced in Barrow and Copeland in the early 1990's as neither area had any form of assisted area status.

The schemes developed as part of the special aid package included a 33-acre site servicing and urban renewal project at Whitehaven, inward investment factories at Barrow, Egremont and Cleator Moor, and continued expansion of the Furness Business Park in Barrow, which was to be the major initiative to counter job losses at VSEL.

Against the background of economic uncertainty and with the financial sweetener of the special aid package, the Conservative candidate Cecil Franks defended the Barrow constituency in April 1992. He again repeated the 1987 campaign by asking the question "what will the lads do on Monday?". In contrast to 1987, the Labour candidate John Hutton's response was that they would continue work on a fourth Trident under a Labour government fulfilling the Tory commitment to the Trident programme. The Labour campaign sought to widen the agenda and include matters such as the health service, education and unemployment, after all, 1992 was not the one-issue election that 1987 had been. An 82 per cent poll saw a 6.8 per cent swing to

Labour and a majority of 3,578. This result seemed to signal that Barrow was looking beyond Trident and returning to its strong working-class Labour Party roots.

### *Training and Business Development*

The UK government also began to introduce a number of quangos (which were non-elected or indirectly elected) in the field of local economic development. In Cumbria, two such agencies have been particularly active: Training and Enterprise Councils (TECs) to meet skills and training requirements, and Business Links to support small business enterprise.

The TEC project was launched in December 1988, replacing the Training Agency and Area Manpower Boards. It was designed to deliver a radical new approach to adult training, youth training and enterprise support, to undertake a “skills revolution” (Bennett *et al.*, 1994; Evans, 1993; Jones, 1997a, 1997b; Peck, 1993; Peck and Emmerich, 1993; Peck and Jones, 1995). The aim was to deregulate the labour market and bring in the private sector to displace the interests of the community, elected members and organised labour at the local level. As Margaret Thatcher (1993) stated “[TECs] consisted of groups of local employers, who knew more than any ‘expert’ what skills were actually going to be needed” (p.670). The privileging of the private sector was aimed at putting the employers in the driving seat at the local level because they were “best placed” to judge skills need and act like entrepreneurs.

Cumbria TEC was established in April 1990, and it was amongst the first ten TECs set up in the country. At that point it was set up on a functional basis, with a main office in Workington, with out station offices in Carlisle and Barrow. In 1992, this structure was deemed inappropriate for Cumbria due to its geographic and economic diversity, resulting in the creation of a new structure based on geography, with TEC services made available through local offices in Workington, Carlisle, Kendal, Barrow, and Penrith. This transition from a centralised TEC structure to one based on the peculiarities of localities is significant in our understanding of governance in Cumbria as it shows the problems for national agencies to fit into the local terrain. What emerged was a realisation that it is not possible to parachute new agencies into

these areas, instead there is the need to be sensitive to political, economic and social geographies.

The importance of the TEC in Cumbria, is the responsibility and resources given to it by Central Government to deliver training schemes, promote economic development and private sector enterprise. The TEC has been able to work with industry and privilege private sector interests and meet its performance targets set by the Government. However, two very important 'failings' were raised by respondents. There were concerns over TEC money and schemes being uncommitted to investing in the local community and reaching those most at need in the labour market, and the failure of the TEC to be a good local partner:

"Cumbria TEC have a big influence because they have a lot of initiatives channelled by government through them, but with very little local control they fail to meet the needs of the local community" (District Council Officer, interviewed, 1/9/97).

"Cumbria TEC like to see themselves as a major player in local economic development, but there are a number of issues there, particularly relating to their lack of accountability. More significant is the fact that they have their own development plans and strategies, and there has been a bit of conflict about the way they and us would like to see things going. Quite simply the TEC is not a good partner" (County Council Officer, interviewed, 17/11/97).

The TEC would also work closely with Business Links, the second government initiative introduced in 1992 to provide business and enterprise support services, particularly for small firms, based on the concept of developing a "one-stop shop" (DTI, 1993; Ernst and Young, 1996; Jones, 1996; Jones and Ward, 1997). However, it appears this was inherently an urban model, presupposing a concentration of population in a location and with easy access to the "one-stop shop":

"Macro initiatives are often irrelevant to micro economies, for example, Business Link has been set up on an urban model basis" (Development Agency Chief Executive, interviewed, 4/7/97).

"Business Links are driven by targets and it is easier for them to deliver those targets in urban areas and through larger urban businesses" (Rural Development Agency Manager, interviewed, 10/9/97).

As with the TEC, the Business Link model was a national model inserted into a complex local economic and institutional geography marked by economic differences and political parochialisms within the peripheral sub-economies of Cumbria. Business Link had to adapt to this local geography and offices were set up in Carlisle, Barrow, Kendal, Penrith, Whitehaven, and Workington. Existing local development agencies such as the West Cumbria Development Agency (WCDA) and Furness Enterprise (Fe) essentially became Business Link. Again the issue of nationally-driven bodies trying to act 'local' brings questions over the ability of such agencies to be sensitive to local political, economic and social geographies. Their impact on local agencies, such as WCDA and Fe, certainly raises issues of accountability and legitimacy:

“Business Link, when it was the WCDA and Fe, was accountable locally, but now they are providing a grounded service to certain nationally set criteria which has reduced local control. These agencies were more responsive to local circumstances when they were locally driven and locally funded” (District Council Officer, interviewed, 1/9/97).

Allerdale Borough Council (ABC) withdrew direct funding to WCDA in 1996 because of dissatisfaction with their performance, although indirectly they were contributing through the WCDF, and the WCDA continued to do business development and inward investment work in Allerdale. This is significant for two reasons: first, it represents the only occasion when a locally elected body has enforced its democratic mandate to express disappointment with a locally created organisation, although it is more a case of resistance to the imposition of centrally-controlled bodies. Secondly and most importantly, was that this decision indicated tensions in the regime which threatened the stability of the partnership. There was an opinion expressed that if BNFL does not gain the support of the local councils in the WCDF/WCDA, it could withdraw its substantial investment from these West Cumbrian based organisations and look county wide. This would inevitably reduce the amount of resource available for economic development work in West Cumbria.

To sum up the argument thus far, changes in central government urban, regional and training and business development policies were helping to shape a new form of

governance regime in both West Cumbria and Furness. This new governance regime was also influenced by European-level policy intervention.

#### **7.4 The Introduction of European Assistance**

The opportunity to access European funding - through Objective Two of the EU's Structural Funds Programme - arose in 1989 and marked the introduction of a new tier of government intervention in local economic development and a new influence on the growth of governance.<sup>7</sup> However, the involvement of the EU in West Cumbria was a classic case of 'contested governance'. At the time, West Cumbria did not fulfil the statistical criteria for EU assistance. Arguments for assistance were based on the significant rise in local unemployment levels that could be expected with the end of the THORP contract. While this argument was accepted by the EU, the UK government refused to support a West Cumbrian application. Effectively, West Cumbria became another pawn in the battle between Brussels and Whitehall over European-level intervention in local and regional economic development (Lloyd and Meegan, 1996):

“Arguably the UK government were not keen to put up the matching funding. Equally only Workington had development area status and although this has no bearing on matching European money, it did give an insight into national government opinion of the area” (European Desk Officer, interviewed, 29/10/97).

“There was massive objections from the UK government to grant us assistance and indeed for the first few years after the designation, Whitehall put just about every hurdle in our path that they could, to actually stop us making use of it. Our biggest problem was not the bureaucracy of Brussels but the bureaucracy of Whitehall” (Development Agency Chief Executive, interviewed, 24/6/97).

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<sup>7</sup> The European Union has become increasingly involved in developing regional development policies, with available funding through its Structural Funds: European Regional Development Fund (ERDF) which funds projects such as employment creation through industrial investment, infrastructure improvements and general local economic development schemes; the European Social Fund (ESF) which is used to support training and job creation programmes; the European Agricultural Guarantee and Guidance Funds (EAGGF) which help finance the 'modernisation' of farming practices, the promotion of agricultural processing, marketing, farm tourism and environmental protection; and, the Financial Instrument of Fisheries Guidance (FIFG) to support the fishing industry. Objective Two funding is for areas undergoing industrial restructuring.



The local partnership had lobbied the UK government to grant them EU assistance but following a series of rejections and acrimonious meetings in London a West Cumbrian delegation went direct to Brussels and received a more sympathetic hearing. A two pronged assault was then launched from both Europe and the local partnership with an unusual cross-party alliance including: Cumbrian Conservative Minister Willy Whitelaw, Conservative MEP Lord Inglewood and opposition Labour MP's pressing the national government to grant assistance for West Cumbria. As Bolter (1996) claims:

“It took those of us involved nearly two years to find a way through the bureaucracy, obfuscation and plain pig-headedness displayed by the Department of the Environment - not by the EU, which in my experience dealt with matters promptly. The Department gave the impression that it did not take kindly to local authorities, state-owned industries and opposition MPs combining to go direct to the EU for assistance” (p.244).

Eventually, on 23rd December, 1989, West Cumbria got agreement from the UK government for Objective Two status. This designation was unique in two aspects: first, it took advantage of a clause in the appropriate European legislation to allow designation despite not meeting strict statistical eligibility, secondly, West Cumbria was the smallest region in the UK with this status. Even after designation, the contests between Europe and national government continued as the programme submitted by the UK government found West Cumbria contained as an annex for a North West programme including Greater Manchester and Merseyside. Significantly, Brussels designated West Cumbria as a separate plan. The consequences were that Europe made a separate financial allocation to West Cumbria with a view to prevent West Cumbria being marginalised within a programme for the North West (CEC, 1989):

“When the programme was submitted by the UK government it was contained as an annex for a programme for the North West. What we did in Brussels was tear the annex out and made it a separate plan” (European Directorate General DGXVI, interviewed, 29/10/97).

Out of these contests it appears that the European Commission had sought - and gained - hegemony in influencing the development of the local accumulation strategy and the nature of local governance. This was reinforced by the fact that European

regional policy basically provided two things: money and a framework for development. At a time when UK regional policy was in decline and had been downgraded in Cumbria, European regional policy offered assistance to the UK's disadvantaged regions. EU money was also allocated using clearly defined criteria and to areas which themselves were selected on the basis of agreed rules. However, the research revealed a consensus of opinion among those in Europe and in the local partnership which suggested that the UK government was substituting the cuts in regional policy with EU funds. Once again the tensions primarily between the EU and central government were evident:

“In the past the problem has been, and this is political, that we've had a government which looks upon European money as its own. The government understood that any underspend in the programme goes back to the national treasury. I believe that all the government offices were told and instructed to save anything up to 30% of the total funding to make sure that it was not spent, so that it ultimately went back to the government” (MEP, interviewed, 12/9/97).

“The impression is that Whitehall wanted to spend as little money as possible, so they took advantage of the EU funding by limiting the amount of central government assistance available for this area. The UK government also sees the European funds as their money which they can draw back from Government Office and they have certainly done this with ESF” (CVS Area Manager, interviewed, 25/6/97).

In terms of providing a framework for development, the management of the Objective Two programme was devolved to two committees (the Programme Monitoring Committee with 15 members and the Operational Programme Co-ordinating Committee with 21 members) with responsibility for the strategic overview of the programmes, while decisions on specific projects below the threshold for tendering purposes were delegated to separate ERDF and ESF Working Groups. It was assumed by Brussels that actors and organisations from the local area would be given the opportunity to input into policy design as dialogue would take place among partners ranging across the whole governance spectrum:

“The European programmes very much rely on the strength of the partnership in the region. The implementing authority for the programme is GO-NW. There is a programme monitoring committee which oversees

the programme in the strategic sense, with groups underneath this stage which select the projects for the programme. Thus the 'partnership' decisions are taken through Europe, the government and with local actors" (European Desk Officer, interviewed, 29/10/97).

Furthermore, the framework for development involved setting a programme plan which outlined key priorities and would provide a strategic focus to economic development. Following a series of hold ups the *Community Support Framework 1989-1991* (with ERDF and ESF as separate programmes) came on stream in 1991. The European programme had three core objectives:

- 1) to ensure the economic and urban regeneration of the region through the revitalisation and restructuring of the local economy and the reduction of the areas economic, physical and social problems;
- 2) to reduce the high levels and long term nature of unemployment in the region; and
- 3) to take necessary steps to reduce the impact of future job losses particularly through programmes of training and investment and development of indigenous enterprise.

The core objectives were to be met through five sub-programmes (priorities) and twenty-two associated measures (See Table 7.3).

**Table 7.3: The European Community Support Strategy 1989-1991**

Sub-Programme	Associated Measures
Improving facilities for the development of productive activities	<ul style="list-style-type: none"> <li>- provision of industrial and business premises and sites, including on-site infrastructure (transport, water, drainage and sewerage facilities)</li> <li>- provision of managed workshop units and business centres, in particular SMEs, with facilities for common services where appropriate</li> <li>- facilities specific to the disposal and recycling of solid non-nuclear waste</li> <li>- facilities specific to improved handling in ports</li> </ul>
Assistance for the development of business, in particular SMEs	<ul style="list-style-type: none"> <li>- help with business services, in particular for financial and/or management advice, design and marketing</li> <li>- encourage local and community employment initiatives which generate enterprise and lead to the development of business</li> <li>- co-financing of industrial investment grants, and support for loan guarantees               <ul style="list-style-type: none"> <li>- improving access to capital markets</li> </ul> </li> <li>- promotion of local development or enterprise agencies               <ul style="list-style-type: none"> <li>- support for the operating costs of managed workshop units or business centres</li> </ul> </li> <li>- promotion of the participation of local firms in the internal market</li> </ul>
Improving the image of the region	<ul style="list-style-type: none"> <li>- reclamation and treatment of derelict sites and rundown industrial areas with no immediate productive after use</li> <li>- landscaping works in key transport corridors, tourist attractions (including the refurbishment of buildings of historic interest) and industrial sites and the enhancement of town centres</li> <li>- coastal protection works linked to specific industrial or tourist developments</li> </ul>
The development of tourist activities	<ul style="list-style-type: none"> <li>- the improvement of existing cultural, historical, industrial, heritage and business tourism attractions including on-site infrastructure, provided these are primarily designed for visitors</li> <li>- the provision of tourist advice and information centres               <ul style="list-style-type: none"> <li>- the provision of infrastructure for training in tourism</li> </ul> </li> <li>- support for tourist promotion activities</li> </ul>
Support for research and development, and vocational training facilities	<ul style="list-style-type: none"> <li>- vocational training to assist the development of businesses and SMEs</li> <li>- vocational training to assist in improving the image of the region</li> <li>- vocational training to assist the development of tourism               <ul style="list-style-type: none"> <li>- vocational training to assist in R&amp;D and vocational training</li> </ul> </li> </ul>

Source: CRED, 1997, pp.23-24.

The second European programme, *Community Support Framework 1992-1993* saw the integration of ERDF and ESF to create a multi-fund programme. Again delays meant the programme was only available in 1993. A further priority was added to the existing five (See Table 7.4).

**Table 7.4: The European Community Support Strategy 1992-1993**

Sub-Programme	Associated Measures
Transport and Communications	<ul style="list-style-type: none"> <li>- improving access to key sites which have been or which are intended to be developed for industrial, commercial or tourism purposes</li> <li>- assisting with the movements of traffic in or near town centres that will improve the flow of commercial and tourism traffic or which will add substantially to environmental enhancement of the towns</li> <li>- improving port facilities for commercial and tourism use</li> <li>- introducing schemes in rural areas where it will strengthen the local economy</li> <li>- consider what measures need to be taken to improve links to adjoining regions and the East Coast ports, including a local airstrip</li> </ul>

**Source: Commission of the European Communities, 1992, p.25.**

In the 1994-1996 European programme Furness was made eligible for assistance following the retraction of VSEL (European Commission, 1994). The ensuing *West Cumbria and Furness Objective 2 Single Programming Document 1994-1996* redefined the priorities for economic regeneration. Four priorities and twelve associated measures were identified (See Table 7.5).

**Table 7.5: The European Community Support Strategy 1994-1996**

Priority	Measures
Industrial and business development	<ul style="list-style-type: none"> <li>- Sites and Premises</li> <li>- Business Access</li> <li>- SME Development</li> <li>- Training for Companies</li> </ul>
Development of knowledge-based industries	<ul style="list-style-type: none"> <li>- Enhancement of technology transfer</li> <li>- Development and application of clean technologies</li> <li>- New technology skills</li> </ul>
Tourism Development	<ul style="list-style-type: none"> <li>- Tourist attractions and visitor facilities</li> <li>- Productive investment in tourism</li> <li>- Training for tourism</li> </ul>
Community Economic Development	<ul style="list-style-type: none"> <li>- Community development packages</li> <li>- The provision of vocational training in the targeted areas</li> </ul>

**Source: European Commission, 1994, pp.32-33.**

It is clear that in the early days the European programme was significantly lacking in innovation, it was less ambitious concentrating on such well tried areas of activity as physical infrastructure, environmental improvement, business support and tourism (CRED, 1997; Lloyd *et al.*, 1995; Lloyd and Meegan, 1996). However, with the evolution of the programme the hegemony of European influence over local economic development began to show itself. By the time of the *West Cumbria and Furness Single Programme Document 1994-1996* four central written policy themes had been set aside for economic regeneration.<sup>8</sup> Significantly, these themes reflected the European agenda for establishing sustainable economic development through the introduction of softer, cleaner industries based on new technologies and tourism (CEC, 1994) and Priority 4 community economic development (CED) reflected the EU's growing commitment to social and economic inclusion of marginalised groups (CEC, 1996). However, CED was met with a degree of local hostility because it did not fit into the prevailing private-sector led economic development ethos:

“Very few CED programmes generate much in sustainable jobs, because sustainable jobs, job creation, job safeguarding is done through businesses and that is this agency's bailiwick” (Development Agency Chief Executive, interviewed, 18/6/97).

<sup>8</sup> There is a fifth priority for the local partnership not identified in the European programme, this involves attracting new inward investment and retaining existing investment within these areas.

“What does CED mean and what does it actually do? One thing’s for sure it does not create jobs” (County Councillor, interviewed, 3/12/97).

“The unemployed do not want to be involved in voluntary work, they want jobs” (District Councillor, interviewed, 17/9/97).

The unconventional nature of CED did not fit comfortably within the local community where there was no culture of self help and no heritage of community activity, however, its introduction did provide an important opportunity for local communities to get involved, albeit tentatively, in the regeneration process and this will be returned to in Chapter 8.

As already stated, the successful running of the European programme and the actual distribution of funds was effectively dependent on partnership, with close operational links between many agencies, individual actors and between different spatial scales of government. Inevitably, the entry of the European tier of government was reinforcing the shift to governance but in this context there were also problems and tensions being played out at the local level, local-national, local-supra-national and local-national-supra-national.

The major weakness in delivering the European programme stems from local internal divisions within the local partnership over the delivery of European Social Fund (ESF) and European Regional Development Fund (ERDF) leading to a lack of co-ordination within the programme. This lack of unity appears to be the result of the problem of members in the programme monitoring committees representing their own interests:

“There are separate meetings for ESF and ERDF which take place seemingly with little contact between the two groups. The major question is whether they are considering a cohesive approach on the ground? ERDF is administered on a regional basis whilst ESF is administered by the Department of Employment. There are also separate committees for Objective 2 and 5b with different organisations represented on these committees. Once again it is a case of ‘never the twain shall meet’. Unfortunately the result is a lack of co-ordination and integration of programmes” (European Desk Officer, interviewed, 29/10/97).

“In the last funding round for the European programme [name of person], who sits on both the programme monitoring committee and programme advisory group, would turn up to every meeting and demand funding for [name of project]. When [he/she] was satisfied with what they had got, they did not turn up to another meeting to decide on the rest of the funding allocation. Now it is that sort of small mindedness and self interest which makes the programme inefficient. It is also a reflection on the failure of the partnership because it is riddled with the same thing” (Voluntary Agency Worker, interviewed, 19/12/97).

The strain on the local partnership was intensified following the inclusion of Furness into the European programme in 1993. The late inclusion of Furness showed that the original European programme had got its geography wrong as some provision should have been made to plan ahead for the restructuring at VSEL. The inclusion of Furness, however, saw the ‘old’ divide between Furness and the rest of Cumbria re-surfacing, leading to further complications in reaching agreement between the local partners:

“This was unpopular with the people from Barrow who do not like being lumped in with West Cumbria because they see themselves as part of Lancashire. There exists a dividing line somewhere, but we put together in the same bid a couple of areas and people who do not really want to be together” (European Directorate DGXVI, interviewed, 29/10/97).

From a ‘local’ perspective, there were concerns expressed over the positioning of national government within the European programme. In particular, similar to the problems with national funding programmes dealt with by GO-NW, there were concerns voiced over the role of GO-NW in dealing with the European programme as they were accused of working to a national agenda which failed to represent the needs of these local areas:

“The SPD has got priorities and measures, but the actual delivery of many of those measures is simply not within local peoples control. The resources have to be channelled through other bodies elsewhere, and the matching funding has to come from other bodies elsewhere, which don’t necessarily have the same priorities. That has led to a three way tension between Europe, Government Office and local partners. This is particularly felt amongst local partners because local partners are so frustrated that organisations outwith the programme area, in particular Government Office, are actually controlling the programme, although it is supposed to be the West Cumbria and Furness Partnership” (County Council Officer, interviewed, 24/9/97).



"I've been uncomfortable with Government Office North West in terms of their commitment to delivering the European programme, as they have not seen it as their role to find ways of helping us. They have become caught up in their own internal systems, there is no local influence and they do not understand or appreciate this area. Quite simply we have received second rate support from the Government Office" (District Council Officer, interviewed, 18/9/97).

There are also 'local' frustrations over the administration of the European programme. Both funding and policy from Europe has been criticised as being bureaucratic and difficult to access. With a series of in-built delays making the release of funds a very slow process:

"In terms of European funding the process has been long, tedious, drawn out, red-taped and there are projects that applied at the beginning of one year and only received approval at the end of the following year" (European Secretariat, interviewed, 16/6/97).

"The biggest problem we've got with European funding is the bureaucracy, since it takes months filling in all the forms and going through all the hoops. To develop a business plan you go to Business Link and the European Secretariat. This business plan then goes to the WCP, it then goes to GO-NW where it could be held up for months, it then goes to the appropriate Ministry in Whitehall. There may be arguments about which Ministry it should go to which might mean further delays. It's a bureaucratic nightmare, what we need is a much smoother way of processing European money" (MEP, interviewed, 12/9/97).

"I have great reservations about the way the whole Objective Two structure works. When you work with European schemes you have to deal with the regional, national and European bureaucracy. That bureaucracy is not in parallel it is in series, so you've got to get through that lot, and then it comes back down through the same structure. I find it excessively bureaucratic and it's a particular problem of dealing with bureaucracy in series and not in parallel" (Development Agency Chief Executive, interviewed, 18/6/97).

In contrast, from a European perspective there were two major concerns expressed over the delivery of the programme at the local level. First, there was the problem of the local partners failing to formulate a strategic approach to delivery and being accused of simply being funding-led:

“Securing funding and not strategy is seen as the main issue locally because locally the partnership is not sufficiently interested in strategy” (European Desk Officer, interviewed, 29/10/97).

“You need to have a strategy which must be broken down into doable steps where everybody knows what each other is doing. Unfortunately the lure of funding can sometimes blur the strategy and this has certainly affected some of the partners in West Cumbria and Furness” (European Directorate General DGXVI, interviewed, 29/10/97).

Secondly, there was a real disappointment expressed over the neglect by the local partners to monitor the effects of the European programme:

“It is difficult to convince people of the need for evaluation, most organisations are quite content to do something, they don’t want to know whether it was any good or not. The idea of setting targets and benchmarks is something which has evolved considerably since 1989 and there are some regions which do quite well at it, and there are some regions which don’t do very well at it, West Cumbria and Furness is a region that doesn’t do very well at it. The problem is that the partnership are totally reliant on external funding, they see the money and their first thought is to just get it. The mere fact that they see the money available from Europe, and they can’t see anything other than the money is understandable” (European Directorate General DGXVI, interviewed, 29/10/97).

“The biggest problems in West Cumbria and Furness are caused by the partnership resisting any attempts to formulate a strategic approach and to undertake any monitoring. They are one of the worst UK regions at monitoring and evaluating their programme” (European Desk Officer, interviewed, 29/10/97).

Arguably, as a consequence of these contests a three way tension between the local-national-supra-national has emerged in relation to finding the ‘match funding’ that is required for European funding. In effect, local governance had become the slave of political manoeuvrings revolving around funding:

“One of the problems with European funding, which applies to other things, is the need to match it all the time. I know you shouldn’t just throw money into somewhere, but the very fact that you’ve got to match it means you’ve got to find it. This restricts what you can do and restricts who can do it. So locally it is heavily dependent on local councils or organisations like WCDF who have local resources that they can put in” (Development Agency Chief Executive, interviewed, 24/6/97).

To sum up, the introduction of the European tier of regional policy effectively complicated the governance picture as interventions were now taking place at local, national and supra-national levels. With so many influences and bureaucracies involved in local economic development there inevitably emerged contests and tensions with regard to the effective working of the European programme. However, what is clear is that the introduction of Structural Funds into West Cumbria and Furness provided an impetus to local regeneration. Significantly, the influence of Europe had three clear implications in shaping the local regime. First, European policy reinforced the UK government's movement towards governance. Secondly, it reiterated the importance of working in partnership. Finally, it set funding priorities which informed the local accumulation strategy adopted by the local regime (even though one of these priorities, in the shape of CED, was initially received sceptically by local agencies).

### **7.5 'Weak Politics': Establishing an Unelected Local Regime?**

The regime was also significantly influenced by developments in local politics. The reductions of local government powers, cuts in regional policy, changes to urban policy and the introduction of quangos to deal with training and business development meant that local *elected* government was no longer able to act alone. The emphasis on partnership working effectively thrust a whole range of new institutions and actors into the policy domain traditionally occupied by the local authorities. This movement towards partnership was further reinforced by European regional policy which stressed the need to establish an effective partnership to deliver the European programme. The combined result was the proliferation in the number of new local governance agencies which, in turn, served to establish the hegemony of *unelected* private sector elites in the local regime. The new governance was structured around two dominant private-public partnerships which set the governance agenda for a plethora of surrounding smaller agencies. The two dominant partnerships were the BNFL created West Cumbria Development Fund (WCDF) and Furness Enterprise (Fe). Interestingly, despite these two key agencies being set up on the principle of public-private partnership and with similar agendas, they had very different impacts on their respective areas because of the nature of their local partnership. The key

difference between the two was the amount of private sector finance made available by private sector partners involved.

### *Local Governance and the New Agencies*

There are three reasons for the dominance of the WCDF and Fe in the governance process. First, they were the original agencies set up to deal with economic development in their respective areas which enabled these organisations to capture power over the development of local strategies. Second, both these organisations held the largest 'local' financial resources which they allocated according to their own priorities, particularly business support, inward investment promotion and in West Cumbria large-scale 'flagship' projects. Thirdly, the boards of these organisations contained the major local actors from local government, industrialists and powerful senior officials drawn from publicly created agencies which reinforced the importance of these agencies. Their pivotal positions within the local regime effectively enabled them to set the agenda for the plethora of other public-private partnership based agents of governance which were emerging, many of which were being set up on a functional basis. This secured a broad measure of support for the 'local' accumulation strategy set by these dominant agencies, which in turn gave them legitimacy. It appeared that three forms of hegemony were being practised by these agencies to maintain their control of the local regime. First, attempts were made to manage external relations with central government and Europe. Secondly, support was mobilised behind the manipulation of local symbols which demonstrated the effectiveness of their work. Finally, attempts were made to gain local acceptance through the promise of jobs and improved services.

The WCDF had been established in 1988 as part of the West Cumbria Initiative (WCI). Significantly, it was given a substantial budget with BNFL contributing £1 million per annum and the three local authorities (CCC, ABC, CBC) £50,000 per annum and the board structure contained the main local actors. In July 1992, John Fyfe produced a *Review of the Initiative*. The review identified difficulties with the existing structure including: lack of focus and unclear objectives, duplication of services and roles, and the need for the integration of a much wider perspective. It

claimed that existing jobs had been protected as opposed to the creation of new ones created and that during the lifetime of the WCI:

“...many good things have happened through the Initiative (but) it does seem to have lost its way somewhat...for meeting the main objective - which was to create jobs in West Cumbria” (Fyfe, 1992, p.7).

A name change from the WCI to the West Cumbria Partnership (WCP) in March 1993 signalled an attempted change in approach but no change in the organisations to carry out the economic development strategy.<sup>9</sup> The mission statement was:

“To work in partnership to create in West Cumbria a stable and diverse economy which will provide a variety of investment and employment opportunities, and so improve the environment, economic well-being and quality of life for the people of West Cumbria” (West Cumbria Partnership, 1996, p.3).

In effect, the WCP created a forum which brought together all the major players in West Cumbria. In 1994, under the WCP banner the first adopted West Cumbrian economic strategy was produced listing eleven key policy areas (employment land and property, training and education, business development, inward investment, tourism development, transportation and infrastructure, environment and image, unemployment, rural development, regional policies and partnerships, quality of life) and lead players (WCDA, local authorities, Rural Development Commission (RDC), English Partnerships (EP), TEC, integrated regional office, private sector, Groundwork Trust and the colleges) (West Cumbria Partnership, 1994). This strategy was built upon following a commissioned report carried out by Ernst and Young (1995) to undertake a detailed analysis of the first economic development strategy. This led to the publication of the second WCP economic development strategy listing key priorities (business development, inward investment, tourism development, rural development, community development), underpinning key areas of activity (land and premises, communications and infrastructure, employment initiatives, environment and image, training and development, development policies and partnership), and key partners (WCDA/Business Link, local authorities, RDC, EP, TEC, GO-NW, private

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<sup>9</sup> In the wake of the report Tony Winterbottom was replaced by Barbara Stephens as Chief Executive of WCDA.

sector, Groundwork Trust, colleges, West Cumbria Tourism Initiative (WCTI), Maryport Developments Limited (MDL), Whitehaven Development Company (WDC), and Westlakes) (West Cumbria Partnership, 1996). However, the WCP had no formal status and no money, remaining reliant on the ability of local partners to work together:

“The partnership only works if the partners want to make it work and in that it succeeds entirely by consensus” (Development Agency Chief Executive, interviewed, 31/7/98).

“The West Cumbria Partnership was effectively a glorified talking shop, with too many people sat around the table to have a sensible discussion and too many vested interests all pulling in different directions. At the end of the day the only key player, and it should be admitted, was the West Cumbria Development Fund, that is where the power is” (Former District Council Officer, 2/9/97).

The WCDF (in conjunction with the WCDA providing business support measures) aimed to avoid mistakes made during the time of the WCI by focusing on creating and safeguarding lasting employment in West Cumbria and the stimulation of long term economic development. It would do this by matching West Cumbrian resources (which came mainly from the BNFL largesse) with funding from Europe and national government. It would not merely launch rescue packages which had become commonplace in the WCI, but which had merely staved off the inevitable fate of some firms whilst starving other enterprises of assistance, but offer financial assistance to a wide range of business activities in West Cumbria. Additionally, due to the availability of BNFL funding it would invest in local ‘flagship projects’ designed to improve the long-term economic development of West Cumbria. The project which best symbolises change in the politics of production in West Cumbria, the hegemony of the WCDF in the local regime and the availability of BNFL funding was the development of the Westlakes Science and Technology Park. The agencies involved were certainly clear on its significance:

“The flagship project for West Cumbria was the establishment of the Westlakes Science and Technology park. It has real aspirations to be a world recognised centre of excellence” (Development Agency Chief Executive, interviewed, 24/6/97).

“Westlakes really is the ‘jewel in the crown’, the potential from that one project is tremendous” (Development Agency Board Member, interviewed, 30/6/97).

“Westlakes is great, it has created jobs which are mostly linked to BNFL, and its provided something to build on. The infrastructure is good and its providing a fine stepping stone to develop employment and higher education” (District Council Officer, interviewed, 18/9/97).

Westlakes Science and Technology Park is located on the former Ingwell Hall site just south of Whitehaven and seven miles north of Sellafield. The potential for developing a science and technology park was recognised by Burnet and Metcalfe (1986) and its development became a cornerstone of the WCI:

“There is strong prima facia evidence for anticipating that there is scope for the development of a major commercially viable Technology Park in West Cumbria; related in part to ongoing BNFL Sellafield R&D requirements and technology spin-off, demands arising from other technology based organisations requiring appropriate accommodation in West Cumbria and others interested in potential joint venture operations with BNFL” (WS Atkins, 1987, p.6).

The development was jointly financed by the WCDF, BNFL, and RDC, who formed Westlakes Properties Limited (1989) to carry forward the project, and critically funding became available from the EU, thus phase one was opened in December 1991 (See Montage 7.4). The role of BNFL was instrumental in setting up Westlakes as they wanted to see this develop into an higher education institution which the area so seriously lacked. Thus, they provided substantial financial resources but also relocated work previously carried out at Sellafield to Westlakes:

“Westlakes is a very exciting project, but it is very much BNFL related. After all its mostly BNFL money so why shouldn’t they spend it the way they want to” (Former Development Agency Chief Executive, interviewed, 30/10/97).

“Westlakes is very much BNFL’s baby in many ways. Much of the work carried out up there is for BNFL. Much of the funding has come from BNFL. It is also controlled by BNFL with many of the leading protagonists for the development of Westlakes former BNFL employees” (County Council Officer, interviewed, 24/9/97).

# Hi-Tech park gets biggest-ever grant

THE £4m Westlakes Science and Technology Park got off to an official start with a cash injection and brick laying ceremony.



OFFICIALLY starting construction on phase one of construction at Westlakes were John Edwards (Regional Director of the Rural Development Commission), Harold Butler (Chairman of the West Cumbria Development Fund), Keith Irving (Managing Director of Border Engineering) and Tim Knowles (Manager West Cumbria Development Fund).

The grant development, at the former Inghel School, near Moor Row, is jointly financed by the West Cumbria Development Fund (WCDF) and the Rural Development Commission (RDC) and is designed to enhance the area's image and economy as a centre for high technology.

John Edwards, Regional Director for RDC, based on a cheque for £25,000 to WCDF's Chairman, Harold Butler, who is Corporate Affairs Director for British Nuclear Fuels. The cash represents the largest single grant given in the history of the RDC, and matches the WCDF's contribution to the first phase work. British Nuclear Fuels serves an annual £10m into WCDF to help with various local projects. Together, Mr Edwards and Mr Butler laid the first stone for the first phase project, with Keith Irving, Managing Director of Border-Engineering, who is a local firm which has won a £1.7m contract. The development situated on the A955 three miles

from Whitehaven is 210,000 sq ft. The West Cumbria Initiative group to 'break the area's industrial base and create new employment at work on THORP runs down. Mr Butler said: "The whole scheme has been designed to a very high standard in keeping with the grandeur of Inghel Hall and the very attractive parkland in which it stands."

He added: "The Westlakes Science and Technology Park will be, in certain, a great success in giving a new image to industry and business in Copeland, one of very high technology and scientific achievement drawing on the skills, abilities and development of the major companies in the area."

Mr Edwards said: "We are delighted to be associated with this scheme to regenerate the economy of West Cumbria. Our investment of £275,000 is the largest single grant in the history of the RDC and is indicative of the importance of the project. This has not only got for Cumbria but for the education authorities. Phase One starts this month with the renovation of the former Inghel Hall, which is being converted

into offices for the administration and service provision of future tenants.

At the same time, three two-storey pavilions providing a total of 11,000 sq ft of business space are to be constructed.

Phase One is scheduled for completion for March next year and a fourth pavilion is planned for phase two.

BNFL has already started work on a bio-analytical laboratory that for example can detect

the presence of radioactive isotopes. A key attraction is likely to be the creation of seats providing on-the-spot links with Sellafield.

These will enable site business tenants to take advantage of BNFL services and the opportunity of

benefiting from the high level of education which BNFL has developed at Sellafield over the years.

# Investment of type we really need

NEW £4.3m science laboratories at Whitehaven have been hailed a vital new investment at a time of rising jobs gloom in West Cumbria.

Copeland MP Dr Jack Cunningham has officially unveiled a plaque, on Friday, marking the opening of the Geoffrey Schofield Laboratories. They represent the first development on the Westlakes Science Park on the fringe of Whitehaven.

The laboratories, built with the help of EEC funding for British Nuclear Fuels, are for the study of radiation samples from the environment and around Sellafield and studies into chromosome damage caused by radiation. The laboratories are named in honour of Sellafield's former Chief Medical Officer, the late Dr Geoffrey Schofield. Among the large audience watching the opening ceremony were Mrs Joyce and her two sons, Ian and Chris, both now senior medical professionals in their own right.

BNFL's former Chairman in Copeland, Mr Harding. The MP said: "The Westlakes Science Park of which the laboratory is an integral part is an important development in the work of the West Cumbria Development Fund. The work of the Fund is attracting new investment into West Cumbria and creating new employment opportunities for local people has never been more necessary than it is today."

"The sad news of the past few weeks is that we cannot continue to be over-reliant on THORP which we know will continue in the New Year and affect thousands of Copeland families, most of whom are in the South. Park all throughout Copeland."

But the MP warned his audience: "If we are to face the future with some measure of confidence in West Cumbria then it is vital that we see investment in businesses of the kind. We all know too well that we cannot continue to be over-dependent upon the nuclear industry if we are to create a lasting prosperity in West Cumbria."

The Genesis Unit at the laboratories will study gamma rays from the workers at Sellafield. The adjoining bio-analytical laboratory will study some 1,000 samples from the environment, checking for radiation levels.



THE EXTERIOR OF THE new Westlakes Science Park.

## THE WEEKEND FEATURE

# Bringing cream of scientific world to West Cumbria

BRITISH Nuclear Fuels Ltd recently announced the launch of a new Research Institute for Environmental and Occupational Studies, to be located at the Westlakes Science and Technology Park, Inghelwell, near Whitehaven.

The new programme is to pursue a number of research projects which include scientific, laboratory, molecular biology and environmental health. The research programme is to be undertaken within the area's facilities and will be supported by BNFL and the local health authorities.

It has been seen that the scientific challenge to be met in the West Cumbria area is to attract to the region, dispersed areas of high quality scientific and technical expertise in addition to low grade professions and from which there is a high probability of emigration when these become scarce. The advent of a nuclear industry in the 1950s and the concentration of facilities at Sellafield has done much to create an expertise in the area of nuclear science and technology. This has led to a heavy concentration of scientific and technical expertise in the area. The West Cumbria Development Fund and the formation of Westlakes Science Park which have developed the Commission's research in the advanced scientific and technical disciplines of West Cumbria.

The role has been reinforced by such research as being conducted in technology transfer either through WCDF or through Community Training

Enterprise Council, or directly through outside companies.

However, there are still significant problems in creating the right conditions for the Research of West Cumbria scientists and technologists there is a great need to attract to the area the cream of the scientific world.

The West Cumbria Development Fund and the formation of Westlakes Science Park which have developed the Commission's research in the advanced scientific and technical disciplines of West Cumbria. The role has been reinforced by such research as being conducted in technology transfer either through WCDF or through Community Training

and Biomedical Laboratories. A number of BNFL staff have a suitable base of research facilities and resources to support the research.

These include Occupational Health and Environmental Epidemiology studies, molecular biology, and the study of radiation damage to DNA.

The Westlakes Science Park is a joint venture between British Nuclear Fuels and the West Cumbria Development Fund. The park is situated on the fringe of Whitehaven and is a major development in the area. The park will provide a base for the research and development of high technology industries in the area. The park will also provide a base for the research and development of high technology industries in the area.

and professor of Oncology. Science and Technology. The Institute will be based at the Westlakes Science and Technology Park, Inghelwell, near Whitehaven.

The Institute will be based at the Westlakes Science and Technology Park, Inghelwell, near Whitehaven. The Institute will be based at the Westlakes Science and Technology Park, Inghelwell, near Whitehaven.

The Institute will be based at the Westlakes Science and Technology Park, Inghelwell, near Whitehaven. The Institute will be based at the Westlakes Science and Technology Park, Inghelwell, near Whitehaven.

## YOUR WEEKEND FEATURE

THE Westlakes science and technology park is a product of the unique partnership between local Authorities and the Public and Private sectors which makes up the West Cumbria Initiative.

Two organisations leading the development are the West Cumbria Development Fund and the local Development Commission and the support of providing finance and management services to be provided by them.

## AND MORE OF YOU WRITE

is in general and BNFL is particularly not being fully employed. The benefits of the local economy if a development could be created. The West Cumbria Initiative is a partnership between local Authorities and the Public and Private sectors which makes up the West Cumbria Initiative.

The willingness of BNFL not only to provide access for Park tenants to its high technology services at Sellafield but also to locate a major laboratory complex on the site itself will make research and development work for the project more likely.

# Rising to the challenge

WORK is now under way on a exciting new multi-million science and technology park in the grounds of the former Inghelwell School. It is the central article of the plan of the project are outlined by TIM KNOWLES, general manager of the West Cumbria Development Fund, one of three groups forming the Initiative partnership.

Working in conjunction with the Cumbria Training and Enterprise Council, a training and re-training project is being planned. Local initiatives are underway and the West Cumbria Development Agency and Fund are working with the Local Authority partners in the West Cumbria Initiative. The project is being planned in conjunction with the Cumbria Training and Enterprise Council, a training and re-training project is being planned.

Of course the huge scale of the project is a challenge. The Westlakes Science and Technology Park is a major development in the area. The park will provide a base for the research and development of high technology industries in the area. The park will also provide a base for the research and development of high technology industries in the area.



TIM KNOWLES, general manager of West Cumbria Development Fund.



Increasingly, subsequent phases of development have been made possible by substantial funding from the EU and continued commitment of the local partners<sup>10</sup>:

“Westlakes have been fortunate, they have got a lot of money, in fact most of the European money that was prepared for this area in the early stages” (Heritage Trust Executive, interviewed, 15/10/97).

“Westlakes is where all the focus has been and we are quite proud of what we have achieved. It is the result of partners working together and seeing the potential for a thing like Westlakes” (District Councillor, interviewed, 25/7/97).

The concept behind the setting up of Westlakes was the view that the high technology potential of West Cumbrian companies in general, and BNFL in particular, was not being fully exploited for the benefit of the local economy, in terms of technology transfer and spin-offs. It was believed that creating a ‘high quality’ development, in terms of infrastructure, environment and knowledge-base, would stimulate private sector finance, new investment and innovative ideas: “Its mission is to create an environment in which science and technology can be developed and exploited commercially and academically, in order to contribute to the economic regeneration and diversification of West Cumbria” (Westlakes Properties, 1997, introduction). Support would be given to “high value activities of knowledge based industries which operate at the leading edge of science and technology” (Westlakes Properties, 1997, p.12). This was part of the strategy to create “a synergy between individuals, organisations and disciplines - a fusion of energy and ideas” (Westlakes Properties, 1997, p.1).

Unlike most other science parks, Cumbria did not have a University or other higher learning institution in close proximity and so it was reliant on industrial links, particularly with BNFL. It was envisaged that Westlakes would develop close academic links with existing universities (particularly northern universities), and then

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<sup>10</sup> Following expansion on the site there presently exists five developments at Westlakes: the Geoffrey Schofield Laboratories mainly undertaking work previously carried out at Sellafield; Ingwell Hall which had been extended in two phases for commercial use; the Princess Royal Building, which includes the Westlakes Research Institute carrying out work which reflects the interests of BNFL including: molecular biology, bio-technology, toxicology, occupational health, epidemiology, and environmental science; the International Research and Graduate Centre developed in partnership with several Universities; and the Innovation Centre with incubator units for new start companies.

integrate them into the concept of a multi-site university within Cumbria. However, this plan to counter the county's 'brain drain' received a set back in 1995 when the Millennium Commission rejected plans for a University of Cumbria for the Twenty first Century (*News and Star*, 1995b). Nevertheless, the vision expressed clearly puts emphasis on the positive multipliers Westlakes would create:

"The development of Westlakes was substantially aimed towards the attraction of inward investment and knowledge based industries. Our interest was in encouraging technology transfer, bringing people in from outside, helping them develop their ideas, so that they grow up within West Cumbria" (Development Agency Chief Executive, interviewed, 24/6/97).

"Westlakes provided an opportunity for the area, not just the technological spin-off from BNFL but also the enterprise coming out of the research and development. It filled a gap in the West Cumbrian economy, with the creation of small-scale high-tech jobs. Westlakes was the sort of development that West Cumbria needed in terms of putting it on the map as a place for research and development, and it demonstrates there is a workforce with certain skills in the area" (County Council Officer, interviewed, 1/7/97).

"Westlakes would work as the stimulant to get other industry to the area and the hope is to encourage spin outs. The main aim was to encourage the growth of the area to make it suitable for the next generation and to try and breed our own entrepreneurs in West Cumbria, to establish their businesses locally, with the help of Westlakes as the nucleus to attract and help others develop. High-tech, knowledge based, research and development and educational facilities were all to be encouraged as an attempt to try and make Westlakes a centre of excellence in all aspects. It was envisaged to have new businesses and developing expertise based at Westlakes, which would make the site world renowned" (District Councillor, interviewed, 25/7/97).

The development of Westlakes represented a real point of departure in the local economic development of West Cumbria as it attempted to lose the label of 'old industrial region'. In particular the involvement of BNFL in Westlakes has been given 'special status' in the economic development of West Cumbria as it was seen as the vanguard initiative in the reinvention of the area. It symbolised the coming together of local, national and supra-national partners to create a new form of development which would create jobs, establish a dynamic and self-sustaining economy based on knowledge-based activity and entrepreneurship. However, in terms of governance it

also represented the interests of the local regime. It maintained the deep-rooted control of the WCDF to manipulate the local agenda, reinforced the growing influence of business-led unelected elites in determining the local economic development strategy and continued the dependency of the area on BNFL.

The Furness equivalent of the WCP was the Furness Enterprise Partnership created in 1991, with the Furness Enterprise development agency (Fe) co-ordinating the local response to economic development. This organisation joined the trend of establishing a broad public-private sector partnership where all the major local actors would come together. The original partners of Furness Enterprise were: Barrow Borough Council, South Lakeland District Council and Cumbria County Council; Government bodies such as English Estates, the DTI and RDC, plus Cumbria TEC and major local employers VSEL and Scott's. Its main aim was to reduce the adverse effects on the Furness area following the substantial job losses suffered at VSEL following the end of the Cold War led to reductions in defence industry manufacturing. Its mission statement stated:

“The Mission is to drive the development of Furness towards a stronger, more balanced economic structure, where it generates wealth from a broad spectrum of industrial, business, agricultural and tourism activities and provides stable employment” (Furness Enterprise Partnership, 1997, p.1).

Significantly, in contrast to BNFL's significant financial contributions to the West Cumbrian economy and the development of 'flagship projects', Fe had significantly less financial support from the local private sector, in particular, VSEL provided few financial offerings to the renovation of the Furness economy:

“The company influence the development of the region by the wages and salaries of the employees and with 5,000 employees VSEL are still by far the largest employer in the town, so the rest of the towns economy is very much dependent on the success of the shipyard. We take the view that the best thing that we can do for the area is ensure that this company is a success because the area is so dependent on it, so that is our prime aim. We do contribute to Furness Enterprise by making a small financial contribution and we also have a member on the board” (VSEL Manager, interviewed, 25/6/97).

This failure of VSEL to match its governance role with direct financial assistance has engendered a real sense of disappointment among the local community, particularly when taking into account the contributions made by BNFL to West Cumbria:

“We would all like VSEL to put more money in, there has been a general level of disappointment with VSEL about their responsibility and contribution and that they haven't measured up to their social responsibility. The difference with BNFL is that BNFL is a public company, it is a nationalised industry with a very clear sense of responsibility that goes with that, VSEL is not, their principal responsibility is their shareholders and they have made that quite clear” (Member of Parliament, interviewed, 15/9/97).

“Vickers have done very little in my opinion to assist with the process of economic development. They haven't been the sort of benevolent organisation that BNFL have been and I think they could do a lot more” (County Council Officer, interviewed, 1/7/97).

“Vickers have never really got involved in the town very much, and for such a major company you might expect them to have a great impact on Barrow, but they have always had a very ambivalent attitude towards their social responsibilities” (District Councillor, interviewed, 15/9/97).

As a result, this limited private sector resource, coupled with negligible assistance from the UK government (Furness received Intermediate Area status in 1993) and no assistance from Europe until 1993, meant that while the local accumulation strategy was now being dealt with by a public-private sector partnership rather than a statutory organisation, this strategy still reflected the old agenda focusing on two main areas of activity: (i) providing support, advice and assistance for new and expanding businesses (this role was later subsumed as part of the creation of Business Link Furness); (ii) the attraction of new inward investment and reinvestment of existing companies. Also, a third priority emerged involving the exploitation and development of local specialisms in maritime and defence technology. However, Fe failed to establish its proposed flagship Maritime Technology Centre following the EU's refusal to grant funding (under the PERIFRA programme) and the scheme failed to attract enough financial support from the private and public sector. Instead the Maritime Technology Exploitation Limited (MAREL) was set up as a division of Fe in 1994 to provide information on technological issues, exploit local technology and assist in taking technological ideas to full commercialisation:

“The mission for MAREL is to organise and manage the task of turning technological ideas into products and services using the rich engineering expertise and skills of the Furness region” (Development Agency Chief Executive, interviewed, 18/6/97).

It would appear that Fe was playing the role of the archetypal local development agency by working as a public-private partnership, taking the lead role in lobbying for greater assistance from national government and Europe and shaping the local agenda towards working directly with business in order to create jobs. Clearly, its failure to develop its own ‘flagship project’ and the restricted focus of the local agenda (primarily based on inward investment and providing business advice) was its own failure to contribute substantial financial resource towards local economic regeneration projects.

As already argued, the WCDF and Fe were surrounded by a plethora of similar but smaller-scale agencies based on the public-private partnership model. Each had its own particular remits and organisational structures, but indicative of the priorities of the regime and the agenda largely set by the WCDF and Fe. Basically, there were two ‘alternative’ types of agency which can be identified: first, broad sectoral based agencies; and secondly, area based development companies dealing with specific localised problems.

An example of these broad sectoral based agencies is the Cumbria Marketing Initiative (CMI) which was established in 1992 to promote Cumbria as a destination for inward investment. The CMI was supported by Cumbria County Council, Cumbria TEC, BNFL, DTI Cumbria Action Team (later GO-NW), WCDA, Fe, and English Partnerships together with funding from the European Regional Development Fund.<sup>11</sup> This significant support for CMI appears to represent the determination within Cumbria to attract inward investment. Research carried out by CMI revealed that there

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<sup>11</sup> The CMI also had a number of “Ambassadors for Cumbria” who had links with the county and who were asked to raise the profile of the county, these included: Lord Whitelaw (former Deputy Prime Minister); Chris Bonnington CBE (mountaineer, writer and photographer); Melvyn Bragg (author, television and radio presenter); Hunter Davies (author, broadcaster and journalist); Anna Ford (television news presenter); HMS Cumberland; Edward Stobart (chairman, managing director and founder of Eddie Stobart Ltd); and, Malcolm Wilson (international rally champion and businessman).

existed a lack of awareness among potential investors of what Cumbria could offer and that a 'Lake District gaze' conditioned perceptions (see Hague and Wylie, 1994, 1996; Wylie and Hague, 1995). CMI attempted to change these perceptions and raise awareness of Cumbria as a place to do business by undertaking a rigorous marketing campaign drawing attention to specific sector specialisms and existing major companies which were located in Cumbria.

The development of tourism had also become vitally important to the west coast in an attempt to 'piggy back' on the success of the Lake District. As a result, two other sectoral based agencies - the West Cumbria Tourism Initiative (WCTI) and Furness Tourism Partnership (FTP) - were created to raise the profile of their areas as tourist destinations. The WCTI was set up in 1994 as a three year programme (extended for a further three years in 1997) with responsibility for developing tourism in West Cumbria. The funding partners for the WCTI were CCC, ABC, CBC, Rural Development Commission, English Tourist Board, CTB, Cumbria TEC, English Partnerships, WCDF, Tourism Trade Association and the EU. The WCTI began branding West Cumbria as 'Cumbria's Western Lakes and Coast' and began facilitating the development of a number of baseline attractions on the west coast. These attractions include the Lakeland sheep and wool centre at Cockermouth, the aquarium at Maryport and the Beacon in Whitehaven, the la'al ratty (Eskdale to Ravenglass railway), Muncaster castle and the Sellafield Visitors Centre. FTP dates back to 1987, when the Barrow and South Lakeland local authorities, English Tourist Board and CTB got together and looked at the idea of developing tourism in the Furness and Cartmel peninsulas. In 1992, Furness and Cartmel Tourism Development Action Programme (TDAP) was established for a three year period which culminated in it being awarded the England for Excellence award for Holiday Destination of the Year. The FTP was established in April 1995 for a further three years to build on the work of the TDAP (this was again extended in 1998) with funding provided by Barrow Borough Council, CCC, Cumbria TEC, South Lakeland District Council and the EU. The FTP market the area as the 'Secret Corner of Southern Lakeland' initially undertaking a number of public relations activities to raise the profile of the area as a destination, this included: 'The Incredible Journey', the Natterjack toad short breaks

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on Walney island, the 'Edwardian Seaside Adventure' which involved visits to Grange-over-Sands, and the 'Have-a-go discovery day' which involved having a go at activities such as glass blowing, engraving, candle making and craft skills. There is also a Cruise Ship Initiative aimed at promoting the Port of Barrow for Cruise Ships (*Evening Mail*, 1999a; *Guardian*, 1997a). There are twenty-four tourist attractions in the Furness and Cartmel area including: the dock museum in Barrow, Heron glass visitors centre at Ulverston, the South Lakes wild animal park, the Lakeside Aquatorium at Newby Bridge, and the Laurel and Hardy museum in Ulverston. As this list testifies, the role of governance agencies were thus crucial in promoting the tourism agenda.

As already noted, the second type of agency were area-based development companies dealing with specific localised problems, essentially 'horses for courses'. These development companies basically provided two advantages: first, a development company represented a legally constituted body working in partnership which was needed in order to bid for funding; and secondly, the locality focus of the development company enabled it to concentrate on particular localised development:

"For financial reasons most of these things are being set up as development companies. Where you have a physical job of work to do, an infrastructure job of work to do, then the logical way forward is to create a development company and get all the benefits of that focus of the organisation on a particular locality" (County Development Agency Chief Executive, interviewed, 28/8/97).

"Development companies have been set up in order to undertake developments within short timescales and to tap into funding sources. The local authorities are tied to their own committee cycle times, so you may only get four committees a year and you can't operate a business on that basis. The local authorities can not respond to the market place, they are also bound by there own internal rules and regulations and are not about to take risks, which sometimes you need to do" (Development Company Chief Executive, interviewed, 29/8/97).

Both Maryport and Whitehaven had established development companies to undertake regeneration in these towns but both had contrasting fortunes during this period.

At Maryport, the joint venture company Maryport Developments Limited (MDL) already existed to reclaim and redevelop the harbour. However, in the wake of the Local Government and Housing Act (1989) the shareholding of the local authorities was reduced to 19% with English Estates owning an 81% share. As a partnership, previously there had been input from local councillors and local representatives with those views gradually filtered through into the policy of MDL. Once those members were removed from the board and the company became wholly a subsidiary of English Estates, the partnership feel began to disintegrate and become distorted:

“When MDL fell into the total control of English Estates, what was initially set up as a concept of partnership was abandoned. The local authorities felt they no longer owned the scheme and consequently their support diminished. This resulted in the cancellation of their guarantees and caused friction between the partners” (Retired Former Project Manager MDL/English Estates, interviewed, 15/10/97).

“One of the problems with Maryport is that it is not a real partnership and they fail to look strategically at their issues. Maryport is the prime example of the problems in West Cumbria. It sees itself as very down-at-heel, parochial and small scale, the people seem quite inward looking rather than outward looking and they look very much at their own experiences rather than those around them” (Government Office North West Regeneration Manager, interviewed, 12/11/97).

The concept of the development of the harbour shuddered to a halt with the recession of the early 1990's and private sector interest evaporated:

“The development hit the market at the wrong time with the country and property market in recession. The harbour area was still semi-derelict, but with this much of the development was held back” (County Council Officer, interviewed, 1/7/97).

“Maryport was unlucky with the timing because nobody knew there was going to be a recession in housing and investment in general when Maryport sites became available. This meant the project didn't progress as quickly as possible” (English Partnerships Manager, interviewed, 10/12/97).

This state of affairs continued and in 1994 English Partnerships (which had replaced English Estates), on retirement of the Project Manager, appointed a new chief



executive of MDL to attract investment and development into the harbour and town. This proved a disaster as the appointee was sacked within 3 months of taking post (*West Cumberland Times and Star*, 1994b). The development of the harbour appeared to be abandoned. Lack of MDL support resulted in the cancellation of key projects such as the heritage park and delayed the start on the aquarium attraction, it failed on five occasions to attract major funding and its lack of performance and loss of confidence led to the formation of Maryport Partnerships in 1996 (although MDL remained) which included every organisation that had any input into Maryport and many that had none.<sup>12</sup>

In contrast, with the expected decline at Sellafield on the horizon, Copeland Borough Council (CBC) commissioned a report in 1990 on the potential development of Whitehaven. It was concluded that the town's Georgian architecture, harbour and heritage offered the main opportunities to diversify the economy through the introduction of tourism and service sector employment. This eventually led to the fledgling Whitehaven Development Company Limited (WDC) being established in 1992 with a ten year programme to promote the economic regeneration of Whitehaven with the catalyst being the town centre and harbour. WDC was again set up on the public-private partnership model and significantly one of its five major shareholders was BNFL, the others being English Partnerships, CBC, CCC, and the Whitehaven Harbour Commissioners:

“The Whitehaven Development Company initiative was done totally outside the context of the West Cumbria Partnership, mainly because of disillusionment by the local authority for that organisation to get anything going” (Former District Council Officer, interviewed, 2/9/97).

The ‘Vision for Whitehaven’ programme focused on impounding the inner harbour to create an area of permanent water, bringing the harbour into use for watersports, pleasure craft and the fishing fleet, and to be the catalyst to boost the towns flagging

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<sup>12</sup> The organisations found on Maryport Partnerships includes: County councillor (1); Allerdale Borough Council officers (2); Maryport town councillor (1); Cumbria TEC (2); BNFL (1); CCC officer (1); WCDA (1); English Partnerships (1); MDL (1); WCTI (1); Maryport Heritage Trust and Harbour Commissioners (1); West Cumbria Groundwork Trust (1); Private Sector (4); Job centre (1); Ewanrigg Community Tenants Association (2); West Cumbria Council for Voluntary Service (1); Home Housing (1); Cumbria Police (1); Allerdale councillor (1); Netherhall School (1).

economy by providing new jobs, visitor attractions, commercial and housing developments and a business park. In contrast with MDL, the WDC were successful in 1994 in getting £4.04 million in SRB which enabled the leveraging of other funding to enact the programme. The flagship tourist project for Whitehaven, the Beacon, opened in July 1996 at a cost of £3.2 million. It tells the story of Whitehaven's social, maritime and industrial industry, houses a weather centre and is having work £13.7 million spent on a sea lock and marina to provide an area of permanent water. It seemed that the WDC portrayed a partnership working with its ability to draw down substantial funding, while MDL represented a partnership which was failing lacking leadership and unable to access much needed funding.

## **7.6 Conclusion**

It is clear that policy changes at both the national and supra-national level which encouraged the movement towards governance and partnership significantly affected the nature of the local regime. The introduction of European Structural Funds, coupled with the re-positioning of national funding programmes and the availability of local public-private funding sources, in particular the BNFL largesse in West Cumbria, had a substantial local impact. The local regime was affected in four distinct ways. First, the role of local government was increasingly diminished. Secondly, in the vacuum of weak local government, a new largely unelected local regime in terms of institutions and membership emerged to occupy the ground previously held by local authorities:

“What became developed in West Cumbria was a self-perpetuating oligarchy of public agencies, dominated by chief executives and directors of public agencies making decisions on behalf of everybody else. They created that in the vacuum of not very strong political leadership, which was the case in local government at that moment” (Former District Council Officer, interviewed, 2/9/97).

“What began to be created with the introduction of this mass of new agencies were exclusive cliques, a small band of executives surviving on the committee hand out” (Retired Former Project Manager MDL/English Estates, interviewed, 15/10/97).

Thirdly, the availability of increased sources of funding, particularly from Europe, firmly established the priorities of prevailing private sector interests in the local regime. Many of these people in positions of authority were largely *imported business elites*, a significant concern locally:

“West Cumbrians are very suspicious of people from outside, and rightly so. A lot of these outsiders have come and made their money, and then gone away. Some of them don't even reside in the area, they just have accommodation mid-week and then go off at weekends” (Development Agency Board Member, interviewed, 30/6/97).

“There is a very strong feeling among Labour group members in the county council against local government officers and other members of the public sector salariat, who appear to be quite content to make their living out of the economic problems of the area. As soon as 5 o'clock comes they are off to Lorton, Tallentire and Bassenthwaite, or some other salubrious Lake District jaunt and take no part at all in the community life of the west coast towns which pay their wages. That is a real problem” (County Council Officer, interviewed, 24/9/97).

Finally, running through the regime was elite consensus in determining the local accumulation strategy. This consensus had two main features. First, was what could be described as a *written* strategy with five key priorities. Four of these priorities were identified in the *West Cumbria and Furness Single Programme Document 1994-1996*: (i) SME start-up which was seen as underdeveloped, (ii) knowledge based industries and advanced technologies to be exploited by developing the local specialism in defence and nuclear technology, (iii) tourism to be exploited by tapping into the Lake District market, and, (iv) community economic development in an attempt to directly reach subordinate communities and people. The final priority stemmed from long-standing attempts to attract new inward investment and retain existing investment in these areas. The aim of these *written* policy themes was to change the emphasis of the local economy from being dominated by manufacturing industries to becoming a 'post-industrial' centre of corporate control, new technologies, tourism and leisure with key projects and showcase initiatives, such as Westlakes Science and Technology Park and harbour regeneration, symbolising the change in the politics of production.

The strategic line was also underpinned by new discursive constructions which present 'entrepreneurship' and 'innovation' as the key to regeneration, with 'keynote' projects providing the necessary environment and infrastructure to stimulate entrepreneurs:

"What we are trying to do, and are achieving in my opinion, is creating an environment which can bring in entrepreneurs and other skilled people, to actually start up businesses and employ people. Then that generates more wealth in the local economy where others then start to benefit" (Private Sector Member of the West Cumbria Partnership, interviewed, 5/11/97).

"We needed to replace traditional industries with more modern industries, therefore, we needed to concentrate heavily on producing a local economic environment which encourages the development of a modern industrial centre and which attracts a new breed of entrepreneurs. This is why we have put so much effort into the Westlakes Science and Technology park and attracting new businesses to come to the area and grow in a thriving economy and then to take the local unemployed on board" (Development Agency Chief Executive, interviewed, 4/7/97).

"Its all about creating the infrastructure and environment to enable entrepreneurship to prosper" (Director of Westlakes, interviewed, 21/7/97).

This view smacks of a common held belief amongst the 'inner circle' of decision makers that economic growth would be to the advantage of all citizens. Clearly the economic development strategy was primarily working to raise the wealth of the area and then to create jobs. This may be interpreted as implicitly subscribing to the school of 'trickle-down' economics.<sup>13</sup> The common held belief in the 'trickle-down' of economic growth to marginalised communities and social groups must be rejected due to its continued failure. This approach received criticism particularly amongst those agencies working with the local community:

"The mainstream agencies are very much infrastructural, capital and trickle-down based, deprived communities do not feel any benefit from such an approach" (CVS Project Manager, interviewed, 17/6/97).

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<sup>13</sup> It appears that the SRB and SPD have recognised that 'trickle-down' does not work and that funding needs to be given directly into marginalised communities if they are to gain any benefit from economic development.

“The big idea is not going to work, the trickle down idea never would work, never did work, never has worked, never will work, especially in West Cumbria, this is the last place it will trickle-down to. To say get the economy right first and you’ll solve all of the social problems of disaffected kids at [school name] and vandalism on [name] housing estate just won’t happen” (County Council Officer, interviewed, 24/9/97).

This leads on to the second *unwritten* strategy of the development agencies which had a social engineering agenda aimed at changing the local culture in line with the desired changes in the local economy. It reflects the commonly held belief among local decision-makers that, because of historical reasons, a strong paternalistic and ‘unentrepreneurial culture’ exists with two major engrained beliefs.<sup>14</sup> The first is the perception that what constitutes a ‘proper job’ is a full-time manufacturing job, jobs which are increasingly in short supply. Secondly, many of the alternative forms of employment, such as retail work or tourism, are not considered a ‘man’s job’. Such ideas are believed to be the result of years of employment in large manufacturing industries providing full time (mainly male dominated) unskilled or semi-skilled jobs. This industrial history has resulted in low incidences of self employment and a minimal small business culture, no history of commuting for work, low educational attainment and a general feeling that education is unimportant:

“There exists a very low incidence of self employment and we have never had any experience of entrepreneurship in the local labour market, it has been dominated by working for large companies taking on huge numbers of people, which has resulted in a minimal small business culture. There is no history or experience of small business and the trend of the national economy is towards small businesses. There is also a deep suspicion about some of those sectors which are being introduced to replace the ‘old’ industries, local people are happy with the past not the future, we are still expecting the return of the big employer or re-opening of the pits or steelworks” (Member of Parliament, interviewed, 15/9/97).

“People say there are no local entrepreneurs but there is nothing to aspire to. Kids don’t have anything to look towards, the culture is to get a job at Sellafield and nothing else. The sort of things that money goes into for regeneration, such as Westlakes and tourism, one at the top end of the

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<sup>14</sup> It was pointed out in the research by one respondent that there does exist thriving entrepreneurs in the local community, but who are forced or decide to work outside the mainstream of society: “There are entrepreneurs but they are outside the mainstream of society, they are beneath the layer of it, and they are not necessarily legitimate. If you look at the entrepreneurial skills necessary to set up a drugs ring they exist, but they are just not legitimate” (School Teacher, interviewed, 19/11/97).

scale which is not really for local people, the other at the other end of the scale which nobody local wants to do because it is perceived as being low-paid, seasonal, part-time work. People are use to working at Sellafield, Marchon or British Steel” (CVS Project Manager, interviewed, 26/6/97).

The unwritten aim of the development agencies then, has been to attempt to change the local culture towards acceptance of entrepreneurialism, self employment, small business development, self help and work in new areas of employment such as tourism or retail - and in part-time and low paid work:

“The way the country’s going a lot of the manufacturing side of things have gone has we have moved towards a service economy. West Cumbria and Furness have got to compete with everybody else in that situation, tourism and leisure, high-technology are just some of the areas we need to address” (County Council Officer, interviewed, 1/7/97).

“There is a view expressed that says because the area was born and bred on coal, iron and steel, that tourism is not a man’s job, its not a proper job. There is also an attitude of mind in existence where local people do not see self-employment and small business development as the right sort of business to be involved in. So one of the problems you’ve got with the local community is whether they’ve got a genuine willingness to move into the less traditional areas of employment. Our role is to sell this idea that these are as important as any other form of employment, and get local people interested in it” (Development Agency Chief Executive, interviewed, 31/7/98).

What this all adds up to, then, is a regime based on governance by an unelected elite and a local accumulation strategy formed on the basis of national economic conditions, policy created by the central government (and Europe) and largely reliant on external funding sources. While national government (or Europe) may not be imposing direction day-to-day, local accumulation strategies had been developed to fit within the general context of national accumulation strategies. This (supra) national-local fit is clearly evident in the way that the local regime privileged the role of the private sector in policy formulation and in terms of the selection of key sectors orientated towards economic growth.

## CHAPTER 8

### REGIME IV 1997-?: GOVERNING STRUCTURE REALIGNMENT: CREATING A PROGRESSIVE AGENDA OR REINFORCING PRO- GROWTH CORPORATISM?

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#### 8.1 Introduction

From May 1997 a new national and county political context emerged with the election of Labour controlled chambers which could herald the beginnings of a transition towards a new local regime with the balance again tipping back to government in the governance agenda. This Chapter will argue that changes in the national and European situation will have significant effects on the future workings of local governance and local economic development in West Cumbria and Furness. The need for economic development activity remains given the structural defects in the local economy and the problems of unemployment and job loss. The response, in terms of governance, will be shaped by the continuing complexity of national, European and local governance relationships, the evolving notion of partnership, the accepted focus on developing 'strategic sites' and key projects and the emerging development of specialist governance agencies.

#### 8.2 The Problems Remain: 'Real' Unemployment and Social Deprivation

The persistent problem of structural weaknesses in the local economies of West Cumbria and Furness, coupled with unemployment and job loss continues to be the major challenge facing the governance of these areas (See Table 8.1 and Montage 8.1). The actual problem of unemployment could also be more serious than official figures suggest. A report carried out by Beatty *et al.* (1997) entitled *The Real Level of Unemployment* argues that official unemployment figures do not reflect the real

# 240 jobs to go at A&W

INDUSTRY: Business community warns that more workers face

## Traders raise fears over Marchon jobs backlash

By Claire Lewis

JOB losses at Albright & Wilson's Marchon plant could mean the death knell for West Cumbria's heavy engineering sector.

Whitaker Chamber of Trade believes the job losses will have the effect of creating a vicious circle.

Whitaker with heavy arms and business will be the first to go.

"If people haven't got the money to buy the things that we produce then we can't sell them."

A spokesman for Albright & Wilson said: "If we get enough people coming forward to take the jobs that we have to offer then we will be able to keep the plant open."

There is nothing the council can do to prevent the redundancies.

"The only way the area is going to be able to recover is through some kind of Government package."

"Jobs have gone at Kempland and at the industrial estate of down-

"We need large subsidies to create thousands of jobs. The only way I can see this area recovering is through some kind of Government package."

NUCLEAR: Nuke plant angers union leaders with announcement of worker lay-offs

## Fury at Sellafield plan to cut 500 jobs

UNIONS representing nuclear workers in Cumbria have blasted BNFL's plans to scrap 500 jobs and its famous apprenticeship scheme.

By JOHN SHAPSON Business Correspondent

Believes that these recent attacks on employment are just a step too far, particularly the attack on the young people of West Cumbria.

He said: "It is now time for us to stand up for ourselves and we ask for the community and for local politicians to help us to fight these moves."

Local Cumbrian community and continue to have a new business or it can cost the present policy of job work to the lowest bid.



Evening Mail, Thursday, May 27, 1999

## Hi-tech firm to shed 50 more jobs

LIVERPOOL'S major hi-tech firm today said it was "understandable and cheap" to shed 50 jobs.

Lepro International a year ago in a £15 million deal. Liverpool mayor Ron Crear said: "I am sad and disappointed to hear of these job losses."

# 110 JOBS AXED FOR CHRISTMAS

WORKERS at a Maryport fish factory have been dealt a huge blow just days before Christmas as the loss of 110 jobs.

Worries about the future

Youngsters who will be jobless at Christmas are worried about the future.

# KANGOL AXED 200 JOBS



HAT, manufacturer Kangol is to axe 200 jobs in West Cumbria - a third of its workforce.

## Askam faces up to its blackest day

THE shock news that Askam's shoe factory is to close has devastated the city community.

By OLLIAN HANFORTH



CLARE BENNETT: 'Nobody expected closure'

ALAN MYERS: 'The other shoe'

Closing shoe factory had expansion plans 'Closure could destroy families'



jobless total. The report points to thirty policy changes since the early 1980's which have reduced the claimant count while some unemployment has become 'hidden', namely the unemployed not claiming benefit (ineligible for benefits because partner is in full time work), people on government training schemes, the early retired, and permanently sick long-term unemployed. Adding these to the official figures would be a true reflection of the real social and economic problems facing these areas. It was estimated in the *Copeland Economic Review* (1997), using figures for claimant counts in January 1997<sup>1</sup>, that 'real' unemployment (those who might reasonably be expected to work in a fully employed economy) would inflate the official figures as follows: in Allerdale from 8.1% to 16.9%, in Barrow from 8.6% to 23.5%, and in Copeland from 9.5% to 19.2%. The extent of 'hidden unemployment' was underlined by a recent report carried out by Barrow Borough Council which claims that 41 in every 100 people of working age do not have a job but that many do not show up in monthly employment figures because the vast majority are on sickness and invalidity benefit (*Evening Mail*, 1999b).

**Table 8.1: Major Redundancies (100+) and Plant Closures in Allerdale, Copeland and Furness, 1997-1999**

Year	Company	Location	Number	Comment
<i>Allerdale</i>				
1997	Hayton Builders (Construction)	Maryport	207	Closure
1997	Calypso (Drinks Firm)	Lillyhall	104	Closure
1998	Grants Smoked Foods (Food Processing)	Maryport	110	
1999	British Steel (Rail Track Products and Engineering Goods)	Workington	111	
<i>Copeland</i>				
1998	Kangol (Clothing)	Cleator Moor and Frizington	145	
1999	BNFL (Nuclear)	Sellafield	500	
1999	Albright and Wilson (Chemicals)	Whitehaven	186	
<i>Furness</i>				
1997	K-Shoes (Footwear)	Askam	276	Closure
1998	VSEL (Defence)	Barrow	112	
1999	Tronic (Electronics)	Ulverston	100	
			1850	

**Source: Allerdale Borough Council, Barrow Borough Council, Copeland Borough Council, national and local newspapers**

<sup>1</sup> The claimant count unemployment rates are for districts and differ from the official figures which are for Travel to Work Areas. As a result, Allerdale is 'softened' by the Keswick and Carlisle Travel to

The potential for further unemployment and job loss in the future must also not be underestimated. The trend of the 1990's has seen continued down-sizing and reductions in the workforces of traditional major industries including Albright and Wilson, LMG Smith Brothers, British Steel, Kangol, Iggesund and Scotts Ltd (now Kimberly Clark). These reductions come on top of the losses at BNFL and VSEL. It could be suggested that even with improved economic circumstances these companies are unlikely to build up to the levels of employment which prevailed during the 1980s because their current strategies are towards externalisation of functions to subcontractors in a managed supply chain network, rather than on-site employment creation. This was most clearly shown by VSEL following the announcement of new orders for Royal Navy oil tankers and Astute class submarines at Barrow. These orders were not accompanied with plans for employment growth, but were presented in terms of 900 "jobs saved" within the existing core workforce at the yard (*Guardian*, 1997b).<sup>2</sup>

The potential threat to these major industries has been further illustrated by two recent events. First, German threats to withdraw their fuel reprocessing contracts have put into question the future of THORP (*Financial Times*, 1999; *News and Star*, 1999a; *Whitehaven News*, 1999).<sup>3</sup> The issue of the disposal of nuclear waste has also re-emerged as the House of Lords Science and Technology Committee has called for urgent action to search for new underground sites for the disposal of Britain's increasing pile of nuclear waste. It has also called for the abandonment of the outdated policy of regarding plutonium as a valuable resource and that it should be reclassified as dangerous waste (*Guardian*, 1999a). Clearly, the costs of the plant have changed, which creates a case for questioning the overall economics of THORP. Secondly, company mergers and takeovers are increasing fears of further job losses in many of the other major companies. In particular, British Steel in Workington and

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Work Areas which are found in the district.

<sup>2</sup> There are some significant consequences on other communities as a result of Barrow receiving orders. As part of the 'national shipbuilding economy', the work carried out on HMS Ocean (an helicopter carrier) led to severe restructuring at Swan Hunter in Newcastle (*Guardian*, 1997b). Similarly, the contract for MoD oil tankers for Barrow put the Kvaerner Govan shipyard under threat. More recently, the Kvaerner group announced they were pulling out of shipbuilding threatening thousands of job losses (*Guardian*, 1999b).

<sup>3</sup> This situation could be further intensified by potential future Japanese withdrawal from THORP.

Albright and Wilson at Whitehaven are constantly reported to be under threat of job loss (See Montage 8.2). In the words of one respondent:

“Albright and Wilson and British Steel are interesting because there is no longer any geographical reason for them to be located in this area. Both employ about 1,000 people but at any point in time they could relocate somewhere else. In West Cumbria, the result is not only job loss but also what it pays in rates and all the other things that go with it. How do we address that? Well the answer to that is the difficulty we all face” (Development Agency Board Member, interviewed, 30/6/97).

Since 1997, West Cumbria has suffered from the loss of over 1,000 jobs set against claims of only 114 being created and calls for government aid and renewed European assistance. In response to the recent job losses, Cumbria County Council's Tory group leader Rex Toft has predicted that the entire region could be on the brink of economic calamity and has called for the creation of a task force to try and save threatened jobs and help redundant workers. In response, the need to set up another agency is being considered (*News and Star*, 1999b).

It would also appear clear that the current local accumulation strategy, with its underlying belief in the 'trickle-down' thesis, has not brought equal benefits to all sectors of the population. There remain areas and communities which have not felt the benefits of the existing local accumulation strategy and it is in these areas that a range of social and economic problems are concentrated.

In Cumbria, measures of 'material deprivation' point to a polarisation in standards of living broadly based on 'urban' and 'rural' divides. By drawing on the Cumbria County Council (1994) *Submission to the Local Government Commission* there are four particularly relevant indicators for Cumbria which identify those areas suffering from the greatest social problems: (i) wards in towns and older estate housing have suffered from higher rates of depopulation; (ii) many households in these areas have predominantly partly skilled or unskilled residents; (iii) many households within these wards have high levels of council tenancy; (iv) the highest levels of unemployment can be found in these areas and have persisted in these wards over a long period. Table 8.2 highlights the fifteen most deprived wards in Cumbria in 1991 and 1981,

# Sellafield reels under Germany's £1bn blow

By Alan Irving

**JUBILANT anti-nuclear campaigners worldwide are celebrating Germany's ban on Sellafield fuel reprocessing, even though it could lead to the loss of West Cumbrian jobs.**

BNFL has admitted jobs could be threatened if the Thorp ban, worth more than £1 billion, goes ahead in a year's time - but the state-owned company is being urged to diversify employment.

BNFL's Jeremy Rycroft, head of commercial and business planning, said: "It has to be admitted that if business is lost to Thorp, then eventually that has an impact on employment. The good news is that things happen slowly in the nuclear industry and we have time to plan, so I am sure we can manage the situation in a humane way."

"It is inevitable that if the Germans take away business from Sellafield it has an impact on jobs at Sellafield. We hope this is one thing the German government will take into account before they come to a final decision."

BNFL has insisted the contracts are legally binding and internally Sella-



Inside Thorp: A German ban could cost the plant £1bn in business

- Greens cheer 'death of Thorp'
- West Cumbria fears job slump

field's unions have been told that a 10 per cent cut in business does not necessarily mean a 10 per cent reduction in employment.

Union leader John Kane, who represents 3,000 workers told by the company missile about these. However, the G that if the penalty (payments were n

would mean loss of jobs. It depended on how much BNFL could claw back on the clauses. "It might even mean the full amount - we need to be told," he said.

from BNFL, what the Germans have to pay back."

Martin Forwood, campaigner for Cumbrians Opposed to a Radioactive Environment, welcomed the decision. It heralded a new and better future for West Cumbria and was a death knell for Thorp, he said.

"BNFL must now belatedly deploy their resources into waste management and clean up work."

"Such a significant loss of reprocessing business will hasten the demise of Thorp and could seal the fate of the new Sellafield MOX plant which still has to get the go-ahead from John Prescott."

## DESPAIR

With the ban about to rob BNFL of a big chunk of its lucrative reprocessing business, Germany is being warned it will have to take back 1,000 tonnes of "waste" already in storage at Sellafield.

While anti-nuclear campaigners celebrate, the decision has brought despair to West Cumbria community leaders and unions at Sellafield who fear for the economy and jobs.

Cumbria County Council leader Bill Minto said he feared for the future of the nuclear industry in West Cumbria.

"This is going to give a lot of concern about the economy and jobs."

"Once time runs out on the German

## Fears for steel jobs as sell-off is shelved

By Phil Crane

**BRITISH Steel has shelved attempts to sell off its Workington engineering operation, raising fears of job losses in the 300-strong workforce.**

The company had been trying to sell British Steel Engineering since last February.

Yesterday it told its workforce that the sale was off, options were under review and that it would begin a "detailed dialogue with the workforce and their representatives."

### DOUBTS

In a statement, the company said that "in the current trading environment, the prospects of finding a suitable purchaser are now extremely slim."

It is thought there are serious doubts over the survival of the Chapel Bank part of the business, Cumbria Engineering, which has a workforce of around 300 and a world reputation as a specialist centre of heavy engineering excellence - but few orders.

The other two parts of the British Steel Engineering group are the copper foundry of Chadden and Law and the specialist Continuous Casting, Servicing

## Uncertain future for workforce

(development), with a combined workforce of less than 200.

Both are viable but the company said from the start that it was interested only in selling off the group as a whole.

Roly Hughes, plant steward with the GM trade union, said the unit meeting had confirmed the long term aim of BNFL Steel was still to sell engineering operation.

"We are perturbed after 18 months of uncertainty, it looks like we going to rumble on for longer," he said. "It is clear whether there is a compulsory redundancy package but there are 37 people in the queue already for a redundancy package."

"The one positive thing is that we have been told that jobs are safe in the immediate future."

Geoff Tulman, who heads one of West Cumbria's largest independent engineering companies, Tubrox Engineering of Workington, said: "If Cumbria Engineering were to close then it would be a loss for virtually all engineering companies in this area."

## Unions seek talks as firm joins forces with

**BRITISH STEEL today announced a merger with a Dutch firm, prompting concerns among its 1,200 strong West Cumbrian workforce.**

Hogevens, which manufactures steel and aluminium in Holland, will join with British Steel to create Europe's largest steel company.

The deal will create a new international metals group called BSKH, 62 per cent owned by British Steel shareholders and 38 per cent by Hogevens investors. Union leaders, worried that there may be some overlap in plants and products, are concerned over possible job losses. But they said they did not expect any British Steel plants to close.

Rob Shannon, AEWU representative, wants talks with management to discuss how the merger will affect Workington.

He said: "Workington has been under threat for some time. We will be contacting our Dutch colleagues and looking at the comparison between what Hogevens actually does and what British Steel does."

"We were hoping that as part of this merger we might be able to do

more than is difficult. He said competition for British steel is fierce and the loss of £1 billion was a blow. British sell off its operation nearly two years ago.

It shelved plans and the operation was sold to a Dutch firm.

It blamed the loss of £1 billion on the fact that British steel was sold off in 1992.

It said that the company was now in a position to offer a better deal to its workforce.

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## Giants in battle for control of Albright shares

By Julian Whittle  
Business Editor

**A TAKEOVER battle is under way for control of Albright & Wilson, the chemicals company which runs the Marchon works in Whitehaven.**

Rhodia of France, trumped an earlier bid yesterday, raising an offer of £400million from the US firm Albemarle.

The new bid was £100 million more than the £300 million bid by Albemarle.

More than 4.1 million shares changed hands as investors rushed to buy in the hope that a second offer from Albemarle would send the price still higher.

Mr. Hix said Albemarle gave guarantees for the future of job security.

It said that the company was now in a position to offer a better deal to its workforce.

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Albright & Wilson's Marchon plant in Whitehaven

Rhodia was spun off last year from French chemicals giant Rhodia-Poulenc. It already has substantial UK operations and a main office in Watford, Hertfordshire.

Albright employs 1,850 in the UK, including 700 in Whitehaven. The Marchon plant makes ingredients for deter-

showing the dominance of West Cumbrian wards, the concentration of urban areas and the continued problems facing the same wards.

**Table 8.2: Highest Deprivation Scores 1991 and 1981**

1991		1981	
Ward	Score	Ward	Score
Sandwith (C)	10.1	Mirehouse West (C)	10.0
Salterbeck (A)	9.8	Salterbeck (A)	9.5
Mirehouse West (C)	9.8	Sandwith (C)	9.1
Northside (A)	8.5	Ewanrigg (A)	8.9
Westfield (A)	7.5	Northside (A)	8.7
Ewanrigg (A)	7.3	Westfield (A)	7.7
Botcherby (Ca)	7.1	Moorclose (A)	6.4
Barrow Island (B)	6.0	Barrow Island (B)	6.1
Upperby (Ca)	5.9	Upperby (Ca)	6.0
Distington (C)	5.8	Harraby (Ca)	6.0
Moorclose (A)	5.7	Clifton (A)	5.8
Risedale (B)	5.3	Cleator Moor Sth (C)	5.6
Clifton (A)	4.9	Frizington (C)	5.5
Cleator Moor Sth (C)	4.9	Highgate (SL)	5.5
Mirehouse East (C)	4.8	Ellenborough (A)	5.2

(A - Allerdale; B - Barrow; C - Copeland; Ca - Carlisle; SL - South Lakeland)

**Source: Submission to the Local Government Commission, 1994, appendix A, p.88.**

This pattern contrasts with the affluent areas on the suburban fringe of the county's major settlements or in attractive rural locations. These areas of affluence and growth have emerged due to three factors. First, the increased attractiveness of a number of small and medium sized market towns (like Ambleside, Grange, Grasmere, Kirby Lonsdale, Wigton and Windermere). Secondly, increased suburban development (such as Stainburn in Workington, Dalton North, Ormsgill and Roosecote in Barrow); and, thirdly, an increase in commuting which has led to growth in rural villages. The most affluent areas of Cumbria are to be found in South Lakeland and suburban/commuting

locations around the main towns of Barrow and Carlisle and in rural West Cumbria (which are found within the boundary of the Lake District).

The pressures on governance structures, then, from social and spatial disadvantage remain and are likely to intensify. The response is likely to be significantly conditioned by local and supra-national political change.

### **8.3 New Labour and Losing European Assistance**

#### *New Labour*

In May 1997, 'New Labour' under the leadership of Tony Blair won a landslide victory in the general election. New Labour reaffirmed Conservative 'urban policy' commitment to the 'partnership' theme in the battle against halting social and economic decline:

“Our agenda is serving local people...we can achieve this only by working with councils, businesses, professional bodies, the voluntary sector and local people. Equally, within local communities all must work closely together in partnership” (DETR, 1998a, preface).

Perhaps the most marked contrast to the previous Government's approach has been greater commitment to the concept of the “bottom-up” partnership:

“The Government is convinced that the “bottom-up” approach to regeneration is the right one” (DETR, 1998b, p.2).

The new Labour government has published, in this vein, a whole raft of consultation documents and working papers aimed at solving the problems of social and economic decline: *Regeneration Programmes - The Way Forward* (November, 1997a); *Sustainable Development: Opportunities for Change* (February, 1998c); *Local Democracy and Community Leadership* (April, 1998d); *Community-Based Regeneration Initiatives* (May, 1998b); *Modernising Local Government* (June, 1998a); and, *Sustainable Regeneration - Good Practice Guide* (October, 1998e). In this context two policies stand out: (i) *Welfare to Work - New Deal for Communities*

(October 1997b); (ii) *Building Partnerships for Prosperity: Sustainable Growth, Competitiveness and Employment in the English Regions* (December, 1997c).

Welfare to Work is an active labour market and training policy. The main measure of this scheme is the New Deal for Young People. This targets people aged 18-24 who have been unemployed for six months or more and who are claiming Job Seekers Allowance (JSA). The aim of the measure is to get these people into permanent employment and to do this it offers four options, each including an element of education or training, namely: a subsidised job with an employer, full-time education or training, work on the Environmental Task Force, or placement with a voluntary sector organisation (Peck, 1999).<sup>4</sup>

Whilst many aspects of the New Deal will be delivered at a local level, the policy is one that has been devised centrally and is being imposed nationally. This is a continuation of the dominant orthodoxy of state centred and top-down, oscillating between tackling social exclusion through universal welfare and income redistribution and forcing people back into work via active labour market policies and welfare cuts. This approach, following its predecessors, believes that to have an affect there is the need to convert welfare into work within the mainstream private-sector economy. Where the 'New Labour' approach differs from the preceding administration is the belief that the government should actively facilitate this transition, instead of leaving it to the market to generate jobs.

The White Paper *Building Partnerships for Prosperity: Sustainable Growth, Competitiveness and Employment in the English Regions* announced plans to set up Regional Development Agencies (RDAs) in each of the English regions following the same boundaries as the Government Offices (enacted in April 1999) (Harding *et al.*, 1999). The position of Cumbria within the new RDA has occupied much attention within local councils and agencies as debates have raged over which region Cumbria

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<sup>4</sup> The New Deal in its first year has seen 2,200 people in Cumbria join the scheme with 700 placed in subsidised jobs, 600 doing voluntary or environmental work, 400 in full-time education or training, and 500 still being needs assessed. 450 Cumbrian firms have signed up to be involved in the New Deal programme (*News and Star*, 1999c; *News and Star*, 1999d).

belongs in: North West or North East, or indeed whether Cumbria should be given sub-regional RDA status:

“I believe that we need a sub-regional structure and sub-regional allocation for Cumbria or we will be very much picking up the crumbs” (District Council Officer, interviewed, 1/9/97).

“With the RDA there is a view that we will become peripheral, therefore, should there not be a Cumbrian RDA or something similar” (District Council Officer, interviewed, 18/9/97).

In May 1997, the government announced that Cumbria would form part of the North West RDA (including Cheshire, Greater Manchester, Lancashire and Merseyside). In Cumbria, there are, given its history, perhaps justifiable fears that it will be the forgotten region of the North West, marginalised by the metropolitan areas:

“The big danger for Cumbria is that we get crushed between the two megaliths of Greater Manchester and Liverpool” (District Council Officer, interviewed, 1/9/97).

“The great danger with the RDA is that the power resides with Manchester and Merseyside. There is a deep suspicion among many district councillors in Cumbria that they will be further marginalised and that the local districts will be even more peripheral and that is a real concern” (District Council Officer, interviewed, 18/9/97).

“With the RDAs I hope that Cumbria has enough political clout within that agency to make it work for Cumbria and that we are not marginalised because in the past we have been marginalised” (MEP, interviewed, 12/9/97).

Greater concerns relate to the organisational structure of the RDAs, and more importantly the powers given to the RDAs:

“The problem with the RDAs is if you simply set up another organisation which is a merger of existing quangos and some of the other usual suspects, and stick with the same old superannuating industrialists, the great and the good, the usual retreats on it, then you won't change or make any difference at all other than you might achieve some efficiencies in your administration and organisation” (County Council Officer, interviewed, 24/9/97).



“We spend a lot of time talking about organisational structures but none of this is relevant if the instruments and powers of the RDAs to influence events is not improved. To work effectively they need a strategic view of the region and its got to have additional financial instruments, additional capital and fund raising powers” (Member of Parliament, interviewed, 15/9/97).

It is too early to assess the changes which have taken place under the Blair administration given the minimal modifications that have actually taken place in funding and policy regimes. Significantly, however, although there remains commitment to economic development, there are no extra resources being made available. In reality this means more of the same: challenging for funding, lobbying for increased regional assistance which comes into force in January 2000 and general reliance on any hand-outs given by the government.<sup>5</sup>

### *Europe*

West Cumbria and Furness again received European Objective 2 status for the period 1997-1999 (European Commission, 1997). However, the drafting of the Single Programming Document (SPD) again created controversy. From a European perspective the Commission wanted to deal directly with regions (as in other Member States). However, despite the presence of regional government offices in the UK, these government offices have tended to sit between the local partners and Europe, representing central government in the regions and not representing local government or local partnerships in Whitehall or Brussels (Bachtler and Turok, 1997; Lloyd and Meegan, 1996; Regional Policy Commission, 1996).<sup>6</sup> Arguably, this creates problems of cohesion between the partners and can leave the English regions disadvantaged. West Cumbria and Furness have locked themselves into the regional government office structure, when there is clearly the need for greater autonomy. The drafting of the 1997-1999 SPD showed how the local partners can be disenfranchised from the system:

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<sup>5</sup> West Cumbria was given pathfinder status (May, 1998) as part of the *new commitment to regeneration* (Local Government Association, 1998). This is a strategy aimed at regenerating local communities by creating a framework which allows all partners to pool their resources around an agreed plan for the regeneration of their whole area over a long time period. These came into operation in April 1999 and will last at least five years.

<sup>6</sup> This might change with the introduction of Regional Development Agencies from April 1999.

“The 1997-99 SPD draft following the involvement of GO-NW was a mirror version of the Greater Manchester, Lancashire and Cheshire document. The West Cumbria and Furness Partnership had been disenfranchised from the document by GO-NW who claimed that the partnership had been consulted” (European Desk Officer, interviewed, 29/10/97).

The 1997-1999 European programme maintained the same four priorities as the previous programme with eighteen main objectives identified (See Table 8.3). The programme would appear to indicate a change in approach for the local partnership. This can be seen in the apparent weakening of the strategic foci on tourism, human resource development and environmental technologies and services, in favour of increased resources for SME development, telecommunication development and community economic development. This shift would appear to indicate underlying confidence in the ability to attract new ‘post-industrial’ type inward investment.

Following ten years of assistance, the European programme is set to end in 1999, with ‘transitional’ funding until 2001. The programme is set to end as a result of two changing circumstances: enlargement of the EU and modifications in the calculations of unemployment levels (*Guardian*, 1998):

“The biggest threats to continuation of Objective 2 status are twofold: enlargement and the way in which the unemployment figures are calculated. When you are arguing that West Cumbria needs additional support, and they are saying you’ve only got 8% unemployment when the real figure is twice that it is very difficult. That is as big a threat to the future of European Structural Funds in this area than enlargement” (MEP, interviewed, 12/9/97).

“The extension of Europe may well have the effect of reducing, if not wiping out Objectives 2 and 5b status for the county, which would have a major impact on the county and it really would make us more peripheral. We also have a major internal problem that the unemployment figures are being manipulated and Furness is bringing the area down because they have not got the unemployment levels that were projected” (County Council Officer, interviewed, 18/7/97).

**Table 8.3: The European Community Support Strategy 1997-1999**

Priority	Objectives
SME Start-up, Development and Growth	<ul style="list-style-type: none"> <li>- to improve the competitiveness of business, leading to sustainable economic development and long term job creation</li> <li>- to increase the formation, survival and growth rate of SMEs and to attract new SMEs through targeted support</li> <li>- to support the development of infrastructure aimed at the needs of SMEs, which is environmentally sustainable, encourages private sector investment, and provides facilities for SMEs</li> <li>- to provide human resource development tailored to the needs of business</li> </ul>
Knowledge Based Industries and Advanced Technologies	<ul style="list-style-type: none"> <li>- to encourage a strategic and coherent approach to research and technological development that stimulates greater participation from SMEs               <ul style="list-style-type: none"> <li>- to promote demand led research and development, innovation and technology transfer</li> </ul> </li> <li>- to stimulate an innovation culture within SMEs</li> <li>- to improve the commercial exploitation of new products and processes               <ul style="list-style-type: none"> <li>- to support the development of advanced telecommunications networking within the area, other parts of the European Union, and beyond</li> </ul> </li> <li>- to provide human resource development that underpins knowledge based industry activities</li> </ul>
Tourism Development	<ul style="list-style-type: none"> <li>- to develop further the potential of West Cumbria and Furness as a tourist destination</li> <li>- to increase the number of visitors and visitor expenditure in the target areas</li> <li>- to increase the level of private investment in tourist facilities</li> <li>- to provide human resource development tailored to the needs of visitors and the tourism industry</li> </ul>
Community Economic Development	<ul style="list-style-type: none"> <li>- to put the areas people and employers at the centre of the economic regeneration process</li> <li>- to develop, retain, and exploit local employment opportunities for the benefit of local residents</li> <li>- to provide the necessary support infrastructure which enables local residents to access appropriate training or employment opportunities</li> <li>- to place targeted economic action within a local regeneration framework</li> </ul>

Source: European Commission, 1997, pp.85-86.

“Most of the actions are stimulated through funding, and a lot of funding at the moment is European, so that is an issue. In the future we hope that there will be another regime of funding programmes to replace the resources we may lose from the end of Objective 2, because in spite of what everybody might say I don't think we will have resolved all the outstanding issues by 1999” (District Council Officer, interviewed, 7/7/97).

The loss of European funding - on the basis, as already argued, of dubious unemployment statistics - has significant implications for the sustainability of existing projects. The local partners have become reliant on European funding. The overall value of the European programme has been approximately £65 million in the ten years of its operation, with an equivalent sum available from 'match funding', resulting in a combined funding pot of £130 million. Clearly, the availability of European money has been vital in allowing projects to go ahead:

“Objective 2 European funding has allowed us to broaden our ambitions because of the increased income of money” (Development Agency Chief Executive, interviewed, 24/6/97).

“The ability to access European funding has proved critical to the development and implementation of local regeneration projects. When we embarked upon the wider strategy our infrastructure was appalling, we didn't really have the ability to address the needs of developing small new companies and SME's, business support mechanisms were weak, the quality of industrial premises was poor, and there was very little investment in alternative parts of the economy such as tourism” (District Council Officer, interviewed, 2/9/97).

In an environment where UK government assistance has been declining sharply in recent years, the loss of European funding is a major blow to West Cumbria and Furness and will further compound the problems facing these two areas:

“There's no doubt that the loss of European programme money is potentially going to be difficult for a number of organisations, there will be less work and we would be less able to achieve things. We will be looking for more support being devolved down through national government and into the regions. Also being able to exploit more specific European programmes where there are core interests. So Barrow for

instance, would look at being able to draw KONVER" (Development Agency Manager, interviewed, 16/6/97).<sup>7</sup>

Typically, the response of local councils and agencies has been to seek outside assistance and guidance, and calls to protect European Objective Two status are understandable (See Montage 8.3). What is clear is that the end of the European programme combined with reduced funding available from national government will inevitably initiate a critical phase in the future local economic development and governance of West Cumbria and Furness.

#### 8.4 From Hung to Labour Controlled - Much of the Same?

In May 1997, the Cumbria County Council (CCC) returned to the control of the Labour Group (See Table 8.4). This reflected the nationwide unpopularity of the Conservative Government. Locally the clear urban/rural split between the voters also had its effect as the 'urban' areas of West Cumbria and Barrow predominantly returned Labour members.<sup>8</sup>

**Table 8.4: Results in County Council Elections 1997**

Election	LAB	CON	LD	IND	Comment
1 May 1997	44	23	12	4	Lab Overall Control [83 Councillors representing 83 divisions]

(LAB - Labour, CON - Conservative, LD - Liberal Democrat, IND - Independent)

However, the election of the Labour Group to control the County Council was not greeted with much enthusiasm among the agencies involved in the governance of the area. The research revealed, paradoxical though it may be, growing concern within some quarters of the unelected 'quangocracy' that the newly elected Labour Group would herald a return to government command of the governance agenda. Its control of much of strategy and policy decision making was seen as threatening the

<sup>7</sup> KONVER is a European programme to assist areas affected by decline in defence activities.

<sup>8</sup> There are 14 'urban' wards in West Cumbria (all Labour) and 13 'urban' wards in Barrow (12 Labour and 1 Conservative). This designation of 'urban' is based on undefined criteria set by the County Council (*News and Star*, 1997a).

# Montage 8.3: Calling for Further Assistance 1,000 jobs out - and only 114 in

Council chief says  
West Cumbria needs  
Government aid

By Elton Lewis

WEST CUMBRIA, having lost more than 1,000 jobs in the last seven years, is calling for more Government assistance to end the dire misery, Copeland's Council leader has warned.

In his opening remarks to the 111 jobs out of 1,000 in the same period, he said that a year ago in Cumbria a bank had been closed, marking the beginning of the end of the county's economic life.

### Traditional

Mr. Thompson said that unless new businesses were set up in West Cumbria by Government action, the future was not bright.

He said that if 1,000 jobs had already been lost at Wharfedale, South Yorkshire, it would have been a disaster. But in Cumbria, it is not a disaster, it is a tragedy.

Mr. Thompson said that unless new businesses were set up in West Cumbria by Government action, the future was not bright.

### Traditional

Mr. Thompson said that unless new businesses were set up in West Cumbria by Government action, the future was not bright.



Not much to smile about: Councilors listen to the grim statistics about Copeland unemployment.

Part of the Furness and West Cumbria region, Workington has shared the £46 million paid out by European Union.

# Cumbria battles to protect Euro-cash

CUMBRIA has formed a powerful political and academic alliance to lobby for aid to boost the economic prosperity of the region.

The county is making its voice heard at regional and European level in its bid to secure additional European funds for urban and rural areas and communities in the region.

Cumbria's main political party, the Conservative Party, has formed an alliance with the University of Cumbria.

### AGRICULTURE

The county is making its voice heard at regional and European level in its bid to secure additional European funds for urban and rural areas and communities in the region.



One of the 100,000 sheep and rural areas have been identified for £46 million in European funding.

As EU expansion threatens aid, county bids to save funding and establish a university

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# Grants crisis

WEST Cumbria stands to lose millions of pounds in European regional funds if its predicted, the system of giving out grants is reformed.

The Whitesaver and West Cumbria travel to work areas, which have been identified for a £45 million grant, are the most at risk.

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# West Cumbrians in fight to keep £23m

Shake-up in European funds puts our cash in the balance

By Rob Merrick  
Parliamentary Commissioner

WEST Cumbria will have to fight to hang onto millions of pounds of European funding.

The Government has told areas which currently receive lucrative such grants to prepare to lose them.

Objective 1b, which covers 20% of the total, will be cut by 10%.

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# We must secure vital Euro funds

MUCH attention has been focused on the restructuring of the European Community's aid to the less developed areas of the EC, but there are even more pressing concerns about the EC's ability to finance the programme.

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**JOHN BURNET**

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# Government to act over job losses

Government to act over job losses

autocracy of the 'inner-circle' of public agency chief executives and the handful of private sector members who had been determining policy under the previous political regime:

"The problem at the moment is because of the centralisation of everything, local politics and decisions tend to be related to national politics. In the county the Labour Group have taken power following a period of hung government and they have gone straight from partnership to total control in every sense" (Director of Westlakes, interviewed, 21/7/97).

"Within the political sphere things are shifting all the time. Up until May 1997 Cumbria had a hung county council which meant power sharing, since then the Labour Groups overall majority has resulted in them taking over power and stating 'we are in power, you'll do as we say'. If you look at Cumbria Inward Investment Agency, it had three Labour, two Tory and one Liberal member on the board, since the Labour Group got into power this has been changed to six Labour members. This shows that power has shifted" (Development Agency Chief Executive, interviewed, 4/7/97).

These fears, however, concerning a shift in power in governance, would appear at the time of writing, to have been exaggerated. The 'partnership' agenda of the previous regime appears still to rule. The Labour group has continued the commitment to partnership and governance working, maintaining the 'status quo' of the existing regime, ceding the control for economic development into the hands of a 'chosen few' (mainly unelected). The existing partnerships remain and more appear likely to be added as the governance regime repositions itself. There are two key features of this repositioning - which will largely determine the success of governance - first, the establishment of county-wide agencies alongside the continuing operation of district-level tiers of governance is reinforcing the priorities of the previous regime. Secondly, there is the possibility of a more progressive governance agenda beginning to emerge with the creation of specialist agencies and community economic development (CED).

*Re-positioning Governance I: Creating County-wide Agencies but Maintaining District level Agencies: Re-inforcing the Pro-growth Strategy*

One aspect of this repositioning is the geographical reorganisation of agency activity on a county-wide basis. The creation of these new county-wide organisations is clearly a reflection of the failure of governance, both at regional and district level, to provide solutions to the problems facing these areas. Also, it marks an attempt to compensate for real (and perceived) disadvantage experienced by Cumbria because of its spatial and institutional peripherality. The county-wide organisation is inherently bigger than district based organisations, with a broader political and financial base increasing economies of scale. It would create a common Cumbrian mission to take to the outside world and in order to be taken more seriously in UK government and regional terms there is an argument for having something Cumbria-wide.

First, the separate organisational structures of Cumbria TEC (county wide with five outlying offices) and the Business Link Cumbria network (six satellites created on a geographical basis) and similarity of work between these two organisations had led to tensions and created a weakness in the local partnership. These tensions were very political related to the geography of the county as the districts and towns were against being part of something that was county-wide and with centralised control:

“Business Links is separate from the TEC in Cumbria, which is very political. Its a nonsense to have separate organisations because of the similarity of work but in Cumbria it is a political issue about the geography of the county. The districts and towns don't want to be part of something that is county-wide and the districts are constantly at loggerheads with the Cumbria County Council. That is why there is a very complicated governance structure in Cumbria” (Training Agency Manager, interviewed, 8/9/97).

This seemingly non-sensical situation of having two organisations providing common services was highlighted by the TEC (1996) in a consultation document entitled *The Contract With Cumbria: A plan to increase job and wealth creation amongst the existing businesses of Cumbria*. This generated much local controversy following its claims that the existing system failed to make a significant impact on business development and suggestions for the need to integrate the TEC and Business Links.



Self preservation on the part of the TEC was clearly a factor as it needed an effective Business Link to maintain its licence and receive accreditation in March 1998. Nevertheless, the separate Business Link organisations rejected the TEC's proposals, also seemingly for reasons of self preservation, whilst the Cumbria County Council (CCC) were strongly against the Business Link network being taken over by TEC due to fears of losing local solutions which had grown organically in response to varied economic and geographical situations. Despite these objections, however, a merger was announced between the two organisations in December 1997 under a cloud of secrecy (*West Cumberland Times and Star*, 1997a). It was clear that, for political reasons and to receive accreditation, the TEC and Business Link had to be amalgamated to create Enterprise Cumbria (EC) in July 1998.<sup>9</sup>

Secondly, the Cumbria Inward Investment Agency (CIIA) was set up in 1997 as a private-public partnership. Its mission stated:

“Cumbria Inward Investment Agency Ltd is a strategic marketing company committed to promoting sustainable economic development in Cumbria through the attraction of inward investment, the encouragement of reinvestment by local businesses and the creation of a positive business climate throughout the county. In all of CIIA's marketing and economic development initiatives, particular emphasis will be given, wherever possible, to the maximisation of employment opportunities in those parts of Cumbria with the highest levels of unemployment” (CIIA, 1997, p.6).

CIIA was created with a broad political and financial base, with a private-public board of twenty-four directors and managed by an executive board drawn from those directors. The board of twenty-four is interesting because twelve come from the public sector: six county councillors, and one councillor from each of the six districts, with the remaining twelve board members being from the private sector, who have also organised themselves into a company limited by guarantee named Investment Cumbria, which owns 51% of CIIA's shares.<sup>10</sup> Significantly, the private sector

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<sup>9</sup> Ironically, the amalgamation of Cumbria TEC and Business Link led to 34 job losses, a quarter of its total workforce (*News and Star*, 1998a; *West Cumberland Times and Star*, 1998a).

<sup>10</sup> Of these 12 private sector directors, that does not mean 12 different companies because some of the representatives have two capacities. The chairman is Tim Knowles (no relation), who is the chief executive at Westlakes, but is chairman wearing the hat of the CBI. There is effectively two BNFL

influence over the agenda was further reinforced by the constitution which only allows for a private sector chairman, giving the private sector the casting vote. CIIA received substantial funding of £2.68 million for three years with: £750,000 from CCC, £60,000 each from the six district authorities, £750,000 from BNFL, and, £300,000 from Cumbria TEC.

The creation of CIIA is clearly the result of dissatisfaction over the failure by the two regional agencies: Invest North West Agency for Regional Development (INWARD) and Northern Development Company (NDC) and local development agencies West Cumbria Development Agency (WCDA) and Furness Enterprise (Fe) charged with attracting inward investment effectively to do so:

“We’ve had nothing at all from INWARD despite it being the organisation that has the role of inward investment for Cumbria and that has caused tensions in the relationship” (Development Agency Chief Executive, interviewed, 24/6/97).

“INWARD and NDC couldn’t care a damn, they are a waste of time. INWARD is so dictated by the Merseyside/Manchester access that Cumbria is an irrelevance. Inward investment in Cumbria over the last ten years has been zero. INWARD are actually charged by statute to provide the service, NDC are not but at least they’ve had the desire to show interest by having a local office, but again they haven’t achieved much” (District Council Officer, interviewed, 2/9/97).

“Fe and WCDA have proactive images but if you ask me what have they’ve achieved, the answer is not very much. In my opinion they are time expired organisations and not value for money. Basically, Business Links and Cumbria Inward Investment Agency are now undertaking the roles previously done by these organisations” (Former District Council Officer, interviewed, 2/9/97).

The creation of CIIA also re-emphasises the commitment to attracting inward investment despite evidence of little success in West Cumbria and Furness. Peck (1997) shows that in the period 1992-1996, Cumbria has been included in 303 responses to enquiries by INWARD and in 310 responses to enquiries by NDC (p.19). However, from these enquiries only one inward investment was secured as NDC

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members because the managing director at Sellafield is also the chairman of Cumbria TEC and so attends wearing the TEC hat.

attracted Sammi Sound from Korea to Lillyhall.<sup>11</sup> As Table 8.5 shows WCDA and Fe has also had limited success (also see Montage 8.4). The biggest success in Furness has been in attracting CCW, a subsidiary of the US company Candle Corporation World-wide, which announced in March 1997 that it was to move into new premises in Furness and create 260 new jobs (*Evening Mail*, 1997). This investment is “the largest inward investment Furness has seen since the then Bowaters (Kimberley Clark) arrived in 1967” (Furness Enterprise, 1997b, p.2). However, this inward investment was created more through the location of an existing industry rather than the work of the inward investment organisation. In West Cumbria, the biggest success has been the creation of the Ministry of Agriculture, Forestry and Fisheries (MAFF) cattle tracking centre in Workington creating 150 public sector jobs (*West Cumberland Times and Star*, 1997b). The centre was opened in November 1998 with the numbers employed expanded to 260 employees (*West Cumberland Times and Star*, 1998b). It could be suggested that the location of the MAFF centre in Workington represents an indirect form of government assistance and surely the election of a Labour Government coinciding with the siting of the MAFF centre in Workington (a Labour stronghold) is not a coincidence?<sup>12</sup>:

“The MAFF project would never have come if it had not been a Labour government and for the intervention of Jack Cunningham and Dale Campbell-Savours” (County Council Officer, interviewed, 24/9/97).

“The great success which is being heralded at the moment is the MAFF centre but that is Jack Cunningham helping West Cumbria and pulling some strings along with Dale Campbell-Savours” (Former Development Agency Chief Executive, interviewed, 30/10/97).

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<sup>11</sup> Sammi Sound closed down in February 1998 with the loss of 2 jobs (*West Cumberland Times and Star*, 1998c).

<sup>12</sup> As stated in Chapter 5, was it a coincidence that the change of government in 1979 led to a policy change in the location of a government chemist with analytical laboratories?

**Table 8.5: Major Job Gains (50+) in Allerdale, Copeland and Furness 1997-1999**

Year	Company	Location	Number	Comment
<i>Allerdale</i>				
1997	Cumbria Seafoods (Food Processing) MAFF (Cattle Tracking Centre)	Maryport	140	New Business
1998	Eddie Stobbart (Haulage)	Workington	260	New Business
1998	New Balance (Athletics Shoes)	Lillyhall	100	New Business
1998	Cumbria Seafoods (Food Processing)	Flimby	60	
1998	UCB Films (Packaging) MAFF (Cattle Tracking Centre)	Maryport	50	
1999	Eddie Stobbart (Haulage)	Wigton	130	
1999	Cumbria Seafoods (Food Processing)	Workington	60	
1999		Lillyhall	50	
1999		Maryport	50	
<i>Copeland</i>				
1998	AMEC Limited (Construction)	Sellafield	240	
1998	Westlakes (Science Park)	Whitehaven	100	
1998	Safeway (Retail)	Whitehaven	97	New Business
1999	Brewers Fayre (Restaurant)	Whitehaven	65	New Business
<i>Furness</i>				
1997	CCW (Candle Manufacturer)	Barrow	250	New Business
1997	British Telecom (Call Centre)	Barrow	70	
1998	VSEL (Defence)	Barrow	100	
1998	Colony Gift (Candle Manufacturer)	Lindal	80	
1998	Glaxo Wellcome (Pharmaceuticals)	Ulverston	50	
1998	Hollywood Park (Leisure Pub)	Barrow	50	New Business
			2002	

Source: Local Newspapers



It is also clear that re-investment by established firms remain key to the health of the west coast economy. In recent years, UCB at Wigton have initiated a £100 million investment programme creating 340 new jobs, £8 million in new facilities at Albright and Wilson in Whitehaven and £6 million at Sealy United Kingdom, Aspatria (West Cumbria Partnership, 1996). However, as the re-investment of £51 million at Iggesund Paperboard in Workington shows, such re-investments are being taken to increase production capacity and do not necessarily mean creating jobs has this led to the loss of 15 jobs (*News and Star*, 1998b). In Furness, there have been significant re-investments at Robert McBride, Colony Gift Corporation, Kimberley Clark and the British Telecom call centre (*Furness Enterprise*, 1997b).

In summary, the rationale for the creation of county-wide agencies was they would act as a conduit between the districts and regional agencies to reduce duplication of services, limit existing competition and jealousy between districts and represent the needs of Cumbria. In governance terms, the creation of these county-wide organisations in business development and inward investment was significant because it reaffirmed the pro-growth accumulation strategy of the previous regime. As one respondent stated:

“In West Cumbria and Furness the obsession is with inward investment and local business development. It is sort of like the holy grail, like the gambler just buying another lottery ticket because they might win this week, when you know realistically your not going to, but you might, so you buy a ticket. The agencies are fixed on it and so are the elected members, many of them can still remember the days when it was decided, for regional development reasons, that the A66 could be built and various big firms would be directed to the area. But that world has changed, there is no longer a government that directs industries into specific areas anymore, unless it is public sector like the MAFF project” (County Council Officer, interviewed, 24/9/97).

It could also be argued that, if history teaches us anything, this movement towards county-wide agencies is destined for failure. History shows that over a number of years there has existed a West Cumbrian or Furness dynamic where people have formed organisations to represent West Cumbria and Furness. Periodically there have been efforts to create county-wide organisations, which have later returned to being West Cumbrian or Furness based. There are three points to make to explain this

failure of county-wide governance. First, there are real cultural and traditional differences between differing parts of the county, most notably between Carlisle and Barrow. Secondly, there are real 'political' problems between the different districts as Cumbria displays marked localism, indeed parochialism, created by strong localised attachments to place. Thirdly, there are real differences between 'urban industrial' and 'rural agricultural' communities of Cumbria. However, the context has changed, what is different now is regional governance, which may demand that local districts look wider than their own boundaries.

Despite the emergence of county-wide agencies the local picture of governance is further complicated by the continuing operation of district level agencies, which is perhaps a reflection of the geographical, economic and social differences between the districts of Cumbria. In particular, BNFL reaffirmed their commitment to West Cumbria in 1997, by extending its £1 million a year contribution to the WCDF for a further three years, with the amounts indexed. This coincided with a further review of the West Cumbria Partnership (WCP) to reassess its role, strategy and decision-making structures which was believed to have become unwieldy due to the size of the forum:

"There were too many agencies within the West Cumbria Partnership forum, it had become just a talking shop without any teeth"  
(Development Agency Chief Executive, interviewed, 24/6/97).

In effect, the WCP executive revisited the 1987 structure whereby only funders were to sit on the executive committee making this private-public partnership even more exclusive (See Table 8.6). In effect, this new body is totally anachronistic bearing no resemblance to what is going on locally as the representatives from Westlakes, Groundwork, Council for Voluntary Service (CVS) and TEC were no longer involved and would only be invited from time to time as 'delivery' organisations to give

presentations.<sup>13</sup> Clearly, the legitimacy of the WCP must be questioned as it appears to be unrepresentative of the needs of the area.<sup>14</sup>

**Table 8.6: Membership of the WCDF Executive Committee From March 1998**

WCDF Executive Committee	Number
Local Authorities (CBC, ABC, CCC)	3
BNFL	1
WCDF	1
Private Sector	2
Independent Advisor	1
Chairman (Private Sector)	1
TOTAL	9

As a result of the review of the WCP, the leading protagonist - West Cumbria Development Fund (WCDF) - has now begun to involve itself more closely with what they term "long-term strategic projects" (Development Agency Chief Executive, interviewed, 31/7/98), seeking joint ventures with partners in initiating projects which add value to the area. In effect, these "long-term strategic projects" are those schemes which are already firmly established, for example, making financial contributions to Maryport Developments Limited (MDL) and the Whitehaven Development Company (WDC).

The regeneration of Maryport and Whitehaven has continued following recent approvals for further funding and there has also emerged a growing trend towards developing theme based 'special events'.<sup>15</sup> In March 1998, following the failure of MDL in the previous regime, Maryport Partnerships submitted Maryport's third SRB bid. On this occasion it was successful to the tune of £2.7 million with four key objectives: addressing the town's social and community well-being, improvements to the physical image of the town, providing support for new and existing businesses, and assisting the towns diversification into areas such as tourism (Maryport

<sup>13</sup> The term 'delivery' organisations is a misnomer, what is more accurate is funders and non-funders, because organisations such as the CVS do not deliver projects but provide community representation and a strategic outlook.

<sup>14</sup> Whilst doing my research I was invited to make suggestions on the future structure of the WCP (see appendix F).



Partnerships, 1998; *West Cumberland Times and Star*, 1998f). Also, in order to boost tourism in Maryport, the inaugural Blues Festival and Songs of the Sea Festival were held in the Summer of 1999, reflecting attempts to become more innovative in attracting visitors (*News and Star*, 1999f; *West Cumberland Times and Star*, 1999).

The Whitehaven Development Company (WDC) have begun the second phase of the 'Renaissance of Whitehaven' project, with a £6.9 million grant from the Millenium Commission received in November 1997 (*News and Star*, 1997). The project has two main themes: the celebration of Whitehaven's historic role as a major maritime gateway to the UK and its trading links with other nations and the establishment of the harbour area as a major community, sporting and cultural venue (WDC, 1997). John Prescott, the deputy prime minister, officially launched Whitehaven's £13.7 million sea lock and marina in October 1998 which provides an area of permanent water giving round-the-clock sea access to fishing vessels and pleasure crafts (*Whitehaven News*, 1998). Further harbour regeneration involves improving the fishing industry in Whitehaven and work began on a £250,000 ice-making plant in April 1999 and there are also plans to build a fish-handling plant and a new oiling facility (*News and Star*, 1999g). Whitehaven has also entered the theme based 'special events' market with the Maritime Festival in June 1999, attracting 100,000 people to Whitehaven (*News and Star*, 1999h).

The focus also continues on the exploitation of 'showcase' initiatives. WCDF has gained shareholding in the newly created Lillyhall Development Company (LDC) which aims to establish Lillyhall as the "premier industrial site for West Cumbria" (Development Agency Chief Executive, interviewed, 24/6/97), and there are plans to create 1,000 new jobs (*News and Star*, 1998c). WCDF has bought out the Rural Development Commissions shares in Westlakes Properties in order to carry on the development of "the flagship project for West Cumbria" (West Cumbria Partnership Board Member, interviewed, 25/6/98), where expansion plans are expected to create 1,000 further jobs (*News and Star*, 1999i).

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<sup>15</sup> Plans have now been set out for the redevelopment of Workington town centre and proposals for a theme based scheme named 'waterworld' at the harbour (*News and Star*, 1999e; *West Cumberland*

What this commitment to these “long-term strategic projects” and ‘showcase’ initiatives represents is a continued focus on ‘mainstream’ types of economic development building on the existing pro-growth local accumulation strategy and continued conviction in the thesis of “trickle-down”. The belief remains that these ‘strategic sites’ provide the greatest potential for self-sustaining economic growth because they provide the necessary infrastructure to encourage the build-up of new industry, attractions and visitors. As these ‘strategic sites’ then become successful it is believed that a range of job opportunities will be on offer for the wider community creating a diversity of skills which could then attract more industry. The variety and diversification of economic activity created then acts as a safeguard against the effects of economic restructuring.

### ***Re-positioning Governance II: Specialist Agencies and CED Creating a Progressive Agenda***

The second key feature taking place in the repositioning of governance is the emergence of specialist agents of governance and the establishment of CED on the local accumulation strategy, possibly heralding the beginning of a new progressive local agenda.

In both West Cumbria and Furness, organisations now exist to identify and build on specialised resources which are not easily replicated in other locations. West Cumbria followed the lead of the Maritime Technology Exploitation Limited (MAREL) in Furness (set up in 1994) by setting up West Cumbria Enterprises Limited (WCEL) in 1997, at the Westlakes Science and Technology Park.<sup>16</sup> Both these organisations aim to develop a number of new sustainable businesses through technology transfer and the development of innovative ideas, which mainly spin-out from the major local industries in particular those based on science and technology, into marketable products and services by drip feeding ventures with finance and management expertise:

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*Times and Star*, 1998d; *West Cumberland Times and Star*, 1998e).

<sup>16</sup> West Cumbria Enterprises Limited was renamed Westlakes Ventures Limited in 1998.

“WCEL is specifically aimed at the development of small high technology companies and technology transfer. It is filling a gap which existing agencies have not been effectively able to fill” (Development Agency Chief Executive, interviewed, 4/7/97).

“WCEL is set up as a venture capital organisation to take graduates with ideas, to give them resources to develop those ideas into job creating businesses, and give them business advice, business counselling and people to shadow them. This is an attempt to develop our own West Cumbrian industries and it is not in conflict with anything else” (Development Agency Board Member, interviewed, 30/6/97).

This approach parallels the “network paradigm” of successful European regions such as Baden-Wurttemberg, Catalonia and Lombardy (Cooke and Morgan, 1993, 1998). Its aim is to create “new industrial spaces” by attempting to create “clusters” of activity around industries and firms which have strong vertical and horizontal linkages. It is argued that a dense local network of relationships between firms of all sizes and support agencies will provide an environment within which high degrees of innovation, entrepreneurialism and technology transfer can occur. These processes then create sustainable forms of industrialisation in which the spread of innovation and the establishment of intelligent networks are a key contributor to development.

In the face of initial cynicism and criticism regarding CED, discussed in Chapter 7, it would now appear that the national SRB programme and the commitment of Europe has strengthened the position of CED on the agenda. In the process it has confirmed the failure of “trickle-down”, as both recognise the need to fund directly schemes within marginalised communities and to target particular disadvantaged groups:

“There are two significant things taking place at the moment in how SRB and the European programme delivers economic regeneration. There has been a shift towards more community based activity and a shift towards an action plan approach. Taking these two things together, what this means is that regeneration policy is going to be more geographically targeted and much more people based. That can only be good because it means regeneration will need to be carried out by local enterprises and partnerships and involving the local community” (CVS Project Manager, interviewed, 17/6/97).

The governance for delivering CED is complicated because it covers both ‘types’ of agency. The Council for Voluntary Service (CVS) began providing ‘strategic’

support, promotion and development of the voluntary sector and championing the cause of social regeneration in West Cumbria and Furness.<sup>17</sup> However, there has also emerged a large number of local players based at the level of the town, ward and neighbourhood.

In West Cumbria and Furness, some genuinely community-led regeneration is beginning to emerge. In communities such as Cleator Moor, Salterbeck and in Furness local groups have begun to regenerate the community. The Cleator Moor Development Group, for example, was successful in attracting £1.26 million in government grants in July 1999 for a six-year scheme to regenerate the town (needed desperately following the job losses at Kangol, see Table 8.1) (Cleator Moor Development Group, 1997; *News and Star*, 1999j). Salterbeck is an housing estate in the south of Workington stigmatised by poor quality public sector housing, high rates of unemployment (20.4% in July 1996), many people on benefit, high crime rates, low educational attainment for children and poor environmental quality. The social and economic problems of Salterbeck were highlighted in July 1995 by a series of disturbances (*News and Star*, 1995c; *West Cumberland Times and Star*, 1995; *News and Star*, 1995d) which led to the creation of the Salterbeck Community Partnership between the residents, local authority and a number of other local agencies, with the intent of tackling the problems on the estate.<sup>18</sup> In 1996, Salterbeck was successful in attracting two substantial funding bids. In April, a housing demonstration project was approved, one of only three in the North West, injecting £3 million into the estate, and in December its second SRB bid was successful in attracting a further £1.06 million over three years. And in Furness, Community Action Furness (CAF), which was established as a church based organisation in 1993, is unique in the context of West Cumbria and Furness by virtue of the large scale of operation and the number of jobs created (43 employees) proving a real catalyst in the creation of new community

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<sup>17</sup> In West Cumbria the CVS replaced the Voluntary Organisations Local Development Agency (VOLDA) in 1995, with a remit to develop the voluntary sector and represent it at levels of policy making and planning. Barrow CVS was set up in 1994 following a study by the National Council for Voluntary Organisations stated that the voluntary service was under developed and under resourced in Furness.

<sup>18</sup> The partners involved in the Salterbeck Community Partnership are: Allerdale Borough Council; Impact Housing Association; Cumbria Action for Social Support; Cumbria TEC; Groundwork West Cumbria; West Cumbria College; Salterbeck Residents Association; West Cumbria Council for Voluntary Service; Cumbria Constabulary.

based projects. CAF is involved in a variety of different areas spread across fifteen projects. Each of these projects is separately constituted and managed, with each paying a 'fee' to the core structure. Examples of current CAF projects include the Abbey Mill project adjacent to the ruins of Furness Abbey which is a tourist attraction aiming to create 12-14 sustainable jobs in catering, retail, gardening and guiding; Project John which is a young person's housing co-operative; Cycloan which refurbishes and leases bicycles; Jibcraft which provides training and production skills in woodcraft; Eureka Environmental services which offers a range of environmental services including gardening maintenance and landscaping work; Eureka Catering which offers outside catering services; and a Workbridge link with a large local company. Workbridge is an innovative project intended to enable the long-term unemployed to build a "bridge" back into employment. The initiative is based on providing training in life skills, work practises and specific skill areas. The aim is to enable the most disadvantaged young people to re-enter work. Of the fifteen projects, three have become autonomous businesses, with their own governance and management, with CAF currently steering the other projects towards self-management and viability (CAF, 1998; EDAW, 1999).

The introduction of CED is significant as the harbinger of an alternative approach to economic regeneration which has enabled the voluntary/community sector to gain a new found status in the local accumulation strategy. There is a growing of CED initiatives being pursued (even in communities not being kick started by European Priority 4 or SRB, such as Egremont and Millom) and the signs to date seem promising. The seeds of CED have been sown it is now a question of CED growing organically throughout the wider community.

## **8.5 Conclusion**

It is clear that problems of structural defects in the local economy, unemployment and job loss continue unabated in West Cumbria and Furness but what has changed is the context in which they are managed. There now exists a *governance industry* with a multitude of agencies offering their services as part of the economic development solution. This industry has evolved with a growing number of agencies wedded to the

concept of partnership, all agreed on the need to create jobs through developing key projects and the designation of 'strategic sites'. However, the local picture continues to evolve and what stands out are the emergence of county-wide agencies, the growing commitment to the creation of specialist agencies and the introduction of CED on the local agenda. Thus, the search continues for an effective institutional structure, successful projects and growth industries to stimulate economic development in these areas, while the persistent problems facing these areas justify the need for continued economic development activity. However, what is clear is the governance of economic development remains subject to tensions between elected and unelected organisations and between individuals and personalities, which can seriously affect the outcome of this work. As one respondent stated:

"I have worked in Cumbria on economic development for a number of years and I am utterly disillusioned. I don't think we have advanced anything like we could have achieved because of the politics that is involved, which has precious little to do actually with the job on the ground" (County Council Officer, interviewed, 17/11/97).

## CHAPTER 9

# CONCLUSION: ECONOMIC RESTRUCTURING AND CHANGING GOVERNANCE IN AN OLD INDUSTRIAL REGION: A CASE STUDY OF WEST CUMBRIA AND FURNESS

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### 9.1 Introduction

The aim of the thesis was to apply a theoretical framework based on a marriage of regime and regulation theories to an understanding of how governance has emerged to influence local and regional development in West Cumbria and Furness. This Chapter concludes the thesis with some reflections on the theoretical approach used, a summary of the key empirical findings and, finally, a number of policy recommendations and suggestions for future research.

### 9.2 Theoretical Reflections

This thesis has attempted to rework regime theory within a regulationist framework in order to explain the impact of governance on local economies. Following Jessop, it argues that an understanding of governance needs to take into consideration both economics and politics. To do this, this thesis would argue that it is necessary to move between regime and regulation theories and apply a governance perspective at a 'middle-order' theoretical level, drawing on Jessop's 'strategic relational' approach.

Regime theory is particularly useful in understanding how dominant political coalitions (elected and unelected) establish and maintain the capacity to govern and provides a richer picture of local interests, struggles, and strategies involved in the political transformations of governance (Stone, 1993). It could be suggested that the appeal of regime theory lies in its emphasis on political processes at the 'local' level but its real strength is its focus on politics. It is well placed to fill some of the gaps in

regulation theory, in that it focuses explicitly on the content and forms of political conflict and co-operation.

Regulation theory supplements regime theory and its emphasis on the governance of production and consumption systems (Storper and Harrison, 1990). The attraction of the regulation approach is that it offers a way of linking changes in the economy to those in politics at a high level of abstraction seeing, as it does, the nation state, local state and governance as components of the mode of regulation within a particular regime of accumulation (Goodwin *et al.*, 1993; Jessop, 1990b, 1995a). Using regulation theory 'as method' with its focus on institutional and social influences on economic growth and development, in principle, provides a way of understanding the spatially uneven character of economic change.

On the other hand, regulation theory has also been justly accused of only dealing with large scale processes (national and international) and with purely economic explanations, failing to take into account spatial variations and underestimating the importance of local actors and institutions. There is the need to move away from regulation and regime theories being solely applied at national scale and local scales, respectively. As Painter (1997) argues, it is fallacious to equate macro-level theories with abstraction and large geographical scales (as regulation theory can be accused), while on the other hand micro-level theories with more concrete analysis and smaller geographical scales (as regime theory can be accused). Regulation theory must pay attention to wider structures and local governance reflects one change taking place in the mode of economic and social regulation. And, while regime theory is clearly applicable at the 'local' level in both urban and rural contexts, it needs also to be sensitive to the roles of institutions and actors across spatial scales. There are three key points about the use of regime and regulation theory that emerge from the research.

The first point is that regime theory did provide a robust tool for examining changes in Cumbrian politics as it focused attention on the way governmental and non-governmental actors worked across boundaries as part of the shift to new forms of local governance. As Stoker and Mossberger (1994) point out, "...a crucial dimension



to regime formation is the way local elites are able to manage their relationship with higher levels of government and the wider political environment" (p.199). As the research has attempted to show, this relationship has major impacts on the success and failure of local regimes as the combination of almost Machiavellian plots by local actors, reduced support and anti-local authority assistance from central government and increased European aid clearly influenced the manoeuvrings of coalitions in order to retain a political power base. This was a case of 'who had the capacity to act' and 'why' (Leitner, 1992)? It was necessary to ask what explains the existence of a regime and does this account for the emergence of regulatory processes? Stone (1989) uses rational choice theory to argue that decision making in regimes is taken on cost and benefit criteria in order to provide the greatest returns to self-interested individuals. If this is the case, it is difficult to see how it is useful to combine regime theory with a regulation approach which rejects the idea that processes of regulation arise through individual choices governed by the calculation of rational self-interest. Rational choice theory was rejected in this research in favour of a multi-causal explanation of political behaviour where other influences - such as dominant industries, local parochialism, political ideologies, trust and mutuality, and, bureaucratic culture - play a part. As a result, the regime type can be seen to be dependent on two main features. First, is the particular skills that the participants bring to bear on the regime. Secondly, different groups in the 'local' area have different access to regime membership, with the favouring of 'consenting' unelected and business elites being favoured and local community organisations being excluded. Both these features are the product of structural inequalities in the control of resources and command over the development of the regime. Certain groups are able to gain the status of potential regime members. Also, regimes operate in both social and spatial contexts which means that participants operate in very different arenas. A manager in a global corporation, for example, operates in a different environment (socially and spatially) from a community worker.

The second point to make is that there are real dangers of transporting regime theory to different national and local contexts. The question is when is a regime not a regime? In the case of this research is it right to talk about a regime in Cumbria during the 1970's and early 1980's when economic policy was dictated by central and local

politics, there was no space for public-private coalitions and economic development was a marginal activity undertaken, it would appear, largely for its political demonstration effects? This question is difficult to answer given the semantic debate taking place amongst urban regime theorists about whether regimes can be identified at all times (Kantor *et al.*, 1997) and whether they all operate in exactly the same manner or are there exceptions to the general rule (John and Cole, 1998). What must be avoided, as Stoker (1995a) argues, is that the regime concept does not become “a new descriptive catchword...in place of an explanation of the phenomenon under question” (p.62).

The third point to make is that in the UK, the pro-growth and apparently inclusive regimes of the late 1980's and 1990's, were not the result of local conditions but influenced by extra-local factors. West Cumbria is unique in this context in that it pioneered its own partnership without central government or European dictates. However, external structures have since began to control the evolution of the partnership, particularly in terms of allowing access to new sources of funding. However, some members in the regime may be operating outside this structure. For example, both BNFL and VSEL are important not only for the local but also for the national economy. Both are now in a period of restructuring which leaves the local economy in an unstable situation that has led to transformations in the nature of the local state, particularly new forms of governance, with new strategies and struggles. However, the nature of these new local governance structures and strategies are heavily determined by wider structures of accumulation and regulation being influenced by both politics (national and European policy prescriptions and criteria) and economics (national strategy determined by changing international circumstance as in VSEL's case with reduced defence procurement following the end of the Cold War and, in BNFL's case, with the continued indecision over nuclear policy within government and increased international anti-nuclear feeling). Both these examples show, the **interconnections** between the international, national and the local. They are not separate scales of analysis. The regulation approach is useful, therefore, for contextualising change in the nature of regimes rather than directly explaining them (Jessop, 1997a). However, the idea of a 'local' mode of regulation is deeply problematic because economic and political activity is affected by influences from

outside the 'local' area. The regulation of local economies is not exclusively, or even mainly, a local matter. The importance of political regulation at national and supra-national overwhelm the 'local', with the global economy and outside control of business, especially in peripheral economies, subjecting the 'local' to external regulation.

### 9.3 Empirical Findings

The analytical framework was used to review the history of economic development in West Cumbria and Furness from the eighteenth century. Historically, these areas have experienced distinctive rounds of investment and associated economic and social multiplier effects. West Cumbria's coastal location enabled port activities and shipbuilding to prosper in the eighteenth century. In the nineteenth century, the coming of the railways and the presence in a small area of port facilities and both high grade haematite and good quality coal saw the towns of Barrow, Cleator Moor, Maryport, Whitehaven and Workington rise quickly to industrial status with a rapid influx of population. By the close of the nineteenth century, shipbuilding had become the dominant industry in the Furness economy. During the inter-war period the rapid demise in the iron and steel and coal industries led to mass unemployment and the first interventions of national government in economic development, with West Cumberland designated a Special Area. Salvation of a sort came with the Second World War increasing the need for shipping and wartime munitions industries. Following the war, Windscale (later Sellafield) was selected as the focus of Britain's post-war centre for the manufacture of nuclear weapons material and later for civil nuclear fuel and waste product reprocessing and regional incentives offered by the government led to the development of a branch plant economy in the 1950's and 1960's.

In relation to the concerns of this thesis, what stands out from the period up to the mid-1970's is the dominance of *government*. This dominance has been superseded in the period since the mid-1970's by three distinctive regimes of *governance*, and possibly a fourth now emerging, as summarised in Figure 9.1.

**Figure 9.1: Government/Governance in West Cumbria and Furness in the Post-1974 Period: Four Regimes?**

Regime	Economic Context	Government/Governance	Outcomes	Regime Type
<b>Regime I</b> 1974-1985	'False boom' in nuclear and defence industries Manufacturing crisis 1980-1982	National: Labour to Thatcher, 'strong' central government Local: Conservative to Labour County Council, 'weak' local government	National state the key actor: expansions in nuclear and defence industries	Local government as 'caretaker' of national state policies
<b>Regime II</b> 1986-1989	Growth of THORP and Trident	National: More Thatcher, passive central government in these areas Local: 'Hung' County Council, 'weak' political leadership but commitment to partnership	Public-private partnership involving BNFL	Emergence of 'entrepreneurial' public-private partnership
<b>Regime III</b> 1990-1996	'Triple economic shock' in the local economy 1990-1992	Europe: Objective 2 (introduction of CED) National: reductions in local government powers and introduced SRB Local: 'Hung' County Council, proliferation of new agencies All reinforced partnership and governance working	'Business-led' agenda as power is controlled by an unelected elite. Emergence of new forms of regeneration, science and technology park, harbour regeneration (tourism)	Control by elites and pro-growth corporatism
<b>Regime IV</b> 1997-?	Continued manufacturing decline	Europe: Objective 2 to be withdrawn National: 'New' Labour continued commitment to partnership Local: Labour County Council, continuation of partnership and governance agents. Movement towards county-wide and 'specialist' agencies	Return of government into the governance agenda Strategy mix reinforcing 'pro-growth' agenda but new elements emerging such as CED	Reinforcing 'pro-growth' corporatism and/or a new progressive agenda appearing?

Regime I covers the years 1974-1985 and was distinctive for the 'false boom' experienced in the economies of West Cumbria and Furness which was encouraged primarily by the developments taking place at Sellafield (Construction of THORP) and Vickers (Trident submarine programme). Both of these expansions not only underlined the dependency of West Cumbria and Furness on two dominant industries but also demonstrated the key role of national government in the two local economies. This role was further reinforced by regional policy itself. It could be argued that central government had privileged West Cumbria and Furness with years of grants and the direction of 'new' industries into the area, particularly during the 1960's. In hindsight, it would appear that many unwanted industries such as nuclear and chemicals have been dumped into these politically subordinate and isolated areas within the national context. By the end of this regime the influence of central government was diminishing as the Thatcherite state project resulted in the cutting of regional assistance to the artificially prosperous economies of Barrow and Copeland. At the same time, local government slowly began to realise that both areas had serious structural economic defects, with their reliance on old traditional industries in decline (such as iron and steel making at Workington and small coal mining operations at Haig Pit in Whitehaven), branch industries (subject to external economic restructuring) and the two dominant industries of BNFL and VSEL. A new regime was in the making.

Regime II, covering the years 1986-1989, can be defined by the emerging commitment by local government officers, despite a politically 'hung' county council, to develop public-private partnerships which were locally driven, locally led and with local ambitions. In West Cumbria this was marked by the attempts by local authority officials (notably John Burnet, Cumbria County Council and Bob Metcalfe, Copeland Borough Council) to persuade BNFL to become formally involved in local economic regeneration. What also emerged in this period was a growing commitment by the developing public-private partnerships to introduce regeneration projects and new industries aimed at introducing such 'cleaner, twenty-first century' businesses into the local economy as high-technology, tourism and leisure industries. Significantly, in Furness, VSEL remained reluctant to be drawn into economic development. As a result, the Furness area remained reliant on limited national government assistance to

enact the County Council led 'Project Furness'. By the end of this phase local economic development was firmly established on the local agenda and the introduction of European Structural Funds and the reduced powers of local government marked the beginning of a new regime.

Regime III, covering the period 1990-1996, emerged against a backdrop of a triple 'economic shock' in the local economy: the end of the construction phase of THORP at Sellafield, the impact of the defence review 'Options for Change' (HM Government, 1991) and completion of work on Trident on VSEL, and the local impact of national recession. Local government had been severely weakened by national government policy changes and in Cumbria was further weakened by tensions in the hung county council and district parochialisms. Local government was unable to cope with these economic problems with the reduced powers and finance it had available and so the shift towards private-public partnership gathered pace, with two main strands. First, once the job reduction programme at the major employers got under way the policy became much more about seeking financial incentives to assist with economic regeneration which increased reliance on external funding from both national government and Europe. Secondly, in the vacuum of weak local government a proliferation of new governance agencies began to emerge as new *unelected* actors gained increasing influence on decision-making. Private sector involvement saw the espousal of a 'pro-growth' strategy. In effect, the shift towards governance involved a diminution of local democracy that could be characterised as a *decommissioning of representative democracy*. The power of these *unelected elites* was further reinforced by their ability to access funding streams and by being invited (appointing themselves) to sit on the most important decision making bodies. This period is significant because it represents a sea-change in implementation of local economic development towards 'business-led' agendas and passive involvement from local elected politics.

The period since 1997 has seen the outlines of what could be a newly emerging regime. The election of a Labour national government and county council could represent a return of *government* taking over the *governance* agenda. There is bound to be an institutional vacuum after 1999 as the major engine of partial recovery,

European Structural Funds, is gradually switched off. The picture is a complicated one. In terms of governance, a shift appears to be taking place towards creating county-wide organisations and 'specialist' agencies around identified local assets and greater focus is being placed on established 'strategic sites' and 'showcase initiatives'. In contrast, the strengthening of community economic development could mark the beginning of attempts to integrate local communities into local economic development. It thus remains to be seen whether a distinctly different regime will emerge and, more significantly if it does, whether it will be any more successful than previous regimes?

### *Reflections on the Local Economic Development Strategy to date*

The major question is whether the existing economic development strategy is appropriate to the needs of the local community? The answer to this question depends on what one sees as the objectives of economic development. In West Cumbria and Furness the existing *written* approach to local economic development is a well trodden path reflecting the priorities of dominant 'local' partners and locked into policy and funding regimes dictated from Brussels and London. The resulting approach has brought 'local' consensus in the development of inward investment, knowledge-based industries, the SME sector, tourism, and most recently community economic development (CED). With the exception of the latter, the approach predominantly reflects the prevailing 'pro-growth' economic development strategy which emphasises the creation of the 'right' environment for business growth and new investment and regeneration projects aimed at introducing 'twenty-first century' businesses like new technologies, tourism and leisure. Predictably infrastructural schemes with 'keynote' projects like a science park, harbour regeneration and town centre improvements and 'strategic sites' for business development have dominated the economic development agenda. Whether these prove to be sustainable projects, however, is open to debate. What does appear to be clear is that the second *unwritten* strategy has in large part failed and that the desired shift in cultural dependency on traditional (manufacturing), full-time work and patriarchal dominance to 'softer', cleaner industries, part-time work and the spirit of entrepreneurialism, innovation and self-help has not been achieved.

It is clear that orthodox market-type thinking, the belief in economic growth benefiting all and reliance on the fallacy of 'trickle-down' economics has led to an approach significantly lacking in innovation and creative thinking. Arguably, local agents are introducing strategies which are reliant on uncritical acceptance of new technologies and/or accepted approaches such as attracting inward investment or establishing a business support structure that is believed to be transferable between contexts:

"I think what people are doing are taking the standard prescriptions that work in most places in the UK and saying that 'we'll have some of that'. It doesn't work like that, it has got to be different and whatever we do must be different. I don't know what should be targeted but it won't be the standard off-the-shelf approach that says we should all get into telematics, call centres, food processing and tourism. You can piddle around at the margins of all of those things but none of them are going to make a significant difference" (County Council Officer, interviewed, 24/9/97).

At the moment, the strategy is to develop those parts of the economy that seem easiest, but does a 'keynote' project such as a science park or harbour regeneration offer a solution when the same solutions are being applied in many other locations? Are they simply the social products of particular vested interests?

In West Cumbria and Furness, the economic development strategy has seen physical redevelopment, some new jobs have been created and the 'place-image' has improved because of the redevelopment. On the negative side, the strategy has been more concerned with maximising economic returns than with the *type* and *quality* of new jobs and businesses and has failed to increase the capability and capacity of the local community. It would appear that the failure of the strategy lies in its failure to understand the peculiarities of the different localities within these two areas. There are three things to say in this context. First, it is clear that neither area has any real incentives or competitive edge ('location factors') to attract new companies and people other than quality of life aspects. The benefit of providing resources to encourage new industries through inward investment is questionable as for many years this has been over resourced and largely unsuccessful. An alternative must be to



focus on established businesses with good growth prospects. The pursuit of knowledge-based industries could provide an opportunity because they provide jobs in growing sectors but they also demand a *new* workforce which excludes the unemployed in these areas. Secondly, the agents of governance involved in local economic development appears to be restricting themselves to simply recycling and retreading national provision. It is questionable if any of these agencies have attempted to take a strategic approach about how best to regenerate the economy. Nor have they attempted to reduce duplication of effort or maximise exchange of experience. At the moment the strategy is to target whatever can be attracted. Funding-led with effective delivery, the main issue. Thirdly, it appears that none of the agencies in Cumbria has faced up to the economic reality of the type of employment suitable *for the people who live in the area* because the conclusions are not politically popular. The argument of this thesis is that a long-term strategy for the development of the area needs a focus on small scale enterprises which are appropriate to the size of these areas, on high-value added, low volume products and on knowledge-based technologies, tourism related industries and community economic development. It could also be suggested that a strong manufacturing sector is fundamental to providing work in the west coast towns of Cumbria, where arguably the service sector can never thrive. The service sector will survive and grow in the regional capitals, not in towns which are too small and too poor to sustain a strong service sector.

As Chapter 8 shows the existing strategy is certainly struggling, with very few jobs created (2,002) and equal numbers of redundancies (1,850), however, this is not a true picture of the seriousness of the situation because of the likely continued down-sizing at major firms such as BNFL, VSEL, British Steel and Albright and Wilson. Long-term unemployment and spatial concentrations of social deprivation remain endemic features of both areas. For example, figures in July 1998 revealed that unemployment in the Travel to Work Areas of Workington (8.2%), Whitehaven (7.3%) and Barrow (7.0%) placed them behind only Liverpool for the worst unemployment rates in the North West (Cooper *et al.*, 1998). And unemployment remained highest in the most deprived wards, in Allerdale, Northside (15.5%) and Ewanrigg (15.2%); Copeland, Sandwith (17.5%) and Mirehouse West (15.2%); and Barrow, Central (10.5%) and

Hiddenpool (10.4%). 'Hidden unemployment' would actually increase these figures substantially.

#### **9.4 Policy Issues**

In terms of future policy the thesis has attempted to show the importance of understanding the interaction of local and global politico-economic processes. The major challenge facing economic development policy is to create sustainable development which raises a number of important issues about the way forward for policy - in terms of both governance and economic development strategy.

##### ***Issues of Governance***

In terms of governance (barring radical restructuring of nation state regulation and funding streams and a real shake up of both local agencies and individuals involved in local economic development) two major policy proposals for improving the effectiveness of governance can be put forward.

First, there is the need to develop integrated programmes on the basis of a model which identifies a particular community, recognises its special needs and designs locally-sensitive initiatives. Such an approach contrasts with those attempted to date which identify a pot of money, set a timetable for the implementation of schemes and then, and only then, target a community. The most effective integrated programme is also likely when 'mainstream' development agencies and the local community come together a genuine partnership to develop a co-ordinated approach. Equally, there is the need for a wider policy agenda which takes into account economic, educational, environmental, geographical, health and social issues.

Secondly, there is the need for greater accountability and more democratic participation in decision making. At the moment the secretive nature of policy development and the failure of agencies to admit their own inadequacies has resulted in poor performance in job creation and local frustration (particularly among councillors) with some agencies and, on some occasions, particular individuals. The

model of governance to date has empowered particular agencies has led to them working to protect their own interests. Clear lines of accountability need to be developed and more democratic participation encouraged in both policy making and implementation. It is clear that implementation is a professional job suited to specialised, local delivery agencies. In policy making the role of local councils is central given that they are democratically elected to represent the local community. They must take the lead in developing strategy, taking into account the views of the local agents of governance but also developing more effective linkages with the local community. The engagement of the private sector, while crucial because of its understanding of processes of investment, job creation, product development and product production, however, further complicates the issue of policy making and the development of clearer lines of accountability. The challenge is to find the correct balance between public and private sector agendas which provides real public-private - in that order - partnership.

However, reforming governance structures alone will not resolve the problems of social and spatial disadvantage. There are also important policy issues to address concerning the specifics of local economic development.

### *Issues for Economic Development*

Significantly, with reduced European assistance, I would suggest that it is necessary to develop a more selective economic development approach. There are four suggestions for enhancing the current local economic development strategy which also reflect the need for a more selective approach.

The development of "clusters" and "networks" around science-based activity in West Cumbria (exploiting Westlakes and Sellafield) and marine engineering and offshore technology in Furness (found in Barrow and Ulverston) provides one alternative approach for developing a targeted economic development strategy. There is also the possibility (and need) to develop other off-shoot specialisms such as biotechnology and environmental protection (not just for the nuclear industry but also in

relation to the chemicals, coal and oil industries) in order to allow these "clusters" and "networks" to develop into centres of excellence.

The move towards developing "clusters" and "networks" would be enhanced by the establishment of a University in Cumbria which could stimulate university-business linkages and, in particular, induce the spatial clustering of science based industry and research and development entrepreneurialism.<sup>1</sup> As studies by Harris (1997) on the University of Portsmouth and Huggins and Cooke (1997) on Cardiff University suggest, the creation of a University in Cumbria could also act as a regeneration tool inducing growth in the local economy. There would be direct, indirect and induced (economic) effects on income and employment and the local skills-base would be improved. The county's 'brain drain' where the most promising young people from the area have to leave for further and higher education and do not return might also be minimised.<sup>2</sup>

Two recent events could allow a University of Cumbria to become a reality. First, the Dearing Report (1997) emphasised higher education as an important component in regional development. Secondly, there are examples of areas with similar features to Cumbria (isolated on the economic periphery and struggling to keep its educated young people) such as the Highlands and Islands and Cornwall which have been allowed to establish higher education establishments recently. A key issue, if a University were to be established in Cumbria would be the **type** of University to develop. One model for a University in Cumbria could be the traditional one site model where a critical mass in terms of location and numbers, a coming together of students, staff and support staff is achieved. An alternative model would be a specialist 'University of Industry' based on science, technology and environmental sciences. Another possibility would be to develop Cumbria's existing centres of further education into a multi-campus university linked by information technology. Whatever model is finally chosen, however, there is no question that major issues on

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<sup>1</sup> Cumbria remains a desert in terms of higher education, served by the outposts of a number of franchise operations of British Universities: University of Northumbria at Carlisle, Newcastle University at Westlakes, Lancaster University at Charlotte Mason in Ambleside.

<sup>2</sup> With the introduction of fees for students likely to make it harder for some to leave home, Cumbrians are particularly disadvantaged in not having the opportunity to go to a local University.

the economic development agenda - industry, employment and education - could begin to be tackled in a sustainable manner.

The difficulties of economic development, in particular attracting inward investment, are clearly compounded by the region's geographical isolation, shut in by the mountains and sea, and by poor road, rail and air communications (although Barrow does have the relatively insignificant Walney Airport). This communications issue remains perhaps the biggest perceived barrier to development as many of the roads between the major urban areas are winding and narrow and the M6 is forty-five minutes drive from the west coast.<sup>3</sup> The rail system is also poor, in particular, the coastal route between Carlisle and Barrow takes three hours on old run-down trains and it takes six hours by rail to reach London.

Two policies might help to minimise this peripherality. First, the development of the air link at Barrow and a counterpart in West Cumbria, enabling travel to the area within a day. One day chartered flights over the Lake District, Solway Firth and Isle of Man could attract tourists, whilst also allowing local residents to travel to Manchester or Newcastle to catch holiday flights. Secondly, advanced telecommunications could be developed in these areas to allow businesses to take advantage of the natural environment while carrying out their business over the information superhighway.

More needs to be made of the current attempts to connect West Cumbria and Furness into the tourist mainstream of the Lake District. The developments at Barrow, Maryport and Whitehaven are making these towns increasingly attractive and local "heritage" and visitor attractions could generate income multipliers from tourism that could underpin local job growth. At the moment both West Cumbria and Furness are not in a position to be selective in the type of tourists they attract because they have a limited tourism product and infrastructure. Consequently, the tourist strategy is unfocused welcoming everyone with the same enthusiasm. However, there is clearly

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<sup>3</sup> During the summer the popularity of the county (and the Lakes in particular) as a tourist resort does little to improve the quality and convenience of such road connections. In the winter, many of the roads are impassable

an argument for these areas to concentrate on selective tourism based on business travel and short break holidays (overnight stays of three or less nights) which encourage high-spending visitors. One suggestion to tap into this market could be to establish an 18 hole golf course with a high quality hotel and restaurant, taking advantage of the natural beauty of the area to offer golfing holidays and a meeting place for businessmen, and the creation of a hotel, conference and banquetting facility to host meetings in the surrounds of the 'unspoilt west coast' (unspoilt, that is by tourists and not heavy industry). With the potential 'outdoor experience' of the available environment it could also be possible to host business-orientated courses which cover team building and problem solving exercises.

Finally, the concept of CED needs to be a key activity in the early part of the twenty-first century in economic development terms. The EU certainly emphasises its importance. Economic regeneration can only be sustained if local people and community groups are involved as partners with appropriate power sharing. In both West Cumbria and Furness there is the need for the main urban communities (Barrow, Ulverston Millom, Egremont, Cleator Moor, Whitehaven, Workington, Maryport and Silloth), as micro-economies, to embrace CED at the level of the town, ward and neighbourhood. Two policies could embed CED. First, private sector funding, for example BNFL's contributions to the WCDF, could be used to establish a Community Development Bank where private sector funding is used to lend money to local communities to start up community based businesses. This could even benefit the private sector business, for example, a day care or baby sitters co-operative for their employees. These community based businesses could then build capacity within the community and become self-sustaining. Secondly, public sector services at the moment delivered by the County Council and District Councils could be contracted out to local communities. For example, in the place of having Cumbria Contract Services playing the role of county-wide provider, smaller, locally-based services such as Workington Contract Services or Workington Community Enterprise Trust could provide services such as school meals, cleaning, catering and road maintenance. Such a move would encourage the development of community business as with guaranteed income streams, size and critical mass covering a range of services and which could potentially be run and owned by local people. Workington Community

Enterprise Trust would thus be provided with a basic infrastructure from which it could branch out into providing other services and creating other community business. More importantly it would provide 'best value' (which includes wider considerations than just lowest price) for local economic development by involving the local community in the regeneration of Workington. From a base such as this the aim would be to have CED trusts operating in every town throughout the area.

## 9.5 Future Research

In terms of future research, there are four substantive areas where further studies could contribute to improved understanding of the processes which affect the political economy of West Cumbria and Furness and those of other peripheral regions.

First, comparative studies with other old industrial areas, with similar sized urban settlements in a rural context and dependent on a major industry which has declined, could provide insights into processes of decline and future development possibilities of local economies and governance in peripheral regions. The most obvious contenders for such a comparison in the UK are Cornwall, large parts of east Lancashire, Shropshire, Forest of Dean and Monmouthshire. None of these, however, have such dominant employers as BNFL or VSEL.

Secondly, there needs to be more research into **rural** governance. Most of the literature on governance refers, almost uncritically, to new forms of 'urban governance' and empirical research on local governance demonstrates a distinct urban bias, as if it were solely an urban phenomenon. Thus, we are presented with the rise of 'urban entrepreneurialism' (Hall and Hubbard, 1996, 1998; Harvey, 1989; Jessop, 1997b, 1998b), complemented by the emergence of a 'new urban politics' (Cox and Mair, 1988; Cox, 1993). This urban focus is explicit 'urban regime theory' (Elkin, 1987; Stone, 1989) and the notion of 'urban growth machines' (Logan and Molotch, 1987). While the focus of this research has been on the 'urban' problems in the towns of West Cumbria and Furness, it is clear that more attention could have been paid to the substantial rural areas which surround them. This research could only point to some possible directions for further research, following a number of key 'rural' actors

were interviewed. It emerged that the problems facing rural areas, particularly in Cumbria, which is sparsely populated and geographically peripheral, are quite complex and very serious. In broad terms the same underlying stresses facing urban governance emerge, with financial scarcity and institutional inefficiencies more pronounced in the rural context. In terms of governance, it appears much more difficult to affect the rural economy significantly, it is more costly to provide solutions to rural problems than urban problems, as in a designated urban area you can get clearly defined inputs and outputs. The problem of working in rural areas is the issue of the small scale nature of things, which makes it more difficult to assess the rural economy than the urban economy. Clearly, it is evident that there is the need for work to be carried out on the way rural areas are governed, and for theoretically-informed case studies of institutional restructuring in rural areas (Goodwin, 1998; Goodwin *et al.*, 1995; Munton, 1995).

Thirdly, analysis of **corporate** governance and change could also advance our understanding of the future direction of economic development policy (Imrie *et al.*, 1995; Rogerson and Boyle, 1998; Wood *et al.*, 1998). If policies are designed to nurture the development of industrial clusters greater understanding is needed of the processes whereby companies and businesses get involved in economic development and greater awareness is needed of the role of intra-firm networks. How can these be extended outside the region, to provide 'connections'? How can new firms be attracted which create, sustain and develop local inter-firm networks.

Finally, a further area of research could be to assess how changes in the spatial scale of governance such as the 'new regionalism' seen in Europe with the movement towards a 'Europe of the regions' and, in the UK, with the creation of Regional Development Agencies, will affect areas like West Cumbria and Furness (Harding *et al.*, 1996, 1999; Le Gales and Lequesne, 1998; Whitehead, 1999). How can Cumbria position itself as a 'partner' within the North West region? How will it be perceived by regional, national and European levels of government?



## 9.6 Conclusion

“If it can happen in Barrow [Maryport, Whitehaven, Workington], it can happen anywhere” (CVS Project Manager, interviewed, 25/6/97).

This simple statement has profound implications for our understanding of the problems which beset West Cumbria and Furness. The issue of economic development in both areas has got to be seen in terms of scale and scope related to some basic economic issues of industrial decline, geography, limited markets and demand and supply forces. There are also some ‘special’ non-economic factors to consider especially the stoic and parochial nature of the local people. Both areas continue (indeed it is imperative) to pursue assistance from Europe and national government. This assistance to date, however, has not fundamentally changed their geography, people and economy. They remain isolated and peripheral, the people continue to feel down-trodden and the economy remains in the doldrums with long-term unemployment, spatial concentrations of social deprivation and industrial decline endemic.

West Cumbria and Furness are suffering from the legacy of an industrial past, victims of global economic restructuring, the deindustrialisation of the UK economy and ineffective regional policies. The decline in West Cumbria and Furness cannot be reduced to a single cause and there will be no single remedy, single project or big idea. The positive lessons to learn from governance are integration, strategy, transparent partnership and open evaluation. The lesson to learn in terms of economic development is to recognise that there are a range of economic, educational, environmental, geographical, health and social problems that can not be addressed using a uniform strategy. Instead, the economic development strategy requires a flexible integrated programme with not only economic benefits but community gains, educational qualities, health improvements and environmental interests. Hard questions need to be asked. The areas need to recognise that they are part of the North West region and become fully integrated into this regional structure. The tendency to ‘talk in many tongues’ within Cumbria needs to be remedied and principles of the pioneering public-private partnerships resuscitated. More innovation is required in

terms of projects and schemes. Finally, spaces need to be created to engage local communities in active citizenship and democratic renewal needs to be pursued to raise peoples expectations, aspirations and to build genuine local capacity to act in economic regeneration.

There appear two stark futures for these areas. Either the agents of governance take more seriously the problem of economic failure and its social outfall and meet it head on or the governance of slow decline will continue with local economic development agencies comprising little more than tokenistic gestures to regeneration. What is clear is that both areas face a distinctly uncomfortable future.

## **APPENDIX A**

## **GENERAL HEADS OF DISCUSSION**

History

Role of Government (local, regional, national, European)

Role of Agencies

Aims and Impact of Development Projects

Target Sectors

Influence of Dominant Employers

Workings of Governance Structures

General/Conclusion

## **APPENDIX B**

## **QUESTION TYPES**

### **HISTORY**

- Could you give me a brief history of your agency/council/industry?
- What role does this agency/council/industry fulfil?

### **ROLE OF GOVERNMENT**

- What do you think are the issues and priorities for this area?
- What do you think are the greatest problems that you have faced and are facing?
- How did you overcome them/are overcoming them?
- In what ways have you become involved in social/economic development?
- What are you targeting?
- How achievable are these targets?
- Could you tell me about the various funds (mechanisms/regimes) that are available?
- How are you evaluated and monitored?
- What links exist with other agencies/agents?
- Do you think your work aids in social/economic regeneration? Why/How?
- Do you think you are meeting the needs of local people?

### **ROLE OF AGENCIES**

- What do you think are the issues and priorities for this area?
- What do you think are the greatest problems that you have faced and are facing?
- How did you overcome them/are overcoming them?

- In what ways does the agency become involved in social/economic development?
- What are you targeting in economic development?
- How achievable do you think are these targets?
- In what ways does the agency differ from the private and public sectors?
- Could you tell me about the various funds (mechanisms/regimes) that are available?
- How are you evaluated and monitored?
- What links exist between this agency and other agencies?
- Do you think your agency aids in social/economic regeneration? Why/How?
- Do you think the agency meets the needs of local people?

## **DEVELOPMENT PROJECTS**

- Tell me what the roles and aims of the project are likely to be?
- What do you think are the greatest problems that you have faced and are facing?
- How did you overcome them/are overcoming them?
- Who were/are the main actors in implementing the project?
- What links exist between this project and other agencies?
- Could you tell me about the various funds (mechanisms/regimes) that are available?
- How are you evaluated and monitored?
- Do you think this project aids in social/economic regeneration? Why/How?
- How do you think the projects meets the needs of the local area?
- What types of project would you like to see?

## **TARGETING SECTORS** (*SME/Knowledge Based Industries, Tourism, Community Economic Development, Inward Investment*)

- Why do you think this sector is so important in local economic regeneration?
- What is the nature and peculiarities of this sector?
- What potential is there for success in this sector?
- What is happening in terms of this sector?
- What do you think are the greatest problems you have faced and are facing?
- How did you overcome these problems and are overcoming them?
- How is this agency/sector supported through funding?
- What services does this agency/sector provide?
- Do you think that targeting this sector aids in social/economic regeneration?  
Why/How?

## **INDUSTRY**

- What do you think the issues and priorities are for this area?
- How can industry assist in resolving some of these issues?
- Why do you think the private sector becomes involved in social/economic regeneration?
- Why do you think some private sector players do not get involved?
- How important do you think BNFL and VSEL are to Cumbria?

## **GOVERNANCE**

- What links exist between different agencies?
- Has this changed over time?
- Do you think there are too many agencies?



- How do local political structures relate to the regional, national and European?
- In what ways are decisions taken with regards to economic development?
- How democratic is the structure?
- To whom is the structure accountable?
- Do you think that contests are taking place?

### **GENERAL/CONCLUSION**

- How would you define the term economic development?
- How much progress has been made?
- Which are the key agencies?
- What impact has this agency had?
- What lessons have you drawn from your involvement?
- What would you do differently?
- What would you say has been achieved?
- What does the future hold?
- Any other comments?

## **APPENDIX C**

Date as Postmark  
Enq concerning: PhD Thesis

Dear [Name]

**Research on the changing economic fortunes of Cumbria**

I am presently a postgraduate student studying for a doctorate at the University of Liverpool. My thesis is provisionally entitled 'Economic reconversion and changing governance in an old industrial region : Cumbria'.

The research is exploring the changing economic fortunes of Cumbria and the role played in this economic history by different governmental and non-governmental agencies and will involve a series of interviews with a wide range of people involved in local economic development in the region.

I am writing to you to enquire whether you would be willing to be interviewed as part of my research. To save time I will follow up this letter with a telephone call to see if it would be possible to arrange a short interview.

Thanking you in advance,

Yours sincerely,

JASON KNOWLES (B.A)

## **APPENDIX D**

# **Abstract**

## **RESEARCH ON THE CHANGING ECONOMIC FORTUNES OF CUMBRIA**

The research is looking at the restructuring of an old industrial region using West Cumbria and Furness as a case study. Its main aim is to look at the changing forms of governance in this region and assess its impact on economic development.

The main questions to be explored are:

- \* **Role of government (local, regional, national, European) in local economic development.**
- \* **Role of agencies in local economic development.**
- \* **Aims and impact of development projects in this region.**
- \* **The influence of dominant employers on the locality.**

## **APPENDIX E**

28th May, 1998

[Name]  
Allerdale Borough Council  
Allerdale House  
Workington  
Cumbria  
CA14 3YJ

Dear [Name]

As promised I've quickly scribbled down some ideas for the Great Clifton Steering Group meeting. I'm sorry I could not attend personally but I hope you find these useful. If you want any further assistance do not hesitate to get in touch.

Yours Sincerely,

JASON KNOWLES (B.A)

## **AIMS**

- Building a sustainable community
- Locally owned and controlled projects
- Social and economic integration of excluded groups
- Enable ongoing learning

## **SUMMARY OF PROBLEMS**

- Unemployment
- Lack of opportunities, activities, facilities for young people
- Empty and/or redundant buildings
- Poor image/urban environment (in some parts)
- Shop closures/lack of choice of shops
- Limited child care/nursery facilities
- Lack of community and leisure facilities
- Lack of play areas

## **SUMMARY OF STRENGTHS**

- Community spirit
- Historical heritage
- Residents skills
- Some unused infrastructure
- Links to the countryside

## **THREATS TO THE SCHEMES**

- Lack of community participation (residents, school, church)
- Short life of some funding
- Ensuring sustainability of activities engaged in
- Full potential not recognised and encouraged by local people



## **RESOURCES FOR USE**

- **Physical** - Derelict and underused land and buildings. Garages (Bow Flats, behind Clifton Lodge), Allotments, British Legion building, Pow Co-op, Old school, Shops (Bow Flats), Village hall.
- **Human** - There are a number of unemployed and disadvantaged residents, but also residents with skills which could be tapped.
- **Others** - Environment with village greens or the Camerton/Cotfits walks, Rugby pitch, New school, Old folks home, Clifton Hotel, Farm, Church.

## **POSSIBLE SCHEMES**

- **Stimulating employment and training** - There exists high levels of unemployment and a lack of local employers. You could therefore establish and nurture small businesses and workspaces (Garages, Co-op, purpose built facility). There is also the possibility of a 'drop-in' employment counselling centre/resource centre offering training and advice, or which brings new job vacancies to the attention of locals who instead must travel to Workington (Co-op, old school, village hall, purpose built facility). I believe there is also a need for a local skills and training audit to identify barriers to work for people from Clifton and any latent skills.
- **Social/Community facilities and services** - There exists a marked lack of community facilities. I suggest a purpose designed facility offering a range of community facilities and services including; village community centre with a function room, bar, provides meals, quiz nights, bingo, big screen Sky T.V, snooker/pool, darts, video games. This facility would also be a youth centre which identifies with the kids providing advice and actual taking part in sport, music, arts, car maintenance, hairdressing etc. This facility could also be used to provide child care/nursery/play group provision for the village and for O.A.P's home care. An outdoor and multi-use indoor sports facility could be created on site. Conference facilities could also be provided and the suggested workshops, resource room, 'drop-in centre' and a telecentre could also be created to create a complete package and focus for the community (Reconverted and modernised British Legion).
- **Tourism and heritage** - Building on the mining and rail history of the village (historic building old school). Promote the village through special events; 'carnival' etc.
- **Environmental Programme** - There is much green space and access to open countryside. Camerton and Cotfits 'walks' could be improved through clear-up, resurfacing the roads. Environmental clean up and upkeep could take place; litter collection etc. You could develop local greens use them for planting flowers and shrubs. You could also attempt to use empty allotment space in some way.
- **Develop communications and technology** - creating a telecentre could develop a strong knowledge base and an interest in modern information technology (new school stimulating computer literacy, Co-op, village hall, British legion)

## **JOB OUTCOMES?**

Job creation possible: barstaff/waitress/waitor, chef, community secretary for the small businesses, sports manager, sports staff and instructors, training providers, outreach workers, nursery/child care staff, community care staff, community worker coordinator, environmental task force, small enterprise/self employment.

## **APPENDIX F**

2nd September 1998

[Name]  
West Cumbria Development Fund  
Westlakes Science and Technology Park  
Ingwell Hall  
Moor Row  
Whitehaven  
Cumbria  
CA28 3JZ

Dear [Name]

Further to our discussion on 31/07/98, I have enclosed the information you enquired about.

Table 1 focuses the Economic Development Strategy and the Partnership sub-groups into 5 manageable topics rather than the existing structure of 11 strategic areas.

Table 2 shows the structure of the restructured Partnership Executive Committee, with 10 Funder/Delivery members.

Figure 1 shows my model for the organisational structure of the West Cumbria Partnership.

If you want to discuss any of these ideas or make any general comments, please call me on (0151) 794 2869.

Yours Sincerely,

JASON KNOWLES (B.A)

**TABLE 1: Strategic Areas Focus On Economic Development in West Cumbria**

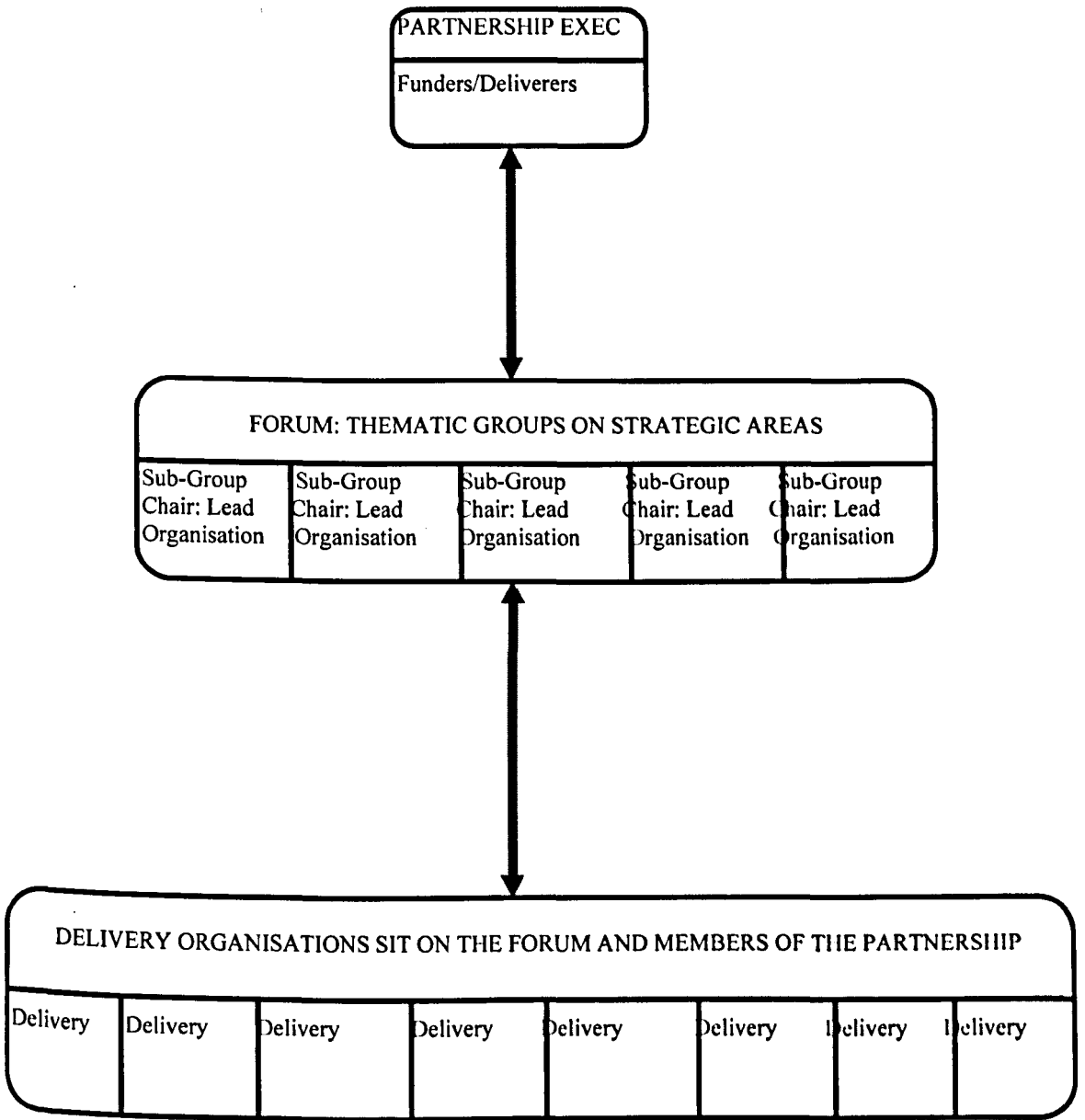
Strategic Areas	Business Development/ Training/Education	Inward Investment	Tourism	CED	Rural Development and the Environment
Chair/Lead Organisation	SME Member	WCDA	WCTI	WCCVS	Groundwork
County Organisation	Enterprise Cumbria Limited	CIIA	CTB	VAC	RDC or new RDA contract organisation
Support Organisations	SME's, Large businesses, West Cumbria Industries Group, Cumbria Export Club, Westlakes, Phoenix Centre, WCEL, DTS, West Cumbria College, Private Trainers, CBI, Federation of Small businesses, Employment Office, PYBT, ELU, WCDA, MDL, WDC, LDC, WCTTA Workington Development Company, WCCVS, EP, ABC, CBC, CCC.	WCEL, Enterprise Cumbria Ltd., WCTI, MDL, WDC, LDC, Workington Development Company, EP, ABC, CBC, CCC.	WCTTA, SRI, ELU, MDL, WDC, Workington Development Company, ABC, CBC, CCC.	Community Organisation such as priority 4 steering groups, ELU Cleator Moor Development Group, Distington Community Group, Salterbeck ACE, Millom Economic Forum, Silloth Town Manager Voluntary Organisations Cumbria Police, Health Authority, MDL, WDC, Workington Development Company, ABC, CBC, CCC.	Westlakes work on environmental clean-up, SRI, ELU, Farmers Association, Lake District National Park Authority, CTB, Forestry Authority, VAC, WCCVS, ABC, CBC, CCC.

**TABLE 2: The Restructured Partnership Executive Committee**

Funders	ABC, CBC, CCC, BNFL
Chair/Lead Organisation of the Strategic Areas	SME member, WCDA, WCTI, WCCVS, Groundwork

Chairman would be the WCDF.

**FIGURE 1: Model of the Organisational Structure of the West Cumbria Partnership**



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Ministry of Labour Files  
Treasury Files

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