

**RESTRUCTURING LOCAL GOVERNANCE:  
INNOVATION AND COOPERATION IN PLACE PROMOTION**

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## SUMMARY

Over the last quarter of a century, the nature and balance of the policies pursued by local government, and the ways in which local government pursues them, have changed considerably. In the face of technological advance, deindustrialisation, global restructuring and intensified competition, local authorities have had to become proactively engaged in promoting their assets and competing for much sought after investment. As such, it is widely acknowledged that there has been a reorientation in local government away from an emphasis on social service provision and social welfare, towards an emphasis on economic growth, economic development and policies designed to enhance economic competitiveness.

This reorientation has been accompanied by changes in how these policies are delivered and by whom, and is classically referred to as the shift from managerialism to entrepreneurialism. For example, place promotional strategies have been delivered by an ever wider array of public, quasi-public and private sector agencies. Characterised by the prioritisation of local economic development, most notably via the adoption of place promotional strategies, and an institutional shift from public sector government to public-private governance, the shift to entrepreneurialism has fundamentally changed the way places are governed.

It is widely perceived therefore that place promotion is integral to the process of contemporary governance, and yet despite this, few commentators have sought to

specify the form of local governance arrangements that have developed in support of place promotion, or examine the relationship between place promotion and governance. These themes are developed in this thesis through a postal questionnaire survey of British local authorities and two case studies in Newcastle upon Tyne and Leeds. In general, the prominent role of local authorities within these new governance arrangements is highlighted, together with the complex and distinctive nature of the shift to entrepreneurialism in particular places.



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## CHAPTER ONE

### INTRODUCTION

#### 1.0 Introduction

Over the last quarter of a century, the nature and balance of the policies pursued by local government have changed considerably. One of the ways in which they have changed is the ‘massive worldwide growth in the practice of place marketing and promotion’ (Ward, 1998, 1). In Western democracies especially, place promotion has undoubtedly become an increasingly significant component of the local economic development strategies employed by local government, to the extent that;

“Every town, city, region and nation, it seems, is now frenetically selling itself with assertions of its competitive advantage” (Ward, 1998, 1).

Economic uncertainty has characterised the global economy since the early to mid-1970s, a time widely recognised as prefacing a transitory period in the organisation of capitalist development and the beginnings of the collapse of postwar Fordism. Deindustrialisation decimated the manufacturing bases of many traditional global centres as technological advance, the introduction of foreign competition, and the globalisation of capital investment led to fundamental changes in what is produced, how, and where. The emergence of new spatial divisions of labour and new regimes of capital accumulation thus compelled cities, regions and nations alike to promote



their assets and compete for much sought after investment in the dynamic global marketplace. In the fight to remain economically buoyant, local economies have been drawn into more intensified competition with one another, as they try to draw in, or develop new types of economic activity.

Over this same time period, the ways in which policies are pursued by local government has also changed significantly; political restructuring has taken place alongside its economic counterpart. In consequence, place promotional strategies have been delivered by an ever wider array of public, quasi-public and private sector agencies. The need to compete effectively has given rise to 'partnership' models of local management where knowledge, expertise and, in the context of the fiscal austerity of local government, resources, are drawn from a wide range of local public *and* private sector individuals and organisations. These alliances have incorporated new institutional networks and structures, which have in turn created a new local 'governance'.

The last twenty years especially, have thus witnessed the birth of a new cohort of local economic policy makers as influential local actors have joined forces with local government to restructure local economies and respond to economic trends in more entrepreneurial and proactive ways. Public-private partnerships have therefore become a common vehicle for local economic development, and this is demonstrated

by the proliferation of national, regional and local development agencies that emanated during the 1980s and 1990s<sup>1</sup>.

All these agencies are similarly charged with the task of regenerating, diversifying or replacing the staple base of their local economies. Place promotional strategies form an integral part of this task. United by this aim, local economic and political leaders have sought to lure inward investment and capitalist development to their locality by using extensive promotional campaigns; designed to combat negative perceptions of place on the one hand, and promote a favourable business climate on the other.

Early promotional activity was modest to say the least. It was unsophisticated and piecemeal in nature, often involving merely the use of simple advertising slogans (Fretter, 1993; Burgess, 1982). Over recent years however, place marketing techniques have become more sophisticated and place promotional practices more professionalised (Griffiths, 1998). By the 1980s, the 'selling of places ..[had]..become big business' (Fretter, 1993, 165). Place marketers adopted a market-led approach and became more strategic and corporate in their thinking. In place of the traditional scatter-gun approach, marketing was targeted more directly at particular sectors, companies, and investors' needs;

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<sup>1</sup> Examples include urban development corporations, training and enterprise councils, various local authority, County-wide and regional economic partnerships, Regional Development Organisations, and their newly established replacement, the Regional Development Agencies.



“Place marketing has thus become much more than merely selling the area to attract mobile companies...It can now be viewed as a fundamental part of planning, a fundamental part of guiding the development of places in a desired fashion” (Fretter, 1993, 165).

The practice of place promotion has thus become widespread, and with its massive growth, there has emerged a ‘specifically promotional policy repertoire’ (Ward, 1998, 1). This includes;

“place logos, slogans, advertising, public relations...‘flagship’ development projects, flamboyant architectural and urban design statements, trade fairs, cultural and sporting spectacles, heritage, public art and much else besides” (Ward, 1998, 1).

Place marketing techniques have therefore developed and the practice has become more sophisticated, but it is important to stress that place promotion is not a recent phenomenon. Although over the last two decades, it has been pursued to an extent, and with a vigour that is unprecedented (Griffiths, 1998), examples of extolling the virtues of place in order to boost economic fortunes have been recorded as early as the nineteenth century during US and West European colonial expansion (Griffiths, 1998; Ward, 1998, 1994, 1990). British seaside resorts then adopted the practice early in the twentieth century, in conjunction with local railway companies, in an attempt to lure tourists to their bracing shores (Ward and Gold, 1994). Railway

companies took this one step further during the interwar years of suburban growth and rising home ownership by promoting new residential schemes in association with private developers and building societies (Ward, 1994; Gold and Gold, 1994).

Despite this shift in practice, place promotion in Britain remained mainly tourism-orientated until the 1930s when municipal authorities were granted powers to advertise non-resort towns and cities for the first time (Ward, 1994, 1990). Subsequent regional policy directives laid down by central government paved the way for the type of town and city promotion prominent today. Place promotion thus became a mainstream policy of local economic development, most notably from the 1970s, attracting investment through a variety of land and buildings-based inducements, financial grants and tax relief schemes (Dicken and Tickell, 1992; Mills and Young, 1986; Camina, 1974). Promotional activity that was more locally-derived, burgeoned during the 1980s when established regional economic development policies were undermined by the Thatcher administration (Ward, 1994). Furthermore, whilst the Thatcher Government did erode certain local government powers with respect to local economic development, local authorities were awarded other powers to promote their local economies and were statutorily required by the 1989 Local Government and Housing Act to develop local economic development strategies.

Place promotion therefore has a long history, embraces a wide variety of activities and is conducted by a range of municipal authorities and private organisations. In the face of economic restructuring, the practice has become more widespread and there



has been a shift from the essentially boosterist activity typified by British seaside resorts, to a more aggressive growth-inducing promotion which seeks to regenerate local economies and prevent major structural decline (Ward, 1994). Rather than advertising *per se* therefore, contemporary place promotion seeks to reconstruct the image of place, allied to a strategy of attracting particular types of economic activity which reflect and bolster that image (Paddison, 1993).

Several texts (Ward, 1998; Gold and Ward, 1994; Philo and Kearns, 1993) examine the historical development of place promotion and trace its evolution in response to changing economic circumstances, often focusing especially upon how traditional manufacturing centres 'sell' themselves to attract investment. Although typically only one aspect of the development remit, the attraction of inward investment<sup>2</sup> is arguably one of the most significant objectives, particularly in areas which have lost their traditional industrial base and where opportunities for indigenous investment are limited (Paddison, 1993). The political benefits that accrue from major investment schemes ensure that, as a development activity, the attraction of inward investment is placed firmly on local political agendas. As a major tool of local economic development policy therefore, place promotion is defined throughout this thesis as the deliberate use of marketing in the attraction of inward investment, allied with the promotion of new place images and associated public-private partnerships, in order to achieve economic regeneration.

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<sup>2</sup> The term 'inward investment' is used generically throughout this thesis to cover all aspects of possible capital investment, whether this be commercial, industrial, or otherwise.

## **1.1 Contemporary 'politicised' place promotion**

Whilst the goal of economic development runs as a common denominator throughout almost all place promotion (Paddison, 1993), there are important cross-national variations in its practice and meaning which deserve examination. Marketing places in the European context relates much more to holistic notions of social welfare, aiming to meet the consumer needs of both investors and local inhabitants (Paddison, 1993; Kotler et al, 1993; Ashworth and Voogd, 1990). This contrasts with the United States, where local economic development centres very much upon the attraction of inward investment (Cox, 1997), and place marketing is strongly associated with physical redevelopment and the promotion of new place images. Similarly, place marketing in Britain has been constructed around the achievement of economic objectives, in part because place promotional strategies are more fully developed in localities which have suffered the most severe effects of economic restructuring and are seeking sustained economic revival (Paddison, 1993). For example, during the 1980s and early 1990s especially, the re-imaging process taking place in the more economically deprived areas of Britain was accompanied by extensive physical redevelopment. This can be illustrated particularly in the activities of the British urban development corporations (Meegan, 1993; Wilkinson, 1992; Madsen, 1992; Burgess and Wood, 1988).

It is important to note however, that to view place promotion in economic terms alone is to oversimplify its meaning (Paddison, 1993). This contemporary approach to place promotion gives rise to important political and social implications which are



often overlooked in practice, and which to a certain extent the academic literature neglects (Ashworth and Voogd, 1994, 1990; Fretter, 1993). The process of realigning a locality within international and more local spatial divisions of labour involves a number of actors; from business leaders eager to stimulate investment, to local communities seeking employment and a better quality of life. Inevitably therefore, tensions can develop between these local groups when local place identities are seemingly altered to adhere to new place images and new investment landscapes. Place promotion is therefore both a cause and function of local politics and local struggles. These 'debates' take place within the apparatus of local governance and give rise to the formation and maintenance of particular networks of relations. It is this aspect of place promotion which is so often overlooked and deserves attention.

The marketing of place, and the particular images projected are a reflection of the form of local governance and the particular pattern of interest involvement. Place images are partial views of localities in that they reflect the views of those determining them; most commonly the views of locally dominant institutional stakeholders. Place promotion is therefore not simply a technical tool with which to achieve economic development, as is portrayed in much of the literature (Ashworth and Voogd, 1994, 1990; Gold and Ward, 1994; Smyth, 1994; Fretter, 1993), but is a highly political activity with important social, cultural and institutional implications. Its institutional context is therefore an important arena within which the economic, social and political meanings of places are mediated, contested and negotiated.

Crucially however, this institutional dimension is often underplayed in accounts of place promotion. The fact that place promotional strategies are in part determined by the pattern and form of local governance is far from apparent in much of the literature, especially that which portrays place promotion as a techno-rational process (Ashworth and Voogd, 1994, 1990; Fretter, 1993). This set of literature regards place promotion as a technocratic procedure, and as such, provides step-by-step guides on 'how to market places' (Fretter, 1993). Fretter (1993) for example, reduces the complex task of promoting places to a six-staged process: Define Your Product; Know Your Customers; Know Your Competitors; Know Your Unique Selling Points; Adopt a Place Slogan and Logo; and Have One Voice. Although this mantra comprises part of the task, it cannot be said to fully represent the act of marketing places. Ashworth and Voogd (1994, 1990) also adhere to a technocratic approach, and advocate the use of SWOT analysis; the identification of an areas' strengths, weaknesses, opportunities and threats. Whilst these commentators concede that marketing a city is somewhat different from marketing a product, they all adopt the principles of product placement and promotion. In so doing, Ashworth and Voogd describe marketing cities as a;

“process whereby urban activities are as closely as possible related to the demands of targeted customers so as to maximise the efficient social and economic functioning of the area concerned in accordance with whatever goals have been established” (1990, 11).



Commentators like these, who reduce the practice of place promotion to a set of technocratic procedures (Ashworth and Voogd, 1994, 1990; Fretter, 1993) seem apparently impervious to the economic, political and institutional circumstances which influence the nature and extent of promotional strategies in different localities. In turn, they seriously undervalue the historically and spatially contingent contexts within which the development and implementation of place promotional strategies takes place. For example, the types of interests involved plays a critical role in determining the types of strategies pursued and the degree of consensus and/or conflict over those strategies. The strategies then, in turn, feed back into and influence the particular pattern of interest involvement. Despite the fact that place promotion is 'widely regarded as emblematic of late twentieth-century urban policy and urban governance' (Griffiths, 1998, 41), this interrelation between the marketing of place and emerging forms of governance has tended to be overlooked. There is therefore a pressing need to move beyond the current literature in its assessment of technocratic procedures and the content of promotional messages, to a more rigorous understanding of its institutional context; the emerging forms of entrepreneurial governance.

## **1.2 Place promotion and governance**

The global marketplace has been characterised by increasing economic uncertainty since the early to mid-1970s, a time widely recognised as prefacing a transitory period in the organisation of capitalist development and the beginnings of the collapse of postwar Fordism. Against the background of the growing power of global capital and the deindustrialisation of former strongholds of manufacturing

industry, managerial forms of governance, characterised by bureaucratic organisational forms of service delivery, were replaced by entrepreneurial forms. Predicated on a competitive quest for new sources of economic development and a flexible organisational approach, entrepreneurial governance typically involves the formation of alliances and partnerships between the public and private sectors around economic development objectives (Griffiths, 1998).

Under pressure to improve competitiveness therefore, local policy makers developed more active entrepreneurial strategies and created new institutional structures of governance; a process now classically referred to as 'urban entrepreneurialism' (Harvey, 1989). Whilst there are some major differences in the interpretation of these new forms of governance (Jessop et al, 1998; Judge et al, 1995; Mayer, 1995; Lovering, 1995), there is broad agreement that entrepreneurialism is essentially characterised by 'the proactive promotion of local economic development by local government in alliance with other private sector agencies' (Hubbard and Hall, 1998, 4);

"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, 7).



In essence therefore, it is widely regarded that there are two broad strands to the definition and characterisation of entrepreneurialism (Hubbard and Hall, 1998; Jessop, 1998; Painter, 1998; Wood, 1998b; Harvey, 1989). Firstly, a 'political prioritisation of pro-growth local economic development' (Hubbard and Hall, 1998, 4), most notably via the adoption and increasing sophistication of place promotional strategies in the attraction of inward investment, and secondly, an associated institutional shift from local government to governance. Emerging forms of governance therefore, are increasingly orientating around narratives of entrepreneurialism, and place promotion especially (Hall, 1998), and yet with particular regard to place promotion, few commentators (Ward, 1999a) have specifically examined their constitution and configuration. Using theories of governance, and particular models of configuration, this research therefore sets out firstly, to specify the form of local governance arrangements that have developed in support of place promotion, and secondly, to contribute to a greater understanding of the relationship between shifts in governance and place promotional practice. Place promotion is just one of 'the myriad ways in which new modes of governance are implicated in the economic, social and cultural transformation of Western cities' (Hubbard and Hall, 1998, 3), and yet because;

"Changing the image of a locality is...a central component of entrepreneurial governance" (Hubbard and Hall, 1998, 7),

it provides a means by which to investigate more closely the putative shift from government to governance, and from managerialism to entrepreneurialism. Such an

examination is necessary because whilst there is an acknowledgement of new forms of local governance with an emphasis on economic development and place promotion, there is much less agreement as to the extent and precise forms of change (Hall and Hubbard, 1996). For example, the literature exhibits considerable confusion with regard to the nature and significance of place promotion (Lovering, 1995; Mayer, 1995; Gold and Ward, 1994; Philo and Kearns, 1993; Harvey, 1989).

Lovering claims that;

“Place marketing is now virtually the core activity in local economic development” (1995, 117);

whilst Mayer although recognising that ‘cities increasingly “market” themselves in the global economy’ (1995, 234), argues strongly that there has been a shift in policy away from conventional promotional strategies;

“Instead of seeking to attract capital from elsewhere, strategies focus on new business formation and small business expansion; instead of competing with other jurisdictions for the same investment, efforts are made to strengthen existing and potential indigenous resources” (ibid., 234).

This research addresses these competing claims by determining, *inter alia*, the nature of, and extent to which place promotion occurs and by whom. Such difficulties are compounded by the literature on entrepreneurial forms of governance which, it is argued, ‘rests on theoretically and conceptually impoverished grounds’ (Hubbard



and Hall, 1998, 3; Hall and Hubbard, 1996, 153-4), and is hindered further by the fact that 'the notion of entrepreneurialism is used in a number of different and potentially conflicting manners by different individuals and groups' (Hubbard and Hall, 1998, 3). Consequently, commentators are demonstrating increased scepticism over the use of the term (Jessop, 1998; Painter, 1998; Jessop et al, 1998; Wood, 1998b; Hubbard and Hall, 1998). Lovering for example, contends that;

“Entrepreneurship” implies a putting together of various productive activities to bring about a technological innovation, creating something new. Recent developments in many British cities would be more accurately described as “commodification”, attempting to package and sell what is already there” (1995, 115).

Furthermore, when defining new forms of governance, many commentators accept that local government prior to 1970 was exclusively characterised by managerial politics and that since then politics has been dominated by entrepreneurial forms. However;

“What is clearly missing here is any consideration of the extent to which...[local] governments can pursue both objectives in tandem or whether both modes can coexist” (Hubbard and Hall, 1998, 14).

Whilst local governments are undeniably adopting a more proactive stance and spending more on local economic policies than ever before, this expenditure is

overwhelmed by that which continues to be spent on social services, education and welfare. Hubbard and Hall (1998) have been the most vociferous in suggesting therefore that there has not been a ‘wholesale abandonment of managerial policies’ (ibid., 14) and that there are indeed important continuities in the evolution of governance as well as change. They highlight how local governments, to a lesser or greater extent, have always pursued entrepreneurial strategies and played a crucial role in local economic development. Consequently, they argue strongly that the role of the local state in this manner should not be considered exclusively as a recent phenomenon, ‘rather, it might be suggested that entrepreneurial forms of governance are merely the latest in a long line of political strategies which have attempted to create conditions conducive to...economic success’ (ibid., 14; Hall and Hubbard, 1996);

“Clearly, then, it is difficult to assess whether the shift to entrepreneurial modes of governance is supplanting or merely supplementing traditional ‘managerial’ approaches” (Hall and Hubbard, 1996, 155).

It is important to recognise therefore that ‘there are dangers in accepting the idea that entrepreneurial governance is distinct from other modes of governance in *all* respects’ (Hubbard and Hall, 1998, 15, emphasis added), and therefore that the shift to new forms of governance is perhaps a little more complex than some of the literature suggests. In this respect, the explanatory weakness of dualistic accounts of putative shifts from managerialism to entrepreneurialism, and from Fordism to post-Fordism is highlighted (Jessop et al, 1998; Hubbard and Hall, 1998; Tickell and



Peck, 1995). As Lovering observes, the 'enormous diversity of real-world restructuring cannot be reduced to this sort of binary switchover' (1995, 113). Moreover, he suggests that 'there is in fact nothing new about the emergence of new growth sectors in new places, accompanied by local institutional development. These features have characterised uneven development since the beginnings of industrialisation' (ibid., 113).

A framework of analysis is therefore required which recognises elements of both continuity and change. The literature demands more refined specifications of what distinguishes contemporary entrepreneurialism from earlier forms of governance (Jessop et al, 1998; Hubbard and Hall, 1998; Wood, 1998b). In its exploration and specification of the form of governance that has developed in support of place promotion, this research aims to contribute towards a more precise understanding of the shift to entrepreneurialism.

In seeking to specify and explain the rise of entrepreneurial governance, some commentators argue that its emergence is a by-product of broader forces of international social and economic transition (Amin, 1994a, 1994b; Amin and Thrift, 1995, 1992). Yet all too often localities are portrayed as 'individual, contingent and particular, while the global is abstract, social and general' (Hubbard and Hall, 1998, 16; Sayer, 1992). This dichotomous portrayal of local-global relations implies that local economies are passive and dependent upon the hypermobility of capital (Jessop et al, 1998). Others however, attribute greater significance to local capacity, local social relations and the local dependence of capital (Mayer, 1995; Lovering, 1995;

Cox and Mair, 1988). Quite clearly, a more sophisticated conceptualisation of local-global relations is necessary in order to specify contemporary forms of governance more precisely within the shift to some form of entrepreneurialism and its role within the dynamics of advanced capitalism (Jessop et al, 1998; Wood, 1998a);

“political processes are not so much reactive to global forces...these policies are part and parcel of a more pervasive reorganisation of the regulatory framework that controls global capitalism” (Hubbard and Hall, 1998, 17).

A regulation approach thus provides a useful analytical framework with which to characterise and conceptualise contemporary forms of governance. The approach emerged through attempts to introduce more sensitivity to traditional analyses of capitalist development and as such, provides a more holistic interpretation of the ways in which the economy, the state and society have been restructured in specific historical and geographical contexts.

### **1.3 Conclusion**

Until very recently, the interrelation between the marketing of place and emerging forms of governance had been largely overlooked, despite the fact that it provides a useful vehicle with which to explore governance and the politics of local partnership formation. Some commentators have recognised this and have begun to address some of the issues identified here (Jessop, 1998; Ward, 1999a; Hubbard and Hall, 1998; Millington, 1998; Shaw, 1994; Wilkinson, 1992). However, there are still many uncertainties which pervade the literature around place promotion and the



changing nature of entrepreneurial governance. These have been briefly demonstrated here, but are developed fully in Chapters Two and Three. This thesis therefore aims to address competing claims by determining, *inter alia*, the nature of, and extent to which place promotion occurs and by whom, and sets out to contribute towards a more precise specification of entrepreneurial forms of governance and the role of contemporary place promotion within it. In particular, I examine the respective roles and functions of local government and other quasi-public and private interests in local place promotional strategy making, and their involvement in the formation and maintenance of local partnerships. This is achieved through a large scale postal survey of British local authorities and in-depth examination of place promotional strategies and associated institutional structures in two major British cities.

Following these introductory comments, Chapter Two introduces regulation theory as a framework for analysing the development of capitalism and the putative shifts described above. It demonstrates how, as an approach, regulation theory has evolved in response to many of the explanatory lacunae described above. These developments go some way in overcoming the crude conceptions of local politics and their interrelationships with broader processes of restructuring and make it possible to contextualise the analysis of local politics within the spectrum of economic and political processes operating at various spatial scales. It then goes on to explore the links between restructuring, entrepreneurialism and governance. Chapter Three reviews the strengths and weaknesses of contemporary conceptualisations of local politics, exploring how each contributes towards

specifying emerging forms of governance. In respect of the research methodology, Chapter Four details the research process, highlighting any areas of concern or obstacles that have arisen throughout. It discusses the appropriateness of the research techniques used, the choice of case study areas, and the benefit arising from a combination of both quantitative and qualitative methods. The results of the local authority postal survey are then presented in Chapter Five, focusing upon current trends within local authority policy and practice. The interrelation between place promotion and associated governance structures is then explored in depth in Chapters Six and Seven in relation to the two case studies in Newcastle upon Tyne and Leeds respectively. The governance arrangements in each city are specified and explained in relation to local economic, social and political histories, and broader restructuring processes. The conclusions arising from a comparison of the two cities, located within the wider context of the survey findings, are presented and discussed in Chapter Eight.



## CHAPTER TWO

### REGULATION, ENTREPRENEURIALISM AND GOVERNANCE

#### 2.0 Introduction

Clearly, the scope and institutional structure of the local state in Britain have been radically restructured, the indicative changes of which have been well-rehearsed elsewhere (Eisenschitz and Gough, 1993; Cochrane, 1993, 1991; Painter, 1995, 1991; Jessop, 1990; Stoker, 1989; Stewart and Stoker, 1989; Duncan and Goodwin, 1988; *inter alia*). In brief, while the precise configuration of change remains subject to considerable debate, many of these commentators cite the significance of a shift from local government to qualitatively new patterns of local governance, involving the replacement of formally accountable, democratically elected structures of local government with a plethora of unaccountable and non-elected agencies (Hay, 1995). Characterised by the emergence of more flexible organisational approaches to service delivery, and the formation of strategic alliances and partnerships between public and private sector bodies, the transition is further associated with a shift towards economically competitive ideologies (Griffiths, 1998).

These changes represent both the expression of wider economic and political processes settling upon local government, and their active constitution through the institutional, social and political forms of the local state (Goodwin et al, 1993). Indeed, Chapter One has demonstrated how place promotion occupies a central



position within local state restructuring, within these new patterns of governance, and within broader responses to economic restructuring and the putative crisis of Fordism. Therefore, in order to specify the form of governance arrangements that have developed around place promotion, one needs to understand the intermeshing of economic and political processes and actors, operating at varying spatial scales. Analysis of local state restructuring therefore demands a theoretical and conceptual framework that inter-relates patterns and periods of economic, social and political development. It also demands a framework that examines both local and extra-local processes, and the reciprocity of the two; a requirement that has been explored in the much rehearsed 'structure-agency' (Sayer, 1992; Cox and Mair, 1991, 1989; Cooke, 1989; Giddens, 1984) and 'global-local' debates (Wood, 1998a; Lovering, 1995; Tickell and Peck, 1995; Amin and Thrift, 1995, 1992; Peck and Tickell, 1994; Cox, 1993, 1991a, 1991b); debates which have yet to be resolved.

Commentators continue to deliberate over the level of relative autonomy that the local state and local actors possess *vis-à-vis* broader economic and political transformations. These debates are particularly acute within both the 'regulation' and 'governance' projects, and are driving the theoretical and methodological advances currently ongoing within and between the two. In an attempt to overcome the problems posed by 'structure-agency' and 'global-local' dialectics, commentators are searching for increasing complementarities between regulation and governance approaches. This search has resulted in a substantial and influential body of literature as regulation theory is applied to the evolution of patterns of local governance and structures of the local state and vice versa (Jessop et al, 1998; Hubbard and Hall,



1998; Hall and Hubbard, 1996; Lauria, 1997; Jessop, 1997, 1995; MacLeod, 1997; Jones, 1997; Goodwin and Painter, 1997, Painter and Goodwin, 1995; Hay, 1995; Tickell and Peck, 1995; Peck and Tickell, 1994, 1992). By virtue of these developments, an increasing synthesis between a regulation approach and theories of governance offers a potential framework for understanding changing institutional structures and the apparent rise of entrepreneurialism, and how these relate to the broader dynamics of advanced capitalism of which they are part. Although discussed in more detail shortly, it is important to stress at this point that regulation theory does not *explain* changes in the local state and local governance, rather it locates these changes within broader restructuring processes. It helps us to understand how broader processes of restructuring are played out and therefore how the economy, the state and society have changed. In possession of this knowledge and using appropriate theories of local politics, it is then possible to go on to explain governance and the changes within it.

## **2.1 A regulation approach**

As briefly outlined in Chapter One, a regulation approach provides a useful analytical framework with which to characterise and conceptualise contemporary forms of governance since it locates the restructuring of the local state within the broader context of economic and extra-economic systemic change. It is therefore possible to contextualise the analysis of local politics within the spectrum of processes operating at various spatial scales, which in turn facilitates an holistic interpretation of the ways in which the economy, the state, and society have been

restructured in historically and spatially contingent contexts. I will shortly outline the ways in which this is achieved.

The basic tenets of regulation theory are covered extensively within existing literature (Jessop, 1997, 1995, 1993, 1990; Goodwin and Painter, 1997, 1996; Lauria, 1997; MacLeod, 1997; Jones, 1997; Painter and Goodwin, 1995; Hay, 1995; *inter alia*). Briefly, regulation theory provides an historical analysis of the development of capitalism and helps us to understand the underlying paradox of Marxist theory; the continual reproduction of capitalism. In essence, it seeks to explain how the capitalist system persists despite generic conflictual, contradictory and crisis-prone destructive tendencies; tendencies which are, albeit temporarily, resolved or offset by regulatory processes. At any one time, the balance of stabilising regulatory processes and disrupting counter-regulatory processes determines the relative stability or instability of the capitalist system (Goodwin and Painter, 1997).

'First generation' regulation theory (Aglietta, 1979; Lipietz, 1986; Boyer, 1990; Jessop, 1990) was founded upon the 'twin pillars' (Tickell and Peck, 1992) of the 'regime of accumulation' and the 'mode of social regulation'. Whilst defined in a variety of ways, the regime of accumulation specifies the broad relationships between production, consumption, circulation and exchange which enable capital accumulation. The process of capital accumulation is not guaranteed however and has to be secured through mechanisms of regulation. These vary over time and across space but commonly include a range of institutions, societal relations, cultural norms and practices. Collectively, these comprise the mode of regulation which acts



to temporarily stabilise the tensions which are inherent in the prevailing regime of accumulation. Once stabilised together in an historically and spatially contingent 'structural coupling' (Jessop, 1990), the mode of regulation and regime of accumulation support the process of capital accumulation.

Modes of regulation however, only represent a temporary 'institutional fix' (Peck and Tickell, 1994; Tickell and Peck, 1995) until counter-regulatory processes within the accumulation process outweigh the stabilising processes of regulation. At this time, new and innovative institutional forms and regulatory modes may be assembled in an attempt to impede further structural crisis (MacLeod, 1997). These arguments are rehearsed at length in the debates surrounding the putative transition from a Fordist to a post-Fordist regime of accumulation and the associated 'institutional search' (MacLeod, 1997; Peck and Tickell, 1994) for an effective and sustainable mode of regulation (Jessop, 1995, 1990; Hay, 1995; Tickell and Peck, 1995, 1992; Peck and Tickell, 1994, 1992; Harvey, 1989).

It is within the 'evolving search to analyse new socioeconomic, institutional and cultural forms' (MacLeod, 1997, 531), that the regulationist project has been applied across an ever-widening range of disciplines. Its application to local politics especially has revealed a number of analytical shortcomings. First and foremost, early regulationist accounts have been widely criticised for their economic determinism, theorising that economic processes are the driving force behind transformations in the economy, state and society. These early accounts fail to consider the extra-economic construction and mediation of processes of social,

political and economic change (Hay and Jessop, 1995) and therefore mask important extra-economic mechanisms, practices and relations. In consequence, they were increasingly regarded as 'inadequate to the task of accounting for the dynamic evolution of state-economy-society relations' (Hay, 1995, 388). Calls for much greater integration between analyses of civil society, political society and the economy have led to an increasing concern for the theoretical commensurability between theories of regulation and governance (Painter, 1997; Jessop, 1995).

Further criticisms levelled at 'first generation' regulation theory concern the deficit in conceptualising the micro-level, and a downplaying of the interaction between global, national, regional and local levels of regulatory activity (MacLeod, 1997). In mutually reinforcing ways, the identification of these explanatory lacunae highlights the need for empirical research which is 'rationally abstracting from (but grounded in) concrete circumstances' (MacLeod, 1997, 547; Painter and Goodwin, 1995). Recent regulationist literature has thus departed from 'first generation' principles and seeks to fill these 'missing links' (Jessop, 1990; Tickell and Peck, 1992) through namely: the *process* of regulation and its social, political and discursive constitution; geographies of regulation and concerns with spatial scale; and the role of the local state in and through the regulatory process (MacLeod, 1997; Goodwin and Painter, 1997; Jones, 1997; Jessop, 1995; Painter and Goodwin, 1995; Tickell and Peck, 1995).



## **2.2 The regulatory process - political strategy, practice and discourse**

Recently a number of British regulationists have advocated the concept of regulation as *process* with an emphasis upon the ‘always provisional, incomplete, and unstable nature of regulation as *practice*’ (Hay and Jessop, 1995, 305, original emphasis; Jessop, 1995; Painter and Goodwin, 1995; Painter, 1997; Goodwin and Painter, 1997). They argue that the concept of mode of regulation is not as central to the regulationist core as it once was since the term ‘mode’ implies that regulatory mechanisms form coherent, distinct and more importantly, complete systems of regulation, rather than systems which are more realistically in a continual process of formation and evolution. As a result, the concept of mode of regulation overemphasises ‘the stability and coherence of regulatory relations at the expense of instability, change and conflict’ (MacLeod, 1997, 534) on the one hand, whilst overplaying the notion of breaks and discontinuities within the historical development of capitalism on the other. Importantly, and contrary to several ‘mistranslations’ (MacLeod, 1997), the regulation approach does not discern a ‘linear, standardized inevitable pattern’ of development (MacLeod, 1997, 532; Lipietz, 1986). The term ‘mode’ contributes to these misconceived ‘binary histories’ (Sayer, 1989; Amin, 1994b);

“the idea of contrasting modes succeeding one another places too much stress on sharp breaks and radical discontinuities in the development of capitalist societies. A crude account of one stable and enduring mode quickly breaking down and then equally quickly being replaced by a markedly different but

equally stable new arrangement is clearly unsatisfactory and historically inaccurate” (Goodwin and Painter, 1997, 19).

Contrasting accumulation-regulation couplings in this manner too readily invites the use of ‘dualist logic’ (MacLeod, 1997, 534) which has plagued much of the regulationist research couched in terms of a transition from Fordism to post-Fordism (Hay, 1995; Tickell and Peck, 1995; Peck and Tickell, 1994). Regulationist analyses couched in these terms often unproblematically present the current period of institutional searching as the initial steps in the consolidation of a new post-Fordist mode of regulation, neglecting the spatial contingency of regulation, and failing to consider the political and discursive mediation of processes of economic and social change. For these reasons, Goodwin and Painter (1997) suggest that it is more helpful, and more accurate to conceptualise historically variable *processes* of regulation rather than a succession of discrete and stable ‘modes’ (Painter, 1997). Moreover, by emphasising the ‘ebb and flow’ of regulatory processes (Painter and Goodwin, 1995), attention is directed more towards (local) strategic action and practice and away from the (supra-local) structural determinants that have hitherto comprised the focus of conventional regulationist research.

In contrast however, MacLeod suggests that the ‘regulatory mode need not *of necessity* denote a succession of rigidly stable systems one after another’ (1997, 534, original emphasis) given the ongoing and intensive ‘institutional search’ (Peck and Tickell, 1994) for compatible systems of accumulation and regulation. He argues that by presenting everything as a process of ‘ebb and flow’, Goodwin and Painter



(1997) may actually deny the ‘constitutive role of these discursive and material practices to cohere into relatively stable strategic contexts’ (MacLeod, 1997, 534; Jessop et al, 1998; Jessop, 1995) within which actors and processes operate. For example;

“subjects may come to make sense of the world by acting in and through recognizable patterns of coherence over time and across space. Thus, relative continuities are perceived, objectified, reproduced and in turn are recreated by key power brokers and influential actors...[and as such] particular hegemonic projects crystallize and mutually articulate with particular social structures of accumulation and regulatory conduct, albeit unevenly spread and inconstant” (MacLeod, 1997, 534).

For example, it is widely postulated that emerging discourses mutually constitute with developing institutional configurations to form ‘coherences’. These have been conceptualised in a number of different ways, but most notably as: ‘local hegemonic disciplines’ and ‘local hegemonic projects’ (Jessop et al, 1998; Jessop, 1995, 1990; MacLeod, 1997); ‘hegemonic public narratives’ (MacLeod, 1997); ‘institutional centres of gravity’ (Jessop, 1996); ‘spatialised modes of social regulation’ (Peck and Tickell, 1994); ‘systemic coherences’ (Amin, 1994b); and ‘urban structured coherences’ (Harvey, 1989). Defending the concept of the ‘mode’ of regulation, MacLeod therefore suggests that it ‘may still be useful to consider capitalist governance as the contingent interaction of competing hegemonic projects and their materialization in and through particular modes of regulation’ (1997, 535). One such

'coherence' may be the widely prevalent entrepreneurial discourse, which, spurred on by intensifying international competition, is essentially characterised by the emergence of coalition politics, the creation of public-private partnerships and the widespread adoption of place promotional strategies (Harvey, 1989; Hubbard and Hall, 1998; Hall and Hubbard, 1996; Painter, 1998; Griffiths, 1998). Indeed, 'coherences' may emerge in particular places as a result of the *interaction* between the entrepreneurial discourse and its regulatory context.

Whether one chooses to accept or reject the concept of the 'mode' of regulation, there is widespread agreement that regulation conceptualised as 'process' is a substantial theoretical advance. It encapsulates firstly, the historically and spatially contingent nature of accumulation-regulation couplings, and secondly, the fact that these couplings are, in part, discursively produced through *extra-economic* as well as economic mechanisms and practices;

“the process of regulation is the product of material and discursive practices that generate and are in turn conditioned by social and political institutions”  
(Painter and Goodwin, 1995, 342).

Understood in this manner, it emphasises the fact that both objects of regulation, and the processes of regulation themselves are mutually constituting and emerge together (Goodwin and Painter, 1997, 1996; Painter and Goodwin, 1995). It also highlights the interdependence of the economy, state and society. Given that regulation theorists traditionally took the object of regulation to be the economy, and in



particular the process of capital accumulation (Painter, 1997), these more traditional regulationist readings have been criticised (Lovering, 1995) for their profound economic determinism and for misconceiving 'a theoretical and empirical separation of economy, politics and civil society' (Valler et al, forthcoming, 4). In contrast, 'new regulationism' (MacLeod, 1997) is fundamentally concerned with the inter-relationships between the economy, society, politics and culture, and the mutual constitution of both economic and extra-economic regulatory objects and processes.

It is advocated therefore, that since economic, social and political realms are not independent of one another (Painter, 1998), there is no intrinsic reason why a regulation approach cannot be used to characterise and conceptualise the local state and local political systems (Painter, 1997). It must be remembered however, that regulation theory explains economic continuity and change by way of the social, political and cultural processes and practices that sustain the process of capital accumulation, including local political processes. Regulation theory therefore does not provide an explanation of these political processes themselves (Painter, 1997);

“Because modes of regulation are understood to be the product of the interaction of contingent phenomena, the concept of mode of regulation cannot explain the emergence of those phenomena in the first place” (Painter, 1997, 127).

A 'theory of governance, a theory of the state' (Goodwin and Painter, 1996, 28) is needed to explain the restructuring of local government and its regulatory role in the

uneven development of capitalism. Equally, changes in local governance cannot be fully understood simply in terms of their roles in regulation (Valler et al, forthcoming; Painter, 1997; Goodwin and Painter, 1996; Painter and Goodwin, 1995), and so;

“Though the form and nature of urban politics cannot be unproblematically derived from the characteristics of the prevailing mode of regulation, urban politics is not straightforwardly independent of the mode of regulation either - in practice they are partly mutually constituting” (Painter, 1997, 127).

Theories of governance can unravel the causal processes that explain local political processes, whether these political processes ‘are grounded in the mode of regulation, in practices that are counterregulatory, or in other spheres of social life that have no strong relationship to the regulation of capital accumulation at all’ (Painter, 1997, 127). Theories of governance are therefore needed in order to explain that which falls outside of the regulation of social systems. Regulation theory is needed however, to account for the nature and form of institutional, social and cultural practices that maybe, at least in part, grounded in such regulatory processes. It directs our investigations towards institutions of governance since it is these, that in part, regulate the state, economy and society, just as the institutions in turn are regulated (afforded and constrained) by each of these three pillars of capitalist development. As such, regulatory processes, in part, determine, and are determined by the distinctive ways in which institutions evolve, policies emerge, and social and cultural norms arise (Valler et al, forthcoming).



In summary therefore, regulationist approaches help explain why capitalism persists despite inherent crisis tendencies using processes of (economic, social and political) regulation as an explanatory tool. Institutional structures form part of these processes of regulation. In turn, theories of governance help explain the mobilisation of these institutional arrangements. A much greater theoretical, empirical and methodological synthesis between theories of regulation and governance is therefore being sought by several commentators (Lauria, 1997; Painter and Goodwin, 1995; Tickell and Peck, 1995; Peck and Tickell, 1994; Goodwin et al, 1993). In their search for greater commensurability, these regulationists emphasise that the methodology of the regulation approach can, and should be extended to the local state as an object and agent of regulation. Since regulatory processes are constituted in particular places at particular times, they have particularly stressed the need to prioritise concrete research. In consequence, the analysis of local state restructuring across time, and as is increasingly the case, across space, have become central debates within the 'new' regulationist project (Jones, 1997).

### **2.3 Spaces of regulation-Places of governance**

Hitherto concerns with the supra-local economic determinants of regulation have largely neglected accumulation-regulation couplings at the local scale, and the actions and practices of economic and political actors operating within their strategic contexts (Jessop et al, 1998). Despite wide acceptance that regulatory processes are indeed unevenly constituted across time and space, there has been something of a theoretical lacuna (MacLeod, 1997) in the past with regard to understanding issues

of uneven development and the spatiality of regulation. Traditional regulationist research has prioritised time over space, largely concerning itself with the periodisation of capitalist development (MacLeod, 1997); a tendency which has not only resulted in a preoccupation with national and international accumulation regimes, but has also very often resulted in Fordist-post-Fordist teleology. Regulationist accounts exhibiting these tendencies have been widely criticised for failing to provide 'more nuanced understanding of the complex processes and mechanisms resulting in the transformation of political and economic structures at the local level' (Hay, 1995, 387) since they downplay the;

“significance of local political dynamics, struggles and resistances, and of any mediating social, political, cultural and economic factors through which global economic dynamics are filtered before they become reflected in local economic and political developments” (Hay, 1995, 394).

However, the 'hollowing out' (Jessop, 1998, 1993, 1990) of the nation-state and the rise of non-state governance as 'old and new capacities are reorganized territorially and functionally, on subnational, national, supranational and translocal levels' (MacLeod, 1997, 544), has resulted in a growing awareness of the interaction between these levels of governance and of the geographical unevenness of regulation (MacLeod, 1997; Jones, 1997; Goodwin and Painter, 1997; Painter and Goodwin, 1995; Tickell and Peck, 1995; Peck and Tickell, 1994, 1992; Goodwin et al, 1993). Recent regulationist research therefore accords greater significance to space, place and scale as part of the endeavour to develop theoretically informed concrete



accounts of the particular contingent and non-contingent forces present in a particular place, at a particular time.

Regulation theory has in effect been 'spatialised' (Jones, 1997) as intermediate conceptual frameworks for analysing the uneven development of capitalism and the geography of regulation have been developed through methodological refinement (Jones, 1997; MacLeod, 1997; Peck and Tickell, 1994, 1992; Jessop, 1995, 1990). This is most recently illustrated by Jones (1997) who has built upon existing mid-level concepts (Jessop, 1993, 1990) and introduced the notion of 'spatial selectivity' in an attempt to increase sensitivity to the role of the local state within its strategic and political context. He argues that by linking accumulative and regulatory processes to spatial scale, one can understand the tendency of the state to privilege certain places through accumulation strategies and hegemonic projects. For example, the South of England, and the South East in particular, was clearly favoured by the neoliberal accumulation strategy of the Thatcher Government during the 1980s and thus could be interpreted as a spatially selected 'strategically significant region' of that time (Jones, 1997; Peck and Tickell, 1994; Goodwin et al, 1993). Spatial selectivity, like regulation, is both materially and discursively produced and is realised in institutional and policy forms, hence reinforcing the need for more detailed studies of evolving institutional configurations and reiterating calls for more theoretically grounded concrete research embedded within the specificities and contingencies of place (Jones, 1997);

“Quite simply, an adequate understanding of spatial specificity *vis-à-vis* localities, regional couplings or national state projects can only occur in concrete and complex analyses, being contingent upon the mutual articulation of the structurally inscribed strategic selectivity of actors operating at various spatial scales, and in a variety of ventures” (MacLeod, 1997, 545, original emphasis).

Therefore, in order to analyse contemporary shifts in the geography of regulation from government to governance, ‘new regulationism’ has been applied at more local scales of accumulation, focusing upon local processes of growth in the creation of ‘new institutional spaces’ (Jones, 1997; Jessop et al, 1998; Goodwin et al, 1993; Peck and Tickell, 1994, 1992). In so doing however, it must be recognised that these local regulatory processes do not exist in isolation from encompassing economic and political forces, nor do they exist solely at the local level. Jessop et al describe this complex web of spatially variant processes of growth as a ‘tangled hierarchy of regularising and regulatory practices’ (1998, 10).

Within this ‘tangled hierarchy’, the role of the local state is a matter of considerable contention. Commentators are divided as to whether local states are ‘the helpless pawns of international finance, industry and commerce’ (Jessop et al, 1998, 10), or whether they are capable of mediating and directing their own destinies. The search for a greater synthesis between theories of regulation and governance has however gone some way towards overcoming crude conceptions of the ways in which local politics are implicated in broader transitions. Excessively structuralist and



excessively localist accounts of restructuring are being replaced with intermediate notions that;

“In reality, local politics exist within a complex hierarchy of state structures and can only exist by reaching an accommodation with other elements in the hierarchy. Put simply, local politics does matter, but these politics are structurally constrained by both local and extra-local economic forces” (Jessop et al, 1998, 16).

In this regard, an alliance between a regulation approach and theories of governance is attractive since it firstly provides a means of linking local politics to broader tendencies (whether these be economic, political or social); for example, intimating local coalitions to spatially variant accumulation regimes (whether these be Fordist or post-Fordist, or at local, national or international scales); and secondly it provides a means by which to link agency and structure in the study of local governance via the concept of processes of regulation, with their implicit concern with the role of structural forms and institutional frameworks (Jessop et al, 1998). It is widely argued therefore that more rigorous interpretations of local politics can be attained by locating the internal dynamics of local coalitions within the wider imperatives of capital accumulation, state restructuring, uneven spatial development and inter-urban competition (Jessop et al, 1998; Jessop, 1998; Hubbard and Hall, 1998; Hall and Hubbard, 1996; Tickell and Peck, 1995, 1992; Peck and Tickell, 1994, 1992; Goodwin et al, 1993; Harvey, 1989).

## **2.4 From managerialism to entrepreneurialism?**

One of the earliest and most influential accounts of situating local politics within wider imperatives is David Harvey's 'urban entrepreneurialism' thesis, within which, in a manner compatible with a regulation approach, he locates and explores the role of urban change and urban governance in the transformation of advanced capitalist economies (Harvey, 1989). This chapter argues that useful insights on the process of change can be generated by emphasising both the emergence of a more entrepreneurial urban agenda, and the influential role of local spatial coalitions (Shaw, 1994; Cooke, 1988). An emphasis on both the transformation of urban agendas, and institutional structures of urban governance has been extensively utilised in recent literature. Within and beyond Harvey's thesis, it is widely conceived that as part of the transition from government to governance, local government has become less of a service provider and more of a 'strategic enabler', facilitating and coordinating the involvement of a range of other public and private sector agents in service delivery; in essence what has been referred to as the shift 'from welfare state to enterprise state' (Cochrane, 1991, 290).

As part of an *after-Fordist* (Peck and Tickell, 1994) 'enterprise state', Harvey (1989) advocates that, amongst other broader shifts in society, technology and culture, there has been a shift in the economic development agendas of local governments away from the 'managerialism' of the 1960s towards more initiatory and 'entrepreneurial' forms of action. These forms of action classically comprise the involvement of a wider range of agencies in traditional public sector activities, the associated emergence of new institutional structures and coalitions, allied with an increased



emphasis on encouraging economic development through more proactive and innovative strategies, such as physical development, place promotion and the attraction of inward investment;

“Such an entrepreneurial stance contrasts with the managerial practices of earlier decades which primarily focused on the local provision of services” (Harvey, 1989, 3).

Essentially, urban entrepreneurialism is characterised by three distinguishing features. Firstly, it is characterised by coalition politics, centred upon the notion of public-private partnership. Harvey argues that the changing nature of urban politics from government to governance has an important facilitative role to play in the transition of capitalism from a Fordist regime of capital accumulation to a regime of flexible accumulation and organisational innovation;

“Each coalition will seek out its distinctive version of what Jessop (1983) calls ‘accumulation strategies and hegemonic projects’. From the standpoint of long-run capital accumulation, it is essential that different paths and different packages of political, social, and entrepreneurial endeavours get explored. Only in this way is it possible for a dynamic and revolutionary social system, such as capitalism, to discover new forms and modes of social and political regulation suited to new forms and paths of capital accumulation” (Harvey, 1989, 15).

Secondly, the activities of these partnerships are perceived to be entrepreneurial because they are speculative in nature, with the risk associated with development often being borne by the local public sector. This facet distinguishes 'entrepreneurialism' from earlier periods of civic boosterism 'in which private capital seemed generally much less risk averse' (Harvey, 1989, 7). Thirdly, the projects associated with these activities can have effects on areas that are smaller or wider than the specific territory within which the projects occur. To this end, place promotional activities, and physical development schemes allied to them, are classically associated with notions of entrepreneurialism since they can have physical and/or symbolic significance within and beyond specific localities;

“The new urban entrepreneurialism typically rests, then, on a public-private partnership focusing on investment and economic development with the speculative construction of place rather than amelioration of conditions within a particular territory as its immediate (though by no means exclusive) political and economic goal” (Harvey, 1989, 8).

In adopting entrepreneurialism, place-based governing coalitions compete for economic development across a number of dimensions, each resulting in alternative strategies for local governance. It is the combination of these dimensions that Harvey believes provides the clue to the 'recent rapid shifts in the uneven development of urban systems in the advanced capitalist world' (1989, 8), namely: competition, for position in the new international division of labour; for position as centres of consumption; for control and command functions; and for governmental



redistributions (Harvey, 1989). Inter-urban competition operating across these dimensions is a key component in the logic of capitalism;

“The coercive laws of competition force individual or collective agents (capitalist firms, financial institutions, states, cities) into certain configurations of activities, which are themselves constitutive of the capitalist dynamic” (Harvey, 1989, 15).

Spurred on by the global dynamic of intensifying competition, local economic and political actors develop coalition politics;

“Within a metropolitan region as a whole, we have to look to the formation of coalition politics, to class alliance formation as the basis for any kind of urban entrepreneurialism at all” (Harvey, 1989, 6).

Secondly, these governing coalitions formulate proactive place promotion strategies based upon the entrepreneurial discourse of improving the economic competitiveness of the locality;

“There can be little doubt that one of the most obvious manifestations of entrepreneurialism among city governments has been the attention devoted to the transformation, or at least enhancement, of the image of the city” (Hall, 1998, 27).

These entrepreneurial practices and strategies may then contribute to processes of regulation which sustain the process of capital accumulation, and hence capitalism. However, as outlined earlier, this is not guaranteed. Characteristic of the uneven development of capitalism, the contingent realisation of these practices can serve to regulate or disrupt the process of capital accumulation. Hence, the success of regulation in a particular place, at a particular time is, in part, determined by the particular balance of stabilising regulatory processes and disrupting counter-regulatory processes. Nevertheless, whether or not these practices are, in part, grounded in processes of regulation which support capital accumulation, the exploration of 'different paths and...packages of political, social, and entrepreneurial endeavours' (Harvey, 1989, 15) leads to a greater understanding of how different economic, social, political and cultural processes manifest themselves in locally distinctive policies and institutional arrangements.

Inter-urban competition limits the transformative power of these entrepreneurial endeavours (Wood, 1998a) by operating as 'an 'external coercive power' over individual cities...[bringing] them closer into line with the discipline and logic of capitalist development' (Harvey, 1989, 10). In consequence, even the 'most resolute and avantgarde municipal socialists...find themselves, in the end, playing the capitalist game and performing as agents of discipline for the very processes they are trying to resist' (Harvey, 1989, 5) as local governing coalitions are driven to tailor local conditions of production and consumption to perceived entrepreneurialist ideals in an attempt to lure capitalist development;



“place promotion is both an obvious manifestation and contributory cause of the heightened inter-urban competition associated with entrepreneurialism... the process of place promotion has become integral to the process of urbanisation in the late twentieth century” (Hall, 1998, 27-28).

The task of urban governance therefore is, ‘in short, to lure highly mobile and flexible production, financial, and consumption flows into its space’ (Harvey, 1989, 11; Wood, 1998a; Cox and Mair, 1988). Inter-urban competition is thereby the means by which Harvey relates the ‘forms of development associated with urban entrepreneurialism to broader processes of economic change’ (Wood, 1998a, 4). As Wood highlights, this is ‘a welcome corrective to both accounts that conflate the economic and the global and the political and the local and...those that..see the latter as simply determined by the former’ (1998a, 4). In the face of intensified international, inter-regional, and intra-regional competition, ‘there have been major shifts in cities’ roles as *subjects*, *sites* and *stakes* in economic restructuring and securing structural competitiveness” (Jessop et al, 1998, 16, emphasis added).

## **2.5 Interpreting urban entrepreneurialism**

Although traditionally located within literature advocating a shift from Fordism to post-Fordism, the discourse of entrepreneurialism has gained salience beyond this classic transition and has cognisance irrespective of whether one chooses to accept the particular post-Fordist rhetoric. Generically, ‘entrepreneurialism’ has come to indicate that localities are (supposedly) being managed, organised and governed in more effective and business-like ways (Hubbard and Hall, 1998). As such, it has

proved a popular discourse with local policy makers who 'increasingly posit the adoption of an entrepreneurial stance as the key to creating conditions conducive to capital accumulation' and economic success (Hubbard and Hall, 1998, 2). In turn, entrepreneurialism has become 'the dominant response to urban problems' (Jessop, 1996, cited in Hubbard and Hall, 1998, 2). The rhetoric surrounding 'entrepreneurialism' has reached such axiomatic heights and permeated urban discourses to such an extent that 'being an 'entrepreneurial city' has...become a central element in many cities' self-imagining and/or place-marketing activities' (Jessop, 1998, 77);

"Politically urban governance is becoming constituted to a greater extent around the narratives of entrepreneurialism envisioned by, among other things, place promotion" (Hall, 1998, 28-29).

Yet despite this, as outlined in Chapter One, few commentators have specifically examined the constitution and configuration of urban governance around place promotion. Furthermore, despite the prevalence of the entrepreneurialist narrative, there is 'little agreement as to the defining features of urban entrepreneurialism' (Hall and Hubbard, 1996, 154) or the extent to which entrepreneurialism differs from previous practice (Hubbard and Hall, 1998; Jessop, 1998; Painter, 1998);

"Clearly, the notion of entrepreneurialism is of little use as a theoretical, conceptual or pedagogical tool if we are unable to define with any



meaningful precision exactly what we are talking about” (Hubbard and Hall, 1998, 3).

Given the ‘theoretically and empirically impoverished grounds’ (Hall and Hubbard, 1996, 154) upon which the literature on entrepreneurialism rests, commentators have recently called for studies to identify more precisely the defining characteristics of urban entrepreneurialism and the implications these have for the changing structures and strategies of urban governance (Hubbard and Hall, 1998; Jessop, 1998; Jessop et al, 1998; Painter, 1998). Both Jessop (1998) and Painter (1998) question the pervasiveness of the entrepreneurial discourse and examine the range of meanings that have come to be associated with the term. In particular, Jessop identifies the various ways in which cities ‘can be (said to be) entrepreneurial’ (1998, 79). He concludes that;

“despite the increasingly common rhetoric and narrative of ‘entrepreneurialism’, there are few cities which genuinely qualify for this title in the strong sense. For there are few cities which are systematically oriented to securing sustainable dynamic competitive advantages through continuing economic, political and social innovations that are intended to enhance productivity and other conditions of structural and systemic competitiveness” (ibid., 1998, 79).

This provides a useful definition of ‘strong’ urban entrepreneurialism and highlights a fundamental paradox within the entrepreneurialism thesis. Entrepreneurialism is

intimately linked to the adoption of innovative practices and strategies as part of the search for after-Fordist regulatory solutions and more effective regimes of accumulation (Harvey, 1989). In the fight for economic survival, inter-urban competition coerces governing coalitions to devise innovative solutions to contemporary urban problems. However, whilst inter-urban competition induces innovation, it also has the potential to generate the 'repetitive and serial reproduction of certain patterns of development' (Harvey, 1989, 10), as witnessed in the global replication of shopping malls, convention centres, waterfront developments and sports stadia (Harvey, 1989; Gold and Ward, 1994; Philo and Kearns, 1993). While these strategies have been successful in particular places at particular times (thus inducing their replication in the hope that they will produce the same degree of success elsewhere), there is a limit to the number of local economies that can reap success from them (Hubbard and Hall, 1998; Hall and Hubbard, 1996; Jessop et al, 1998; Jessop, 1998; Harvey, 1989). In contrast therefore to the innovation implied by entrepreneurialism, much of 'the marketing of cities tends to be generic and repetitive' (Holcomb, 1994, 121).

It is for these reasons that Jessop (1998) makes a clear distinction between those cities demonstrating entrepreneurialism in its strongest sense and those that exhibit weak entrepreneurialist tendencies. This provides the basis for identifying forms of both strong and weak competition and in turn, identifying the cities which are responding to these different forms. Drawing on Cox (1995, cited in Jessop, 1998), Jessop argues that strong competition 'refers to potentially positive-sum attempts to improve the overall (structural) competitiveness of a locality through innovation'



(1998, 79). Weak competition on the other hand, refers to 'essentially zero-sum attempts to secure the reallocation of existing resources at the expense of other localities' (ibid., 79), for example, simple image-raising measures or strategies aimed at capturing mobile investment which do not have the potential to secure sustainable and dynamic competitive advantages through continuing innovations. Harvey himself highlights the potential zero-sum nature of inter-urban competition, and also, in accordance with notions of strong competition, pronounces that 'urban entrepreneurialism and even inter-urban competition may open the way to a non zero-sum pattern of development' (1989, 5). Cox (1995, cited in Jessop, 1998) further suggests that weak competition is 'socially disembedding', whereas strong competition 'involves the territorialisation of economic activity' (cited in Jessop, 1998, 79). In this way, weak competition serves to undermine local attempts to secure economic competitiveness through deterritorialisation, whilst attempts to respond to strong competition have the potential to reinforce local commitments, structures and strategies.

Jessop (1998) thus argues that only those cities responding to strong competition, who are actively developing strategies that are capable of creating sustained growth and competitiveness, can be said to be 'entrepreneurial'. For example, some cities may be proficient in promoting a business-friendly climate and attracting inward investment, and this may maintain the process of capital accumulation for a time, but this does not mean that they are entrepreneurial. Proactive engagement with innovative practices that secure sustained economic growth more accurately define entrepreneurialism;

“there are clear dangers in trivialising urban entrepreneurial activities by reducing them to all manner of routine activities which are directly economic or at least economically relevant; and/or mistaking a city’s self-image and place marketing as entrepreneurial for the presence of strong entrepreneurial activities” (Jessop, 1998, 86).

Furthermore, ‘there are both theoretical and practical dangers in accepting uncritically the narratives and/or discourses of the ‘entrepreneurial city’. Theoretically, we run the risk of treating the city unproblematically as a subject capable of action’ (Jessop, 1998, 86);

“It is only if cities are meaningful units of competition<sup>3</sup> which can also pursue competitive strategies that we can speak of their actually becoming ‘entrepreneurial’ actors as opposed to merely representing themselves as such through entrepreneurial narratives. Otherwise, they can at best be seen as spatialised configurations of institutions and practices that offer more or less favourable conditions for individual firms (or alliances and/or networks of firms) to compete in a more or less entrepreneurial manner” (Jessop, 1998, 81).

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<sup>3</sup> With regard to ‘competition’, Jessop (1998) refers to both the putative ‘natural’ comparative advantages of resources, and dynamic competitive advantages which are more obviously socially created and socially transformed, for example, enterprise.



The extent to which cities, and/or localities and local economies can be reified as entities and projected as 'subjects', 'actors' or 'agents' is a matter of considerable debate. Cox and Mair argue that;

“If people interpret localised social structures in explicitly territorial terms, come to view their interests and identities as 'local', and then act upon that view by mobilising locally defined organisations to further their interests in a manner that would not be possible were they to act separately, then it seems eminently reasonable to talk about 'locality as agent' (1991, 198).

Yet both Jessop (1998) and Harvey (1989) are aware of the dangers of 'equating cities merely with the city's political leaders and other notables' (Jessop, 1998, 87) or a city's governing coalition, when cities comprise complex relations between individuals, groups, and agendas which interrelate to varying degrees and for varying purposes. Indeed, Harvey (1989) views urbanisation as 'a spatially grounded social process in which a wide range of different actors with quite different objectives and agendas interact through a particular configuration of interlocking spatial practices' (Harvey, 1989, 5). It is therefore important to refrain from representing the city as a unified set of interests, and endeavour to evoke the *pattern* and *balance* of both consensus and conflict within and between interest groups, whether these individuals and groups are included or excluded from local governance structures.

This line of argument has resonance with the practice of place promotion itself, and in particular the projection of place-images. We have seen how for many local policy makers, the 'narratives' of entrepreneurialism and representing oneself as entrepreneurial, have become as important as actually being so. In the same vein, the act of projecting an *image* of a dynamic, vibrant economy is as important as actually being one. It is for this reason that place promotion is much criticised (Lovering, 1995; Mayer, 1995) for doing little to address the underlying problems that necessitate regeneration in the first place (Hall, 1998). As described in Chapter One, the particular place images projected are often partial views of localities in that they reflect the form of local governance and the particular interests of those involved in local policy making. The views and aspirations of locally dominant institutional stakeholders are quite often prioritised, and local place identities associated with local histories or industrial pasts are often hidden or distorted by clean, postindustrial images and the development of heritage quarters. In this manner, as outlined in Chapter One, the 'narratives' of place promotion and the creation of new investment landscapes and new place images can serve to marginalise sectors of the local community and actually reinforce existing social and economic polarisations.

In summary therefore, it is quite evident that the term 'entrepreneurialism' has several connotations (Painter, 1998; Jessop, 1998; Wood, 1998a, 1998b; Hubbard and Hall, 1998; Hall and Hubbard, 1996) and that as a form of governance, it has wide-reaching implications both economically and politically, but also socially and culturally. Within these parameters, there are themes which are common to many definitions of entrepreneurialism: for example, increased risk-taking on the part of



the public sector; increasing numbers of indigenous entrepreneurs, realised in the increasing numbers and success of small and medium-sized enterprises; a general shift from public to private sector activity; encouraging the role of the private sector in urban economic and political activity; and the symbolic construction of place associated with urban living, culture and business (Painter, 1998, 260). However, since ‘there is little doubt that urban politics has increasingly been organised around the discourse of entrepreneurialism’ (Painter, 1998, 261), the most common theme in entrepreneurial discourse is the;

“shift in urban politics and governance away from the management of public services and the provision of local welfare services towards the promotion of economic competitiveness, place marketing to attract inward investment and support for the development of indigenous private sector firms” (Painter, 1998, 261).

Furthermore, the social, political and institutional changes associated with this particular shift have often involved attempts to bring about the kinds of changes implied by the other definitions (Painter, 1998, 261).

## **2.6 Regulation, entrepreneurialism and governance**

It is worth reiterating that the restructuring of local government in particular places represents the expression of processes operating at supranational scales down to those operating at the level of the individual actor. These processes (whether they are processes of uneven development, capital accumulation, spatial restructuring, or

coalition formation) extend into wider crises of regulation associated with the demise of Fordism and the transition to a potential successor. These crises of regulation are rooted in combined market, state and governance failures, however these failures in themselves, do not *dictate* a particular institutional or policy response, nor do they characterise a putative shift to a new form of local politics. These failures need to be *translated* into specific policy problems that demand or 'require' new ways of working, including for example, new forms of local politics (Jessop et al, 1998). Considerable diversity therefore exists as different forms of politics and governance emerge in different places. However, postwar economic and political failures, and their pervasiveness, have forced local actors to 'modify economic strategies, economic institutions, modes of governance and the form of the state' (Jessop et al, 1998, 18) in what is often perceived to be an entrepreneurial manner. Thus, there are many commonalities in the precise ways entrepreneurialism and governance are mobilised;

“Running together, these processes (and the failure of the system in place to regulate) left localities with some hard decisions, the most important of which was ‘how were they to position *their* city in the newly emerging global economy?’. The script given to the localities in the late 1980s and early 1990s was that in order to compete or remain competitive, they needed to form a spatial coalition, comprising a predetermined but contingently elastic set of actors” (Ward, 1997a, 1500, original emphasis).



As Jessop et al (1998) highlight, the development of local coalitions is only one potential response to the crises of regulation, and yet localities are on the receiving end of policy prescriptions from national government. These policy prescriptions strongly advocate a 'partnership' model of local management in the hope that such a 'local institutional fix' (Peck and Tickell, 1994; Tickell and Peck, 1995; Ward, 1997a) will remedy national crises. Localities therefore are very often 'faced with little option but to seek to position themselves alongside the other localities' (Ward, 1997a, 1500) thus contributing to the governance process.

Overarching global patterns are therefore plain to see, despite the fact that the crisis tendencies of Fordism have been mediated through an indeterminate number of (economically, politically and socio-culturally) contingent circumstances and transformed locally into a diverse set of policy responses and institutional outcomes. The meta-narratives of governance, partnership, entrepreneurialism, enterprise, innovation, and cooperation are clearly operating on a supranational scale (Jessop et al, 1998; Jessop, 1998; Painter, 1998; Hubbard and Hall, 1998; Wood, 1998a, 1998b). For example, the general shift towards encouraging economic growth agendas and private sector involvement in urban regeneration, accompanied by the increasing adoption of place promotional strategies and associated rhetorics of partnership and entrepreneurialism, are all indicative of common evolutionary development trajectories which Jessop et al (1998) refer to as 'macro-necessity'. These emerging discourses (re)shape local coalitions and are in turn shaped by the 'micro-diversity' of their local manifestation. Analysis of local state restructuring

therefore needs to address the processes influencing both the macro-necessities and micro-diversities of structures and strategies of urban governance.

Yet, in a manner similar to the misconceptions and omissions noted in regulationist analysis, it has been argued that much of the recent work on urban politics has lost sight of the vital connections between the actions of local policy makers and broader structural imperatives. In response to the alleged failure of ‘grand theory’ to explain the macro-necessities dictating new forms of urban coalitions (Jessop et al, 1998), interest burgeoned in the ‘internal machinations’ of these coalitions (Jessop et al, 1998), thus prioritising the micro-level diversity of structures and strategies of urban governance (Judge et al, 1995; DiGaetano and Klemanski, 1993a, 1993b; Harloe et al, 1990; Cooke, 1989). Whilst these inquiries have ‘produced deep and nuanced accounts of the structure and dynamics of urban coalitions, they reveal much less about the wider economic and political context within which urban strategies are embedded’ (Jessop et al, 1998, 3). Analogous with recent developments in regulation theory, Jessop et al (1998) argue that analyses should not regard urban politics as existing in isolation from wider economic and political forces and processes, nor should analysis focus upon local actors and agency to the exclusion of economic and political structures;

“Instead we [need to] explore the dialectic among different spatial scales of economic and political organization and emphasise the mutual constitution of structure and agency across different levels” (Jessop et al, 1998, 2).



Approaching urban politics from the 'bottom up' (Jessop et al, 1998), the local polity often proves to be the sole object of analysis within much urban governance research, thereby affording 'primary attention to the strategies, schemes, and needs of human agents at the local level' (Logan and Molotch, 1987, 11). Herein lies the danger that analysis becomes;

"more preoccupied with the actions of urban agents than with the underlying social processes which these actions produce. As a result...the pattern of local political relations not only provides the point of methodological entry but also delivers the explanatory power" (Jessop et al, 1998, 5).

Indeed, there are many instances (DiGaetano and Klemanski, 1993a, 1993b; Stoker and Mossberger, 1994; Logan and Molotch, 1987) where 'common structures and strategies of urban governance are interpreted not in terms of the impact of extra-local processes such as inter-urban competition, but instead in terms of basic similarities in local institutional contexts and norms of elite behavior' (Jessop et al, 1998, 4). Local agency is often perceived as merely 'mediating' wider structural imperatives, when on the contrary, governance analysis can be broadened to encompass the contingent interaction of both local and supra-local forces (for example, capital accumulation, inter-urban competition or state restructuring) upon the process of coalition formation (Jessop et al, 1998; Cox, 1991a, 1991b).

## **2.7 Conclusion**

In conclusion therefore, it is evident that there is a need to overcome the 'micro-diversity' (Jessop et al, 1998; Stoker, 1995) of much urban governance research (DiGaetano and Klemanski, 1993a, 1993b; Stoker and Mossberger, 1994) and move beyond excessively localist (or even structurally determined) accounts of urban politics to consider the changing strategic contexts within which urban actors shape urban fortunes (Jessop et al, 1998). Consequently, there has been a recent backlash as commentators seek to recontextualise issues of spatial scale and structure and agency within the analysis of urban politics (Jessop et al, 1998; Wood, 1998a; Lauria, 1997; Painter, 1997; Goodwin and Painter, 1997, 1996). In this regard, there can be a reiteration of the issues highlighted at the beginning of this chapter; the analysis of local state restructuring demands a theoretical and conceptual framework that examines both local and extra-local processes, and the reciprocity of the two, in turn addressing both processes of structure and agency and processes operating within and between the global and local scales. For these reasons, regulationists and governance theorists alike are seeking greater complementarities between the two approaches.

Theories of local governance emphasise the forms of political conflict and cooperation at the urban scale, thereby potentially addressing the 'missing links' identified earlier in the ongoing regulationist project (Painter, 1997). It is important to note however, that complementarity would stem from their focus on politics and not from their concern with the urban scale. Painter dismisses the notion that regulation theory needs 'a mesolevel theory *to deal with the urban scale*' (1997, 126,



original emphasis). Indeed, as discussed, regulation theory has been applied at more local levels of activity;

“It is untrue to say that regulation theory necessarily deals with large scale (regional, national, or international) and that...[governance] theory is needed to fill in the gap at the urban or local scale. It is also fallacious to equate on the one hand macrolevel theories with abstraction and large geographical scales or on the other hand meso- and microlevel theories with successively more concrete analyses and successively smaller geographical scales” (Painter, 1997, 126).

One can have abstract theories of micro processes and concrete accounts of large scale processes, and so whilst regulation theory does not need theories of urban politics to address issues at the local scale, governance theory does provide answers to questions that regulation theory cannot address (Painter, 1997). Unlike regulation theory, theories of governance provide an explanation of (local) political processes, hence they may help explain the emergence (or nonemergence) of practices (which may or may not have regulatory effects) and thereby provide an account of regulation at the urban scale. Jessop argues that “unless one examines the mediation of regulation in and through specific social practices and forces, regulation will...go unexplained” (1990, 319). It is this mediation that is the focus of theories of urban politics.



## CHAPTER THREE

### GOVERNANCE IN PRACTICE

#### 3.0 Introduction

Chapter Two has outlined in detail how, over the last twenty years, local government in Britain has been radically restructured. Giving rise to changes in scope and institutional structure, there has been a reorientation in local government ‘away from the management of public services and the provision of local welfare services towards the promotion of economic competitiveness..[and] place marketing’ (Painter, 1998, 261). This reorientation is classically referred to as the shift from managerialism to entrepreneurialism (Harvey, 1989) and has fundamentally changed the way places are governed. It is widely perceived that place promotion, as both a ‘manifestation and contributory cause of the heightened inter-urban competition associated with entrepreneurialism’ (Hall, 1998, 27-28), has become integral to the process of contemporary governance (Hall, 1998; Hubbard and Hall, 1998; Griffiths, 1998; Harvey, 1989).

As Chapters One and Two have discussed, despite its centrality within the shift to entrepreneurialism, few commentators have sought to specify the form of local governance arrangements that have developed in support of place promotion, or examine the relationship between place promotion and governance. This is necessary because whilst the broad principles of the aforementioned transition are commonly



accepted, there is much less agreement regarding the nature, extent and precise forms of change. This thesis therefore addresses the 'empirical silences that permeate work in this field' (Hall and Hubbard, 1996, 155) by examining the constitution and configuration of promotional forms of governance using theories of urban politics, and particular models of configuration. This chapter reviews the strengths and weaknesses of contemporary conceptualisations of local politics and explores how each contributes towards specifying these entrepreneurial forms of governance.

Theories of urban politics have diverse origins and reflect various theoretical and methodological currents, however, all propose to account for the changing form of local governance and seek directly to inform the nature of restructuring local public-private relations. The most notable conceptualisations are local corporatism, 'growth machine' or 'growth coalition' theory and urban regime theory, whose core characteristics are explored. The salience of each of these different concepts, or aspects of these concepts needs to be considered, especially when certain commentators (Brindley et al, 1989, cited in Cochrane, 1991; Jessop et al, 1998) suspect and/or reject the possibility of characterising changing forms of urban politics with any one overarching label. Indeed, the processes in operation are complex and are perhaps evolving, but that said, it may well be possible to identify directions of change and specify certain features and arrangements (Cochrane, 1991). Fundamentally, what remains important is the fact that 'local politics in the 1990s...increasingly need to be analysed in terms which acknowledge a new set of power relations, reflected in an increased emphasis on public/private partnership;

which partner is dominant in particular cases may still be an open question, but that...[is] the question which matters' (Cochrane, 1991, 299).

### **3.1 Theories of urban politics**

In response to the shift 'from welfare state to enterprise state' (Cochrane, 1991, 290), Cochrane proclaims 'the arrival, or possibly the return, of business as an active participant in the political process' (1991, 292) and acknowledges the increased significance of 'corporatist' modes of mediation at the local level, both in terms of business interest representation and the restructuring of welfare provision (Cochrane, 1991; Valler, 1996). The debate surrounding corporatism is an attempt to understand and explain the reciprocal relationships that have developed between the state and major organised interest groups based on the division of labour in society (Grant, 1985). Grant defines corporatism as;

"a process of interest intermediation which involves the negotiation of policy between state agencies and interest organisations arising from the division of labour in society, where the policy agreements are implemented through the collaboration of the interest organisations and their willingness and ability to secure the compliance of their members" (1985, 3-4).

Corporatism thereby implies more than an 'intensive consultative relationship' (Grant, 1985, 3), it involves the sharing of state authority with these interests and highlights the variety of ways in which interest groups influence government, and in turn, how government exerts influence over these supposedly autonomous interests.



Although the state has powerful incentives to engage in corporatist modes of intermediation, for example, gaining support for, and in, the implementation of policy, it is argued that the process should not be characterised as one that is state-led. Rather, both state and interest groups should 'seek each other out' (Grant, 1985, 3).

Early corporatist notions focused on the macro-level and on the tripartite bargaining forms between government, labour and capital operating at the national level (Grant, 1985). However, a need was soon identified to examine corporatist modes of intermediation at the local (sectoral and policy) level. The practical applicability of the concept has however been hindered by the imprecise specification of what corporatism and indeed 'local corporatism' might actually involve (Cawson, 1985);

"the first thing that strikes one as one reads through the recent literature on modern corporatism is the profound lack of agreement on what the concept actually refers to" (Panitch, 1980, cited in Grant, 1985, 2).

Its ambiguities derive from the problems associated with locating the concept within the different levels of state organisation, together with the relationships between policy modes, and the different processes of interest intermediation (Cawson, 1985). In all, the relevance of corporatist analysis for local political processes remains unclear (King, 1985). For example, Cawson and Saunders (1983, cited in Cawson, 1985) advocate a 'dual-state' model in which corporatist forms of interest mediation and policy implementation are linked to national levels of decision making (King,

1985). They argue that central government's concern with production-related issues and securing the process of capital accumulation leads to tripartite arrangements in which the interests of both capital and labour are represented. In contrast, they suggest that interests other than those of capital tend to prevail in local state arrangements, which they regard as more concerned with the consumption-related issues of education, housing and welfare provision (Cawson, 1985). They do however allow for local corporatist developments if, *inter alia*, the local state becomes more involved in production issues (King, 1985). For example, corporatist developments can take place in areas of sustained deindustrialisation, where production issues have been placed high on the local political agenda and the local state is taking a more interventionist role in the local economy (Mayer, 1995). In these circumstances, local state agencies may intervene in a manner which involves negotiation with local Chambers of Commerce or trade union branches (Cawson, 1985);

“economic decline can generate corporatist alliances between local politicians, capital and labour in defence of local economies’ (Urry, 1983, cited in King, 1985, 204).

The conceptualisation is plagued further by several definitional ambiguities (Cawson, 1985; Valler, 1996). Some commentators (Hernes and Selvik, 1981) characterise forms of local politics as corporatist if there is merely evidence of increased public-private interaction. This clearly does not demonstrate whether there has been a real, as opposed to symbolic, shift in public policy practice. As Cawson



notes, 'much specificity in the concept of corporatism would be lost if we were to identify *any* kind of relationship between the local state and economic groups as 'corporatist'' (1985, 130, original emphasis). Simmie (1985) on the other hand, believes that interest groups have to be drawn from functionally differentiated organisations to pertain to corporatism, whilst Cawson remains sceptical, arguing that 'genuine' corporatist structures are 'unlikely to become as significant at the local level as elsewhere' (1985, 128) because of three constraints: a lack of local government autonomy; the degree of centralisation of the economy; and the historic weakness of local producer organisations. This is in spite of the fact that;

"shifts in the mode of state intervention, partly in response to the economic crisis of recent years, have led to more locally based attempts to influence the behaviour of local economies which involve a search for interest organisations that might become corporatist partners in policy making"  
(Cawson, 1985, 128);

In contrast, Shaw (1994, 1990) demonstrates how each of the three constraints above have been overcome in the North East of England, thus giving rise to a form of local corporatism. More recently, Pierre describes corporatist forms of local governance, but does emphasise that they occur 'primarily in the distributive sectors of local government' (1999, 381) and only when local politics reflect the ideals of a participatory local democracy so that the interests of organised social groups can be represented. Cawson (1985) however, strongly argues that the foundations of local corporatism remain predominantly non-local. He advocates that 'local' corporatism

depends, *inter alia*, upon strong local state institutions and that 'in Britain the unitary structure of the state and the extent to which local government functions have to be centrally handed down by statute...severely constrains the possibility of a viable local corporatism' (Cawson, 1985, 146). Furthermore, he argues that the relative weakness of local business organisations and local trade union councils in Britain impedes the development of an effective local corporatism. He therefore suggests that any 'local' dimension derives from the *target* of policy intervention as opposed to a *territorial* basis for the organisation of participating bodies (Cawson, 1985);

"The most striking examples of the corporatist policy mode turn out on closer inspection to be where the local defines the object of policy rather than characterises the nature of the interest involved" (Cawson, 1985, 145).

Indeed, Cawson believes that the conditions for local corporatism are unlikely to be attained;

"Economic decline and mounting political pressure to alleviate its consequences, coupled with a policy of privatisation and perhaps the growth of a contract model of local service provision, may in time lead to a marked change in the role of the local state. But such a change is unlikely to be towards greater autonomy, and the kinds of corporatist interventions that may reshape the local political economy will be determined outside the reach of local political organisation" (Cawson, 1985, 147).



This conclusion stands in marked contrast to the US based literature on local 'growth coalitions' or 'growth machines'. The growth coalition concept has been predominantly advocated by Molotch (1988, 1976) and Logan and Molotch (1987), but has influenced a substantial body of literature on the politics of local economic development (Harding, 1995, 1994, 1991; Lloyd and Newlands, 1988; Cox and Mair, 1988; Bassett and Harloe, 1990; Cooke, 1989, 1988). Growth coalition theory is an elite and instrumentalist approach to local public-private relations in which the development and use of land provides the focus for 'interest formation, competition, conflict and coalescence' (Valler, 1993, 60; Molotch, 1976). As such, 'growth machines' typically comprise local coordinated land and property-oriented business interests. These are defined by Logan and Molotch (1987) as 'rentiers' or 'place entrepreneurs', and it is these interests, through their pursuit of exchange values (in the form of rent), that form growth coalitions or growth machines. Once formed, these coalitions attempt to harness the power of local government in support of policies and initiatives that increase the demand for land and therefore maximise the profit received through land rents (Cox and Mair, 1989b). This original growth machine concept has been broadened however to encompass a wider range of local interest groups;

'Initially the growth machine is viewed as an expression of the interests of rentiers and is quite emphatically concerned with maximising land rents...however, the growth machine has been broadened to include anybody

who becomes an entrepreneur in a particular place” (Cox and Mair, 1989b, 138).

The central core of land-based rentier elites thereby secure support from other local organised interests whose success is likewise dependent upon the economic prosperity of the locality; for example, financial institutions, utility companies, universities, large retail companies, and media ‘growth statesmen’ (Logan and Molotch, 1987; Molotch, 1976). Together, these interests constitute a private sector-led coalition which emerges primarily out of a desire to ‘instrumentally ‘control’ local government and gain access to local decision making processes and vital public resources. By forming powerful local elites, these interests can make specific demands of local government in order to further their own economic interests; often that local government should actively promote the area and maintain a favourable business climate that is attractive to potential investors (Lloyd and Newlands, 1988). This ensures that pro-growth strategies are placed firmly on local political agendas. Local newspaper companies contribute to this process by acting as ‘growth statesmen’, promoting local growth and growth-related policies, and spreading the ideology that growth is in everyone’s interest. In this way, the coalition identifies itself with the local community, gains popular support, and generally diverts attention away from issues relating to welfare, social justice and wealth distribution.

The US based literature therefore argues that the urban development process is, in a sense, ‘hi-jacked’ by strong business-led coalitions and that local government is in effect by-passed as restrictive state barriers to economic development are overcome



by these local pro-growth elites (Logan and Molotch, 1987; Molotch, 1976). This particular argument however has much less cognisance in the UK. As Jessop et al (1998) observe, growth coalition theory offers a powerful explanation for urban dynamics during the rise and initial crisis of US Fordism, but beyond this context, it has limited applicability owing to the problems of cross-national comparison and translation. As previously demonstrated, analyses of urban politics must be rooted in the historically and spatially specific conditions within which urban coalitions emerge and local accumulation strategies are developed. So whilst growth coalition theory offers important considerations for understanding British urban politics, the more centralised state system and the continuing importance of local authorities in urban economic policy making (Valler, 1996, 1993; Bassett and Harloe, 1990; Cooke, 1989, 1988) means that the typology has less validity here in the UK than it does in the US (Wood, 1996; Harding, 1995, 1994, 1991; Lloyd and Newlands, 1988);

“Whatever the comparative insights to be gained about the *transformation* of urban governance in the UK (through emphasising the shift to urban entrepreneurialism and the emergence of growth coalitions) it is important to acknowledge that such frameworks have their roots in the particular experiences of American cities, and thus may not adequately capture the element of *continuity* in both the structures of urban governance and the nature of urban leadership in the UK” (Shaw, 1994, 50, original emphases).

Firstly, local government has much less autonomy in Britain's unitary political system than it does in the American federal system of government; in particular, its ability to levy taxes on business is much less (Lloyd and Newlands, 1988). Hence, the local business sector in the US has much more to gain from influencing local policies. Accordingly, local business interests are regarded as far more dependent on local state powers and local markets than their UK counterparts and therefore have more incentive to form strong business-led coalitions. This 'local dependence' (Cox and Mair, 1988) acts as a powerful mobilising force for private interests to come together to try and overcome growth restrictive state policies.

Cox and Mair (1988, 1989b; Cox, 1997) use 'local dependence' to explain why different interests coalesce and why coalitions actually emerge. Organisations and individuals with a major stake in local economic development have in common various place-specific social relations that immobilise them, or at the very least, limit their spatial alternatives to particular local, sub-regional (metropolitan), or even regional economies. The local dependence of firms derives firstly, from the immobility of the built environment, infrastructure and investment, and secondly, from the development of established relations in local supply and demand networks. Local capital becomes tied to, and therefore dependent upon local markets for sales, and therefore profit. For example, local utility companies are dependent upon a specified service area and local property developers become locked into particular markets because of local knowledge and reputation (Cox, 1997). Consequently, firms seeking to protect local operations, coalesce and attempt to harness the powers and resources of local government through the formation of a business coalition in



support of local growth. It is, in part, for these reasons that growth coalitions are predominantly a US phenomena; owing to the decentralised state system, local capital is far more dependent upon the self-generation of local profit.

Secondly, the emphasis given to land-based interests within growth coalitions may reflect the specific institutional arrangements governing land use and development in the US. Owing to a general lack of public controls over land development, the land market in the US is relatively 'open' when compared to the more comprehensively controlled and regulated land market in Britain (Lloyd and Newlands, 1988). These factors combined explain why 'in Britain, there is no tradition of the *business-dominated* growth coalition' (Cooke, 1988, 194, emphasis added). There is evidence to suggest however that there are *local authority-led* growth coalitions. Cooke argues that 'to the extent that "growth coalitions" have existed in Britain they are more likely to have been formed by Labour local authorities, often directly through links between the organised labour movement and local industry' (1988, 194). He highlights the continuing significance of local state control and illustrates how in the UK, local government often instigates coalition formation, for example, in Swindon (Bassett and Harloe, 1990), in Glasgow (Boyle and Hughes, 1995) and in Leeds (Haughton and Williams, 1996; Haughton and Whitney, 1994). In Britain, the centralised nature of the political sphere often results in local authorities seeking the cooperation of local businesses in an attempt to overcome the shackles of central government. He therefore concludes that;

**“many localities do not have a strong or politically-motivated business-class. Thus, to the extent that growth coalitions have a role to play in the contemporary period...many will have to be dominated not by the business class but by political and professional representatives not wholly ensnared by the profit-motive” (Cooke, 1988, 192).**

**This in turn highlights another criticism of Molotch’s (1976) original formulation. Lloyd and Newlands believe that the theory of, and overall approach to local government is ‘poorly developed’ (1988, 35). For example, local governments may actually share the growth ideology of business and wish to actively promote their economic interests, whereas Molotch (1976) describes a situation where local government is coerced by business interests to assist in the promotion of growth (Lloyd and Newlands, 1988). The process by which local government is ‘hi-jacked’ by, or drawn into a growth coalition is not explained. Indeed, even within the US, growth coalition theory is not without its critics. Cox (1997) questions the prioritisation of the private over the public sector and criticises the over-acceptance of a reduced local authority role in the US context. In particular, he argues that the ‘local dependence’ of the public sector is understated, highlighting that local governments too are dependent upon local tax revenues. This very often makes them themselves ardent advocates of local economic development policies.**

**Commentators have also criticised the lack of clarity that surrounds the specification of the growth ‘machine’ itself. Firstly, the definition of the growth machine has been inconsistent (Cox and Mair, 1989b; Valler, 1996, 1993; Lloyd and Newlands, 1988).**



As described, the original land-based characterisation of the growth machine has been broadened to encompass a variety of financial, cultural and educational interests, however, Cox and Mair (1989b) note further that not all these rentiers necessarily belong to the growth machine and that their membership depends, in part, upon the territorial base of their operations (Logan and Molotch, 1987, 238-239);

“So it is not just being a rentier that seems important: it is being a rentier at a particular scale. This observation is never theorized” (Cox and Mair, 1989b, 138).

Confusion therefore presides over the functional and territorial basis of coalition formation and membership. Secondly, the mechanisms for interaction between member groups are insufficiently specified. For example, Molotch (1976) argues that growth is the overriding goal around which economic and political groups rally, and yet this downplays any differentiation that may exist between member interests and their policy concerns (Valler, 1993). For example, local government is exposed to a range of other interests, such as those of labour and the local community (Lloyd and Newlands, 1988; Cooke, 1988), and so the potential for conflict within the growth machine and between member groups is masked behind this supposedly common aim. Partially in response to this economic instrumentalism, more recent governance literature (Jessop et al, 1998; Painter, 1998; Lauria, 1997) has directed attention towards local political *processes* and the nuances of cooperation, competition,

conflict and conflict resolution that are inherent in the development and implementation of policy and associated processes of coalition building.

This focus has favoured and developed urban regime theory (Fainstein and Fainstein, 1983; Elkin, 1987; Stone and Sanders, 1987; Stone, 1987a, 1987b, 1989, 1993). Founded upon the notion that 'politics matters' (Stone, 1987a, 6), regime theory offers a distinctive approach to the study of the internal politics of coalition building. It is attractive to urban theorists for a number of reasons. It questions whether there is a single, overriding economic imperative, or 'whether there are multiple "imperatives" that public officials must balance' (Stone, 1987a, 12). It thereby focuses attention upon the processes of cooperation and coordination between governmental and non-governmental actors and, in turn, addresses the diversity of interests and political agendas that coexist within the city. Urban regime theory rejects;

"the notion of some unitary interest...in favour of coalition-building between 'multiple imperatives', which in turn derive distinctive and variable policy trajectories" (Valler, 1996, 386).

It therefore has the potential to understand a *variety* of responses to urban change (Stoker, 1995). In so doing, it begins to address the social complexity of local political processes and the privileged position of certain interests. Complexity is central to the regime perspective, as it emphasises that contemporary urban politics are characterised by diverse and extensive patterns of interdependence between



institutions and actors. Indeed, congruent with regulation theory, urban regime theory assumes that the process of governance is about much more than government;

“Successful governance, whether of a city, a nation-state, international relations, or economic processes almost always depends on the availability and mobilization of resources and actors beyond those that are formally part of government” (Painter, 1997, 128).

Thus, ‘to be effective, governments must *blend* their capacities with those of various non-governmental actors’ (Stone, 1993, 6, original emphasis). Hence, an urban regime is defined as ‘the informal arrangements through which public bodies and private interests function together in order to be able to make and carry out governing decisions’ (Stone, 1989, 6). Government is driven to cooperate with those sectors of society who possess the economic and knowledge resources essential to achieving policy goals (Stoker, 1995). This tends to be predominantly business interests who, because of their control over the economy, through investment decisions and ownership of productive assets, possess a privileged role in policy making. It is argued therefore that through the process of regime formation, the division of labour between the private sector and government is bridged by a shared sense of purpose and direction (Stoker, 1995). The resulting regime has ‘*access to institutional resources* that enable it to have a sustained role in making governing decisions’ (Stone, 1989, 4, original emphasis).

Having access to financial and institutional resources and possessing a privileged position in policy making combine to ensure that one has the 'capacity to act' (Stone, 1989). Urban regime theory analyses local politics in a way that recognises new sets of power relations, and directs attention away from power as 'social control' towards an understanding of power expressed through social production. The social production perspective is concerned with the 'capacity to act'. This rests on the need for leadership in a complex society and the capacity of certain interests in the coalition to provide that leadership (Stoker, 1995; Stone, 1989). Governing capacity is produced through coalition building and coalition membership is dependent upon possessing the 'power to' act. This model supersedes social control conceptions of urban political power where elite groups exercise 'power over' those not participating in the regime;

“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, 229).

This form of power involves actors and institutions gaining and fusing the capacity to act by blending their resources, skills and purposes into a coalition: a regime (Stoker, 1995). Regime theorists therefore believe that effective action flows from the cooperative efforts of diverse interests and organisations. The crux of regime politics concerns how privileged sectors combine forces for a particular policy initiative or activity, and how in that process, certain ideas and interests prevail



(Stoker, 1995). Urban regime theory was initially praised for its ability to detail these nuances of the urban political process. More recently however, it has been criticised for concentrating upon, and emphasising these local processes at the expense of those operating at extra-local scales;

“it has been asserted that it is the local conditions which lead to regimes forming and extra-local processes are only considered as mediating through to policy outcomes rather than explaining the existence of the regime. This means that regime theory is [too often seen as] incapable of explaining the series of structural changes in urban governance” (Ward, 1997a, 1495).

For example, Stone (1989) focuses upon the internal politics of coalitions to the detriment of other contextual forces, when indeed, the capacity and policy direction of regimes may be significantly constrained or enhanced by access to non-local powers and resources. To be effective therefore, regime theory needs to address exogenous conditions as well as developments in the internal dynamics of coalition building (Stoker, 1995). Moreover, urban regime theory has all too often been empiricist in nature and centred around the US context (Ward, 1997a, 1996, 1995, Jessop et al, 1998; Painter, 1998; Lauria, 1997; Stoker, 1995; Stoker and Mossberger, 1994; Harding, 1995, 1994; Stone, 1993, 1989; Stone and Sanders, 1987). In fact, much of the US literature is underpinned with the assumption that a regime exists. Rather than prove its existence, commentators have chosen instead to focus ‘upon the orientation of the policies undertaken’ (Ward, 1997a, 1495). Successful regimes, according to Stone’s original definition, are relatively rare

(Stone, 1989) and yet there is an implicit assumption within much of the literature 'that all, or at least most, cities have regimes and that one task of the urban political scientist is to categorize regimes into different types' (Painter, 1997, 129; Stoker and Mossberger, 1994; DiGaetano and Klemanski, 1993a, 1993b). As this approach has been applied in more and more cities, it has given rise to a proliferation of regime typologies. In an attempt to overcome much of its US ethnocentrism, the concept of the urban regime has been broadened even further to 'fit' (DiGaetano and Klemanski, 1993a) the British urban experience.

Stone (1987b) outlines three broad configurations which derive from particular coalition types. Firstly, the 'corporate' regime closely parallels the growth coalition concept in that the development interests of pro-growth interests are centralised. Secondly, the 'caretaker' regime comprises mainly smaller scale business interests who have few aspirations for growth or change and so seek to limit the tasks of governance to routine service provision (DiGaetano and Klemanski, 1993a). Typically fiscally conservative, caretaker regimes act to oppose growth strategies which may lead to increased taxation. They seek to preserve the status quo, and in so doing, call for passive rather than active regime strategies (Stoker and Mossberger, 1994). Finally, non-business interests seeking to moderate or restrict the rate of growth and development and thereby protect certain land use values in the locality, coalesce into 'progressive' coalitions. These typologies begin to address the complexity of state-non-governmental relations, however, such diversity is further complicated by the emergence of coalitions which cut across those typologies already outlined.



Hence, Stone (1993, 1989) extends his original formulation to encompass development regimes, maintenance regimes, middle-class progressive regimes and regimes devoted to lower-class opportunity expansion. Building upon these typologies, DiGaetano and Klemanski (1993a) introduce a fivefold typology of regime types: pro-growth market-led regimes, which seek to reduce or eliminate the planning and regulatory powers of local government in order to facilitate market-led urban growth and development; pro-growth government-led regimes, which use public sector resources, often in partnership with the private sector, to encourage, promote and subsidise private investment through grants, loans and other such inducements; growth management regimes, which in a manner akin to Stone's (1987b) progressive regime, seeks to moderate or restrict the kind of growth and rate of development within a locality; social reform regimes, which emphasise community rather than business development; and caretaker regimes, which broadly follow the principles outlined by Stone's (1987b) equivalent regime above.

Duplicating and cross-cutting these typologies further, Stoker and Mossberger (1994) identify three overarching regime categories, namely: organic; instrumental; and symbolic. Organic regimes reiterate the principles of the caretaker and maintenance regime, whilst instrumental regimes are project-orientated. The main participants are motivated by attaining specific goals and achieving tangible results. In contrast to organic and caretaker regimes, symbolic regimes are concerned with transition. This category comprises Stone's (1987b) original progressive regime, his revised middle-class progressive and lower-class opportunity expansion regimes

(ibid., 1993), and the urban revitalisation regime. Symbolic urban revitalisation regimes attempt to fundamentally change a city's ideology or image in order to attract investment.

### 3.2 Conclusion

The proliferation of regime typologies in this manner has opened up a debate within urban regime theory and within urban politics more generally. As described above, urban regime theory was initially praised for its ability to detail the nuances of the urban political process, and in so doing, was praised for its ability to account for issues of both continuity and change within evolving institutional contexts. For example, urban regime theory recognises that whilst the lead role of local authorities has been challenged, they often remain important facilitators and coordinators within new institutional arrangements (Valler, 1996; Stone, 1993, 1989, 1987a, 1987b; Bassett and Harloe, 1990; Cooke, 1989, 1988). More recently however, urban regime theory has been criticised for emphasising continuity in regime evolution rather than change (Jessop et al, 1998; Ward, 1997a; Stoker, 1995). In a manner akin to regulation theory, it has been criticised for emphasising stability at the expense of change by focusing upon the typological categorisation of policy *outcomes* as opposed to identifying evolving *mechanisms* and *processes* which drive the formation and maintenance of regimes;

“It is the *mechanisms* underpinning the forming of regimes rather than superficially similar concrete outcomes which will provide urban regime analysis with theoretical power” (Ward, 1996, 429).



Regime theory proposes that the causal relationships underlying policy development are very complex and so it should be used to demonstrate and explain these relationships. However, many accounts of urban politics lack any explicit analysis of interest formation, or indeed, regime coalescence, competition and conflict. As Stoker observes, a 'regime terminology is used but a regime analysis is not really provided' (1995, 55).

All these typologies focus heavily on the nature of policy outcomes resulting from each regime type, thereby underemphasising the extent to which coalitions can incorporate elements of more than one regime type, neglecting the mechanisms and processes by which coalitions form, and negating their evolving character. Furthermore, by broadening the definition and categorisation of urban regimes in this way, the concept loses much of its analytical rigour (Painter, 1997). In contrast, recent empirical work in the UK has shifted away from the categorisation of regime types, towards a concern with specifying and understanding the practices, mechanisms and processes contributing to regime formation, maintenance or decline. Just as regulation is viewed as a process, rather than an established state, regimes too can be understood as dynamic forms in a continual process of formation. Given that a regime is rarely static, it is important to investigate the processes of cooperation, conflict, and conflict resolution that may, or may not determine interest coalescence and potential regime formation; in essence, the processes and struggles involved in 'regime formation, reproduction, and crisis' (Painter, 1997, 130).

The current debates within urban politics and *theorising* urban politics are therefore acknowledged, and it is recognised that there has been a shift away from categorising coalitions and regimes as particular ‘types’. However, whilst it is also recognised that the precise configuration of entrepreneurial forms of governance has been discussed at length (Lauria, 1997; Judge et al, 1995; Healey et al, 1995; Judd and Parkinson, 1990; Harvey, 1989; *inter alia*), some of the recent literature has tended to assume that certain overarching patterns exist, without first identifying their presence adequately. Therefore, specifying the *character* and *form* of change is still a necessary requirement of empirical enquiry, since the debate;

“around the new local governance has often focused on overall patterns and trajectories - to fragmentation, entrepreneurialism, a new corporatism and so forth - at the expense of detailed concern for who does precisely what, when and how. The commentary thus tends to distil particular styles, themes or frameworks which seek to ‘capture’ the essence of change” (Valler et al, forthcoming, 7).

Consequently, the specification of who does what, when and how is often neglected and masked behind these larger claims. In essence, in order to *explain* the restructuring of local governance, we must first and foremost adequately and accurately *identify* and *describe* the processes underpinning this restructuring. Valler et al therefore argue for a;



“renewed commitment to detailed empirical investigation and reporting... greater precision here is essential to illuminate the lineaments of change and the character of new forms. Part of this work must involve detailed attention to the constitution of roles within new arrangements. This involves... questions of who does what and when” (forthcoming, 7-8).

When specifying the character and form of urban politics it is therefore important to acknowledge the debates outlined above and set out: firstly, to identify the relationships that constitute local urban politics; secondly, to examine the nature and dynamic character of those relationships; and finally conclude as to whether or not a coalition or regime exists, and whether it is appropriate to demonstrate this form of urban politics using a particular model or typology (John and Cole, 1998; Jessop et al, 1998; Ward, 1997a, 1997b). Moreover, it is important to locate these investigations within the wider processes of state restructuring, uneven development and capital accumulation (Jessop et al, 1998; Ward, 1997a, 1997b, 1996). In essence therefore, the political process is examined in its strategic context. Analysis such as this, will lead to a greater understanding of how institutional forms, and social, political and economic practices react with wider economic and political forces to produce distinctive experiences of urban politics in particular contexts.



## CHAPTER FOUR

### METHOD

#### 4.0 Introduction

Chapter Two has demonstrated how recent theoretical debates within both regulation and governance have led to emerging methodological concerns for theoretically grounded concrete research (Jessop et al, 1998; Painter, 1998; Lauria, 1997; Goodwin and Painter, 1997; Painter, 1997). It has been shown just how these literatures attempt to specify the historically and spatially contingent interrelationships between the economy, political institutions and civil society in particular places (Jessop et al, 1998). This resonates strongly with the Changing Urban and Regional System (CURS) 'localities' project during the late 1980s (Cooke, 1989). The project and the ensuing 'localities debate' centred fundamentally upon a set of methodological concerns surrounding the value of undertaking empirical research within a defined and delimited geographical area (Warde, 1989). It sought to determine how localities function internally, the balance of local and extra-local processes, and to what extent localities are actively involved in their own transformations and articulate to wider national and international processes of change (Cooke, 1989).

The regulationist call for concrete research shares these concerns, however there are some important distinctions. For example, the locality does not provide the starting



point for regulationists. Rather, regulationists start from the premise that all processes, of both higher and lower abstractions, are grounded in *concrete* social practice, since it is only in concrete social practices that these processes arise. Therefore, the social context within which regulation is temporally and spatially embedded is paramount. Context is 'central to understanding social practice and practice [i]s central to understanding regulation or lack of it' (Goodwin and Painter, 1997, 28). In this way, analysis of the *concrete* highlights the complex practices and geographies of regulation (Goodwin and Painter, 1997), which has given rise to a concern for the role of space in the geography of regulation and governance.

As part of a wider debate within the Social Sciences concerning the philosophy and method of case study research (Sayer, 1992; Cox and Mair, 1991, 1989a; Duncan, 1989; Duncan and Savage, 1989; Warde, 1989; Platt, 1988; Smith, 1987; Gregson, 1987), both sets of literature aim to clarify the links between theory, epistemology and method within social research confined to particular places, and demonstrate that geographically-delimited research goes beyond mere empiricism. Indeed, the study of urban politics has very recently been criticised for failing 'to provide penetrating theoretical analyses...succumbing instead to empiricism and 'excessive localism'' (Jessop et al, 1998, 6). Criticisms primarily surround the more agency-centred accounts of urban politics which focus upon the mobilisation of actors into local coalitions and fail to satisfactorily link these empirical outcomes with the diverse causal processes operating within and beyond the locality. Furthering methodological debate is a logical extension of the current theoretical debates within these disciplines. Hence, regulationist and governance work is very much concerned

with how to theorise and empirically investigate the interaction of diverse causal processes across space and across time (Jessop et al, 1998; Lauria, 1997) in the attempt to understand how local and extra-local processes mediate contingently. An epistemology is therefore required which facilitates the interpretative understanding of the motivations and reasoning of local actors, together with cultural norms, institutional practices and structural pressures (Sarre, 1987). Positivist and empiricist approaches, together with structurally-oriented and agency-oriented approaches are therefore rejected in favour of an approach which demonstrates a concern for both structure and agency.

Structuration theory (Giddens, 1984) provides a useful ontological starting point for this type of research since it avoids the dogmatic orientation towards either structure or agency. It advocates that social structures are constituted by agency and yet are the very medium of this constitution (Cloke et al, 1991), in other words, structures both enable and constrain human action, as action influences and reconstitutes structure. Structuration theory therefore provides significant epistemological insights, however it remains a rather formal and abstract theory, providing little guidance as to just how structure interacts with agency in practice. In response to this, many commentators have argued that critical realism is a more appropriate research foundation for both the structural analysis of social systems and the explanation of individual action (Sarre, 1987). Emerging empirical work by realists themselves (Sarre, 1987; Pratt, 1995), the influential work of Andrew Sayer in particular (1992, 1985, 1984), and the contributions made by both the localities and regulation debates, have provided clearer indications of how an investigation into both structure



and agency can be achieved (Cox and Mair, 1991, 1989a; Cooke, 1989; Duncan, 1989; Duncan and Savage, 1989). Thus, it is argued that realism provides a more explicit epistemological and methodological foundation for empirical research that seeks to elucidate causality in this manner (Sarre, 1987; Sayer, 1992; Pratt, 1995).

#### **4.1 Theory, epistemology and method**

Realism assumes a stratified and differentiated world comprising events, mechanisms and structures, all operating in an open system where there are complex, reproducing and transforming interactions between structure and agency. Realist philosophy is based on the use of abstraction to identify 'necessary' causal powers of specific structures that are realised under specific 'contingent' conditions (Sarre, 1987). Certain causal powers exist 'necessarily' because of the characteristics and form of the objects possessing them, but it is contingent upon certain circumstances whether or not these causal powers are activated (Sayer, 1992).

The central tenet of realism is the intimate link between *abstract* theory, which considers the structures and mechanisms underpinning causal relationships, and *concrete* research which explains particular events by showing how structures and mechanisms interact with contingent circumstances (Sarre, 1987, Sayer, 1992, Pratt, 1995). This distinction between abstract and concrete, and the synthesis of the two represents the most crucial contribution of realism. Through its 'attempt to walk a knife-edge between...the abyss of abstract theory and the equally daunting abyss of empiricism' (Smith, 1987, 60), it contributes to an understanding of which relationships are necessary and which are contingent, and thus goes some way

towards redressing the traditional dichotomies associated with structure and agency, the theoretical and the empirical, the global and the local, and increasingly, the social and the spatial.

Realist thought provides a means of overcoming these dichotomies by emphasising that structures, mechanisms, events and agency, as conceptual abstractions, can be conceived as operating at all spatial scales. This interconnectivity illustrates the hierarchical basis to how 'space makes a difference' (Duncan, 1989) to social processes, a hierarchy based on the notion of causal and contingent relations. Levels of abstraction (Cox and Mair, 1989a), or levels of conceptualisation, allow researchers to advance theoretical propositions about a locality (or what could otherwise be referred to as a particular spatial intersection of both necessary and contingent processes). For example, for regulationists, the abstract is dependent upon the concrete since, as outlined in the introduction to this chapter, the processes that define higher level abstractions only arise in concrete social practices. Moreover, investigating the *spatial* differentiation of regulation also requires concrete research since 'specifying elements of regulation in the abstract cannot establish how, and with what effects, regulation elements interact in particular geographical contexts. Nor, of course, does an abstraction establish how they vary over time' (Goodwin and Painter, 1997, 14).

Theoretically grounded concrete research can thereby contribute to the construction of theoretical frameworks outlining the general and specific interactions within a single place, or across several places. Duncan (1989) advocates using the



conceptualisations: 'contingent local variation', where spatial contingency affects how social mechanisms operate in practice; and 'causal local processes', where social mechanisms themselves are locally derived. For example, restructuring local governance is undeniably a response to (inter)national processes of economic and political change, whilst equally, one cannot deny the significance of sub-national and local histories, cultures and social forms in specifying such processes and mediating them in particular ways. Chapter Two has outlined the meta-narratives of local state restructuring, inter-urban competition, entrepreneurialism and place promotion, whilst Chapters Six and Seven demonstrate how 'space matters' (Duncan, 1989; Warde, 1989) by illustrating spatial variation and local specificity within these meta-narratives.

Realism therefore helps the researcher to relate local characteristics to the concrete mediation and constitution of general processes, hence facilitating an abstract-concrete synthesis. Analysis and interpretation between empirical data and theoretical propositions connects, by way of a two-way causal arrow, particular concrete outcomes, events, strategies, institutional mechanisms and practices, to the structural forces which mutually facilitate and constrain them (Sarre, 1987). Therefore, the underlying value of a research method that is predicated broadly upon a realist approach, is the acknowledgement of the multiple iterations between theory, experience and method. It is widely perceived that this enhances the validity of research.

An iterative process of conceptualisation and reconceptualisation with continual reference to theoretical propositions, ensures greater validity by identifying conceptual inconsistencies. Conceptual frameworks can then be adapted if their meanings change significantly in new contexts (Sarre, 1987). The quality of any realist research design is thus improved by virtue of it being explicit about the derivation of its conceptual categories and research questions. Continual feedback between the theoretical propositions, the conceptual framework, the research questions, the methodology and the resultant empirical information, all finally feed back into abstract social theory (Pratt, 1995) as part of the process of synthesis that links the abstract and the concrete across comparative cases. In this manner, the task of empirical research is to show how, in practice, general processes are concretely constituted and how these combine in various contingent ways to create the particular outcomes one wants to explain, in this instance, the form of local governance arrangements surrounding the promotion of places. Theoretical categories are essential to 'access' necessary relations (abstract theory) and empirical study is needed to gain an understanding of contingent conditions (concrete research). To uncover both necessary and contingent relations, different methods of empirical research may need to be used.

Empirical research can be either extensive or intensive, but each is distinguished by different types of research questions and different techniques and methods. Intensive research looks for causal relationships and questions how a process works and what agents do in a particular case or limited number of cases. In contrast, extensive research is concerned with discovering general patterns and common regularities in a



population as a whole (Sayer, 1992). Typical methods of extensive research include large scale surveys and formal questionnaires. These produce findings that are representative and largely descriptive, but which lack explanatory power. Intensive research, on the other hand, employs mainly qualitative techniques such as interviews, ethnography and participant observation, predominantly within a case study approach (Sayer, 1992). Intensive research cannot claim to be widely representative, but does allow the realisation of certain phenomena to be explained.

The methods within these different research designs are not mutually exclusive, what is different however is the assumptions upon which each method is based (Sayer, 1992). It is worth highlighting that the distinction between these different research designs does not equate to the distinction between quantitative and qualitative research methods (Philip, 1998; Brannen, 1992a, 1992b; Bryman, 1992). Both research designs can employ both methods. In fact, the use of a large scale survey need not be devoid of attempts to understand the motivations or reasoning of respondents (Sayer, 1992). The end use of a survey depends on the types of questions asked and can be used to complement other types of extensive and intensive research techniques. Closed questions requiring a simple yes or no answer lend themselves to quantitative analysis and descriptive generalisation. Open questions however, requiring relatively detailed comments, can be qualitatively analysed and used as a basis on which to construct theoretical and conceptual frameworks; from which interview questions could be based.

## **4.2 Research themes and processes**

Reflecting these concerns, this thesis adopts a two-stage research design, comprising a large scale questionnaire survey and two comparative case studies. This extensive-intensive mix facilitates the identification of broad trends in the pattern of local place promotional strategy development and allows the investigation of distinctive experiences of place promotion and associated institutional frameworks in particular places. The major reasons behind this chosen methodology are twofold. Firstly, as outlined in Chapter One, there have been many competing claims in the literature, pertaining to both the increased and decreased significance of place promotion (Lovering, 1995; Mayer, 1995; Gold and Ward, 1994; Philo and Kearns, 1993; Harvey, 1989), and yet there is little *detailed* empirical evidence on which to base these claims. The survey therefore addresses this deficit by revealing, *inter alia*, the extent to which these strategies are currently being pursued. The survey facilitates the identification of regularities and anomalies in place promotional strategy development and therefore provides clues as to the existence of particular mechanisms operating across Britain (Sarre, 1987).

Building upon the literature and the themes previously outlined, case study analysis seeks to question the theoretical propositions identified in Chapters Two and Three. In particular, the case studies specify and explain the form of local governance arrangements that have developed in support of place promotion in two British cities. Detailed analysis of these political and institutional forms, and their interaction with local economic and social relations and wider processes of



restructuring, can be used to form conclusions that are of significance to the changing nature of local governance more generally.

### **Aggregate research**

The survey, in essence, has three principal aims: firstly, to determine the overall pattern of local place promotional strategy development, including for example, the extent to which these strategies are being conducted and by whom; secondly, at an aggregate level, to specify the institutional roles and functions of the different public and private sector organisations involved in place promotion; and thirdly, to examine temporal and spatial diversity in both of the above. Its main purpose therefore is to identify aggregate patterns and trends in local place promotional strategy development and associated institutional formation; information which can then be used to direct and inform subsequent case study analysis of the causal processes defining spatially differentiated patterns and locally distinctive strategies and institutional arrangements.

In advance of the full exercise, a pilot survey was administered to six local authorities located within Yorkshire and neighbouring counties as a method of identifying any problems with the initial questionnaire design. The authorities chosen represented a mix of metropolitan, unitary, county and district councils in the hope that any difficulties completing the questionnaire encountered by each authority type would be highlighted at this stage. Problems of this nature were not identified, however the exercise did usefully reveal a few minor flaws in the initial questionnaire design. In particular, the pilot responses highlighted the complexity

associated with the historical and present day interconnectivity of departments and departmental responsibility; complexity which the amended questionnaire tried to address. Responsibility for place promotion spans Economic Development and Planning departments, the Chief Executive's department, Strategic Policy, Tourism, Leisure, Culture, and Environment departments. The related responses however, proved difficult to analyse, and so with hindsight, it is questionable as to whether this level of complexity could ever really be gleaned through a questionnaire survey alone.

In addition, there were a number of alterations to design and layout, especially in relation to the clarity of instructions where it was particularly evident that instructions had been misunderstood or missed altogether. In order to maximise the response rate, every effort was made to ensure that the questionnaire was concise and easily comprehensible, whilst asking detailed questions and providing adequate space for responses, so that valid and interesting conclusions could be drawn. Greater clarity would result in the more accurate reporting of behaviour and so easy response methods were used. The questionnaire comprised two types of questions: those which required the respondent to simply tick boxes; and open questions which required a short written commentary to more detailed questions, for example asking respondents to support their answers to other questions. To maximise the respondents' interest in the questionnaire and provide greater richness of data, there is a mix of questions between those requiring mere description and those pressing for more detailed explanation of the policy and institutional processes operating in their locality. Overall, the final questionnaire design was an iterative process and



was informed by a variety of sources, including literature reviews, the pilot survey, and pilot interviews that were conducted with four of the local authority officers who had completed the pilot questionnaire. As a general point, the large number of partnerships in place promotional activity and the wide ranging involvement of non-governmental actors were both immediately obvious from the pilot questionnaires, thereby reinforcing the need to investigate the institutional roles and frameworks that are emerging in support of place promotion.

The postal survey was distributed across England, Scotland and Wales. Being efficient in both time and resources, a postal questionnaire is the most appropriate method of gathering geographically-spread data and is most appropriate for the type of general data being sought at this stage of the research (Burgess, 1993; Bryman, 1989; Hoinville and Jowell et al, 1987). The final questionnaire was administered during February 1997 to 300 local authorities across Britain. It was felt that this number of questionnaires would represent British local authorities to a sufficient degree, whilst keeping the project manageable.

A complete list of British local authorities was obtained from the Municipal Yearbook 1997 and random number tables were used to select those authorities included in the survey. The sample was not stratified according to the type of local authority (metropolitan, county, district or unitary), as at this stage of the research it could not be assumed that local authority type affects the pattern of place promotional strategy development. A truly random sample ensures that the resultant data set is as unbiased as possible and is free of any presumed influencing factors. It

was for this reason again that the final data set was not weighted according to any pre-determined factors.

The Municipal Yearbook usefully further divides authorities into their service functions, in this instance economic development, and for each, identifies a contact person and the relevant department, even in those authorities where officially there is no economic development or planning department. Questionnaires were therefore addressed to the named economic development contact in each authority, and the covering letter requested that the questionnaire be passed on to the most relevant person in their department. This method ensured that authorities had an equally random chance of being included in the survey, irrespective of whether they conduct economic development activities, thus obtaining a more accurate picture of the extent to which British local authorities conduct place promotional activity. For example, a sample of authorities obtained from just those authorities with economic development departments would overemphasise the extent to which this activity, and aspects of it, are undertaken.

A final response rate was obtained in May 1997 following a single round of postal and telephone reminders respectively. The pilot process, and the fact that the questionnaire was sent to a named contact no doubt contributed to the overall success of the final survey; achieving an overall valid response rate of 74% (see Appendix One for a copy of the questionnaire). This figure is well above the average expected response rates for a survey of this nature (Burgess, 1993; Bryman, 1989). The covering letter, colourful questionnaire and refined layout may have also



contributed to this high response rate. The covering letter plays an important role in setting the research context and equipping the respondent with sufficient information so that they can successfully complete the questionnaire and provide the correct type of information. Assurances of confidentiality also enhances the accuracy of response. It should be noted however, that the high response rate may also, in part, be a reflection of the nature of place promotional activity. Respondents may have perceived the completion of the questionnaire and the inclusion of promotional material in their response, as a public relations and marketing exercise in itself. Higher response rates are also easier to achieve within the public, as opposed to the private sector, owing to the fact that local authorities and local authority officers are accountable to the public. In summary therefore, the questionnaire was administered to 306 (including the six valid pilot survey responses) of the 446 local authorities in Britain. This equates to 69% of all British authorities. 236 responses were received in total, of which 226 were valid. The remaining 10 provided various reasons why they could not assist with the research, most commonly owing to a shortage of staff resources and time. The overall valid response rate of 74% ensures that the resultant findings represent just over half (51%) of all the local authorities in Britain.

In order to contain the project within manageable boundaries, this thesis concentrates upon the place promotional activities designed to attract inward investment undertaken by economic development departments, as opposed to the promotional activities conducted by tourism, leisure or external relations departments. This point was made firmly in the covering letter and in an attempt to avoid confusion, place promotion was defined in both the covering letter and the questionnaire as ‘the

deliberate use of marketing in the attraction of inward investment and/or the development of new place images'. Despite all attempts to gear responses to this particular form of place promotion, difficulties arose where respondents had missed or misinterpreted the requirements. Some respondents included tourism-related activity in their overall responses, others divided the two activities and provided additional information on tourism. The majority of this additional information could simply be dismissed where appropriate, however, in some instances, it was impossible to distinguish between the two activities and so the whole response had to be dismissed.

A further issue relates to the changing administrative and spatial context for policy making. Local Government Reorganisation was underway in England, Scotland and Wales at the time of survey administration. Hence, some respondents found it difficult to respond to certain questions. For example, those respondents in new unitary authorities, where old government structures no longer existed, found it difficult to answer questions relating to historical change in place promotional activity and departmental responsibility. The reorganisation of departments and departmental responsibilities made it very difficult for these respondents to answer particular questions. Furthermore, the questionnaire was administered at the end of the financial year; a period of the year which is perhaps more busy than most. This may explain the delay (from February to May) in receiving questionnaires.

There were also the general misunderstandings that one expects with a survey of this nature (Burgess, 1993; Bryman, 1989; Hakim, 1987). In the absence of the



researcher to guide the respondent through the questionnaire, problems arose where respondents had misinterpreted written instructions or even missed questions and instructions altogether. For example, some respondents misread or missed the filtering instructions between questions, leaving questions they should have answered blank and answering questions they were not required to. The instructions for one particular question were perhaps not as explicit as they might have been. The question referred to the amount of expenditure devoted to place promotional activity in the current budgetary arrangements. However, the question was not explicit enough and left too much room for the respondents to interpret it in their own way. This resulted in a variety of different responses. Owing to the aforementioned timing of the questionnaire, this resulted in both gross and net figures for the years 1996/1997 and 1997/1998. Consequently, an overall figure for the 226 questionnaires could not be obtained. The responses were difficult to analyse and so the results for this question were inconclusive.

One of the most striking features arising from this aggregate research is the range of activities undertaken as part of place promotion, ranging from the production of simple place awareness-raising fact sheets, to multi-media business packs, presentations and exhibitions, and overseas trade missions. At a most general level, the range, 'depth' and originality of activities undertaken was a clear indication of the amount of expenditure and importance attributed to place promotion; as to whether it was a central or marginal economic development activity. The survey did provide clues as to the distinctive experience of place promotion in particular places. For example, Cambridge City Council does not conduct any inward investment

promotion. The city of Cambridge has a successful high wage, hi-tech, research and development economy and so it is largely perceived that there is no need to attract any further investment. The returned questionnaire also mentioned that the lack of available investment sites was a contributory factor. Interestingly, within the survey responses as a whole, the presence of greenfield sites was seen as both an asset and a hindrance to the attraction of inward investment. This perhaps reflects the general availability of investment land in particular localities, and therefore the level of importance attached to greenfield sites. It may also be a reflection of the types of investment they wish to attract, and the location choices and production needs of those particular types of investment.

Following Sarre, the data was not analysed in a 'positivistic hypothesis-testing spirit' (1987, 7), but was conducted in a realist manner, seeking to identify underlying strategies and mechanisms. It was not intended that the information obtained would undergo rigorous statistical testing in the attempt to propose *explanations* for the identified pattern of place promotional strategy development. Instead, the aggregate information was used descriptively to identify broad regularities and trends in the overall pattern of strategy development, which have since proved instrumental in directing and informing subsequent case study research. By providing important clues as to the existence of particular mechanisms, identified patterns and regularities can be used as an indication of practice and then verified to varying degrees by using alternative research techniques in case study research. Yin refers to this as a process of data triangulation (1994). This illustrates the advantages of adopting an extensive-intensive research design within a realist framework. The



survey and the comparative case studies in unison help identify what is, and what is not contingent to a particular locality, thereby identifying both necessary and contingent relations.

### **Case studies**

Case studies provide a rich account of the processes at work and can be used to substantiate or refine the causal processes thought to underlie the observed patterns identified by the survey (Hakim, 1987);

“By looking at the actual relations entered into by identifiable agents, the interdependencies between activities and between characteristics can be revealed” (Sayer, 1984, 220).

Case study research is the most appropriate method for studying individual phenomena and agents in their causal contexts (for example, places or particular institutional arrangements), using interpretative understanding to invoke the meanings and motivations behind practices and events (Sayer, 1992, Sarre, 1987). Such complexity could not be gleaned through a survey. It is clear from earlier theoretical review in Chapters Two and Three and methodological review in this chapter, that case study research is vital to the understanding of local specificities and the local constitution and mediation of wider processes and narratives. An intensive case study approach is thereby the most appropriate means by which to gain understanding of the relative balance of local-extra-local processes operating

within and beyond a locality in determining distinctive strategy making and institution forming processes.

The second phase of the research therefore comprises two intensive case studies in Newcastle upon Tyne and Leeds, the primary aim being to address the distinctive nature of place promotional strategy and associated institutional frameworks. In-depth analysis of local agents, institutions, relations and histories will reveal the local and extra-local processes defining the particular forms of local governance in each city. It will be possible to identify to what extent different causal contexts have influenced each particular form of governance, for example, local economic and social relations, local and national policy frameworks and the meta-narratives of governance, partnership and entrepreneurialism. In particular, this stage of the research addresses the policy and institutional frameworks surrounding place promotion and the respective involvement of local government and other non-governmental actors.

In the process of data triangulation, many different methods of data collection have been incorporated into the case study research process. Documentary evidence has been collated from a variety of sources including: both governmental and non-governmental annual reports; local economic performance research; historical and current newspaper, magazine and local journal articles; transaction documents, including minutes of meetings, faxes, letters and memos; local and regional strategy documents; and an array of promotional material ranging from simple fact sheets, to glossy brochures, to multi-media inward investment portfolios and packages.



Commentaries on the historical development of cities and historical analyses of local politics have also been useful in identifying and clarifying important sets of local economic and social relations.

Secondary information helped build a picture of the historical development of the respective cities, past and present economic circumstances, the nature of local politics and institutional relationships, and current issues within the local economy. Having gained this insight, I then embarked upon a series of semi-structured interviews (Hertz and Imber, 1995; Thomas, 1995; Useem, 1995). In-depth interviews were conducted with representatives from the major institutions involved in local place promotional strategy and the development of institutions, coalitions or partnerships based around place promotion. Detailed interviews were conducted with senior personnel in local government, non-governmental organisations, quangos, and the private sector, including: local authority members and officers; representatives of public-private partnerships; local business representatives, both domestic and multi-national; representatives of local Chambers of Commerce and Training and Enterprise Councils; and local academics.

In each case, given the structure of local governance arrangements, the respective city (unitary) authority provided the starting point for research. The first interview in each city was conducted with the respective economic development department and in particular, the individual who had originally completed the questionnaire; the Primary Inward Investment Officer in Newcastle, and the Marketing Officer in Leeds. These initial interviews had two primary aims and were critical to

establishing subsequent interviews and the future direction of the research. In essence, these early interviews set the local scene in terms of both place promotional strategy and institutional roles and relationships. Subsequent interviews were similarly based around two major organising themes: firstly, to discuss local authority and other city promotional strategies and activities; and secondly, to build a picture of the organisations, partnership arrangements and individuals involved, and to identify the divisions of labour and interrelationships within and between these constituent parts; the complexity of which in Newcastle meant that the interviewee drew a Venn diagram in the attempt to describe and explain the pattern of participating individuals and organisations and their respective roles, relations, and capacities.

While no formal sampling technique was used in the identification of potential interviewees, it was important to identify a sample which would clarify relations within and between cooperating and conflicting individuals, sectors and organisations. This would reveal the major chains and linkages in the process and facilitate causal analysis. On the basis of previous interview discussion, representatives were chosen from those participating in local promotional organisations, partnership initiatives, strategies and activities. At this stage, it is important to be aware of the dangers of only speaking to those individuals who have been recommended to you, since there is the possibility that you only discover a partial picture. The resulting story can therefore overemphasise cooperation and consensus at the expense of hidden rivalries, tension and conflict. There is the possibility of course that all interviewees, regardless of their source, will provide an



overly 'cooperative' rendition of the truth. In these instances, the interviewer is reliant on their own skills to move the interviewee beyond the standard public relations 'spiel'.

After this second 'round' of interviews with the major participating organisations, I finally returned to the local authority where I interviewed Leaders, senior Councillors and the Directors of Economic Development. In both cases, this meant a return to the most active institution in both promotional strategy making and partnership formation. Returning to the local authority towards the end of the case study in this way provided an opportunity to triangulate and correlate the information collected to date to enhance the validity and reliability of the information obtained.

Interviews lasted approximately between one and two hours and covered a broad range of issues. In brief, these issues related to strategy development, institutional relations and arrangements, divisions of labour, local economic strengths and weaknesses, and political conditions. The interviews produced a wealth of information on the process of place promotional strategy development, and the pattern of institutional roles and relationships. The process of interviewing various stakeholders across several different sectors of the city facilitated insight into the local economic and political arena in which these actors were operating, and how the local political culture permeates the strategies, relationships and processes I was investigating. The use of mixed methods (Philip, 1998) and triangulation and

corroboration across interviews have produced a relatively consistent and reliable account of what is happening in each locality and why.

### **4.3 Conclusion**

Finally, the two case studies were chosen primarily around three organising themes: firstly, the pattern of institutional arrangements surrounding place promotion; secondly, the presence of significant promotional activity; and thirdly, the characteristic regional and local economic and social relations within each locality. In the light of central-local state restructuring and heightened inter-urban competition, both cities wish to achieve greater institutional and policy coordination and yet the institutional form of governance in the two cities is very different. Despite attempts at centralisation, promotional activity in Newcastle is still relatively diffuse and uncoordinated across a range of development bodies. The plethora of agencies that characterise promotional strategy making in Newcastle contrasts sharply with Leeds. Local promotional strategy making in Leeds is facilitated and coordinated by a *single* overarching body. This is intended to provide a level of strategic coordination which Newcastle is evidently lacking. Hence, the complexity of the institutional terrain surrounding place promotion in Newcastle can be compared to the relative institutional simplicity that exists in Leeds.

Secondly, the strategies of place promotion and partnership were placed on the local political agenda in Leeds much later than in Newcastle. This presents the opportunity to examine the reasons behind this differential and to empirically explore the nature and timing of the shift to entrepreneurialism in greater detail than



presently exists within the predominantly theoretical literature (Hall and Hubbard, 1996; Harvey, 1989). This is especially important in the context of renewed scepticism over the notion of entrepreneurialism and given the uncertainties surrounding its definition that were outlined in earlier chapters (Jessop, 1998; Painter, 1998; Jessop et al, 1998; Wood, 1998b; Hubbard and Hall, 1998; Hall and Hubbard, 1996).

This relates closely to the third organising theme around which the two case studies were chosen, concerning the regional and local economic and social relations operating within each city. The historical development of local politics and local economic performance plays a significant role in moulding local economic, social and political environments, and as already outlined, historical documentation has been reviewed in order to gain insights into these processes. Furthermore, the nature and balance of relations between central and local government, and the relative (in)dependence from and upon (inter)national conditions can affect the distinctive experience of local politics.

These three themes are then supported by a variety of other factors, for example, both Newcastle and Leeds are major provincial cities possessing the status of regional capital. Issues relating to the importance of regional identity and regional status can therefore be explored. For example, compared to the North East, which has a strong regional tradition, regional unity and identity in Yorkshire is relatively weak (Haughton and Whitney, 1994). The effect this has on intra-regional relations, the creation of strategic promotional strategies, and the establishment of regional

partnerships can therefore be explored. In all however, the three major themes serve to provide both complementary and contrasting evidence that can be used theoretically and empirically to develop the literature on place promotion, entrepreneurialism and governance. The conclusions drawn from the case studies do not claim to be representative, rather they illustrate theoretical themes and illuminate key processes in relation to the core conceptualisations and models outlined in Chapters Two and Three, which may, or may not be operating in other localities. In conclusion, the extensive-intensive approach has produced a well-rounded empirical base from which concluding comments can be drawn.



## 5.0 Introduction

This chapter sets out the major findings of a national survey of place promotional strategies and associated patterns of public and private sector involvement in promotional policy making. As outlined in Chapter One, the literature has exhibited many competing claims regarding the nature and significance of place promotion (Lovering, 1995; Mayer, 1995; Gold and Ward, 1994; Philo and Kearns, 1993; Harvey, 1989), many of which have not been supported by *detailed* empirical research. To address this deficit and these concerns directly, a survey of British local authorities was undertaken to examine the nature of, and extent to which local authorities are conducting place promotional strategies. The findings provide a broad overview of current practice and policy, and in particular address three specific aims: firstly, to determine the overall pattern of local place promotional strategy development; secondly, at an aggregate level, to specify the institutional roles and functions of the different public and private sector organisations involved in place promotion; and thirdly, to examine temporal and spatial diversity in both of the above. In so doing, the survey identifies aggregate patterns and trends in place promotional strategy development and associated institutional formation. These patterns and trends can then be used to direct and inform further case study analysis



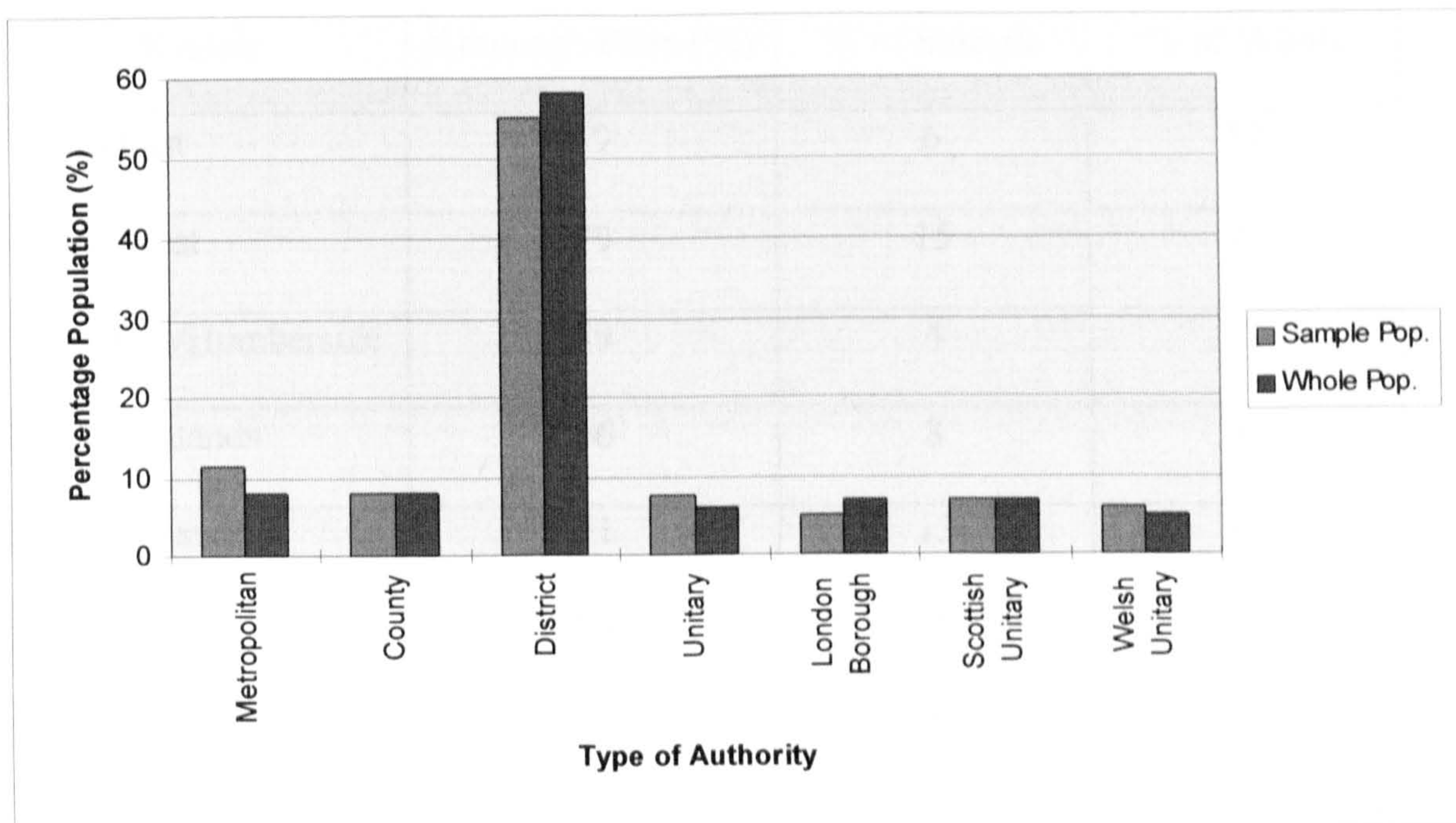
of the causal processes in particular contexts which manifest themselves in locally distinctive strategies and institutional arrangements.

The information was derived from a postal survey questionnaire that was circulated in February 1997 and directed at local authority economic development departments. It was administered to a random sample of 306 (including the 6 valid pilot survey responses) of the 446 local authorities in Britain, which equates to 69% of all British authorities. The survey generated 226 *valid* responses (236 responses were received in total), and so an overall valid response rate of 74% was obtained. This figure is well above the average expected response rates for a survey of this nature (Burgess, 1993; Bryman, 1989). In consequence, the sample represents a high proportion of the whole population; the resultant findings represent just over half (51%) of all the local authorities in Britain. Furthermore, as demonstrated by Figure 1 (overleaf), the sample population is a close approximation of the whole population in relation to its make-up by type of authority. The findings<sup>4</sup> presented here therefore give a sound indication of general policy and practice with regard to the overall pattern of place promotional strategy development. Tables 1 and 2 (overleaf) demonstrate that high response rates were achieved across the board, with reference to both type of authority and regional location. These tables also show the relative significance of each category within the analysis by highlighting their relative proportions within the sample of responses, and within the population of local authorities as a whole.

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<sup>4</sup> All figures refer to analysis undertaken on *valid* local authority responses. The number of valid local authority responses can vary for each question, and for each dimension of a question. Small discrepancies in the data may therefore occur.





**Figure 1: Sample and Whole Population by Type of Authority**

Type of Authority	Response Rate (%)	% of Sample	% of Whole
Metropolitan Councils	72	11.5	72
County Councils	82	8	51
District Councils	73	55	48
Unitary Councils	81	7.5	61
London Boroughs	60	5	36
Scottish Unitaries	75	7	47
Welsh Unitaries	87	6	59

**Table 1: Response Rates and Relative Proportions by Type of Authority**



<b>Region</b>	<b>Response Rate (%)</b>	<b>% of Sample</b>	<b>% of Whole</b>
North East	59	6	52
North West	79	15	72
Yorkshire/Humberside	59	4	45
West Midlands	66	8	48
East Midlands	91	13	67
Eastern	74	10	43
London	57	5	36
South East	76	15	46
South West	77	10	45
Scotland	75	7	47
Wales	87	6	59

**Table 2: Response Rates and Relative Proportions by Region**

### **5.1 Strategy development**

Firstly, given the many claims in the literature, it is necessary to determine to what extent British local authorities participate in local place promotional activity. For the purposes of the questionnaire, and in accordance with the definition cited earlier, place promotional activity was defined as ‘the deliberate use of marketing in the attraction of inward investment and/or the development of new place images’.

According to this definition, 85%<sup>5</sup> of responding British local authorities conducted

<sup>5</sup> This figure stands even when the analysis is weighted to account for non-responses (26% of the sample) and therefore strongly represents the wider population of British local authorities.



place promotional activity in the financial year 1997/98. This high figure is strongly supported by Millington (1995) who conducted a similar survey and discovered that 93% of local authorities engaged in some form of promotional activity in 1995/96. It is important to note however that these figures are not directly comparable owing to geographical differences in how the survey was administered, and the fact that different definitions of promotional activity were used.

Nevertheless, the general trend is clear. In 1984, only 22% of local authorities had an economic development policy relating to promotion and/or inward investment<sup>6</sup> (Mills and Young, 1986). As a local authority activity therefore, place promotion has grown dramatically over recent years. This is validated further by the fact that over half (54%) of the responding local authorities in this survey first initiated place promotional activities in the 1990s. Furthermore, despite the fact that place promotion is by no means a new phenomenon (Hall and Hubbard, 1996; Ward, 1990), of those authorities responding to the question, 86% implemented place promotional strategies for the first time in the 1980s and 1990s.

Clearly then, place promotion is a significant component of local economic development strategies, and an almost universal economic development function of local authorities (Lovering, 1995; Mayer, 1995; Wilkinson, 1992; Harvey, 1989;

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<sup>6</sup> For comparative reasons, it should be noted that a more specific definition of promotional activity is not provided in the Mills and Young study. Further analysis revealed that 76% of responding local authorities undertook area promotion, however this figure may be greatly enhanced since it includes tourism promotion. Promotional activity was also modest at this time, limited largely to media advertisements and attendance at trade fairs and exhibitions.

Cox and Mair, 1988; especially). Yet despite the fact that 79% and 77% of respondents stated that over the last 5 years place promotional activity has become more important within the local authority and within the relevant department respectively, there is not sufficient evidence to claim, as Lovering (1995) does, that it is the *core* activity in local economic development. These high figures do however reveal that over recent years, place promotion has gained in salience within local authorities, and that despite experiencing increasing political and financial pressures, local authorities have been able to extend their involvement in this policy area (Mayer, 1995; Leitner, 1990; Pickvance, 1990; Harvey, 1989; Cox and Mair, 1988). As can be seen from Tables 3 and 4 (overleaf), the large majority of local authorities, of all types and in all British regions, are conducting place promotional strategies.

Within this overall context however, there is some differentiation across the types of authority and across regions between core-periphery areas (which could also be broadly interpreted as North and South), and urban-rural areas. For example, all the responding local authorities in the North East and Wales conduct place promotional activities, with 90% in Yorkshire and Humberside and 88% in the North West. In Scotland however, which would normally be considered as part of the 'periphery', 73% of responding authorities conduct place promotional activity. Although still a high figure, it is noticeably lower than other areas in the 'peripheral North'.



<b>Type of Authority</b>	<b>%</b>	<b>Pre-1997 %</b>
Metropolitan Councils	96	89
County Councils	94	89
District Councils	81	75
Unitary Councils	94	88
London Boroughs	83	83
Scottish Unitaries	73	73
Welsh Unitaries	100	100

**Table 3: Prevalence of Place Promotion by Type of Authority**

<b>Region</b>	<b>%</b>	<b>Pre-1997 %</b>
North East	100	100
North West	88	85
Yorkshire/Humberside	90	90
West Midlands	84	68
East Midlands	87	83
Eastern	78	70
London	83	83
South East	83	74
South West	83	78
Scotland	73	73
Wales	100	100

**Table 4: Prevalence of Place Promotion by Region**

This is interesting given Scotland's relative success (compared to the English regions) in attracting inward investment, especially from the United States and the Far East. This lower figure may reflect the dominance of the national development agency 'Locate In Scotland' in this sphere of economic development activity. 'Locate In Scotland' receives much greater financial resources than the Invest In Britain Bureau regional offices in England, and so local authorities in Scotland may deem it unnecessary to conduct additional promotional activity. There is however no evidence within the survey to deny or support this claim. The otherwise higher figures in the 'peripheral North' compare to the lower figures in the more southern, core regions; for example, 78% in the Eastern region, 83% in London, the South East, and the South West, 84% in the West Midlands and 87% in the East Midlands.

The differentiation between core and periphery is further reinforced by data detailing which authorities have only recently developed a place promotional strategy. An examination of the pre-1997 figures indicates that these authorities tend to be located further south. Before 1997, only 68% of responding local authorities in the West Midlands undertook place promotional activities, with only 70% in the Eastern region, 74% in the South East, 78% in the South West and 83% in the East Midlands participating in place promotion. Although it is recognised that these high percentages reflect the widespread adoption of place promotion in general, there is evidence to suggest that the practice is more widespread in those areas of the country than can be regarded as more peripheral, for example the North East of England and Wales.



In addition, there is evidence to suggest that authorities located in the 'periphery' developed and implemented place promotional strategies earlier than authorities located in more 'core' areas of Britain. 86% of authorities implementing place promotional strategies in the 1960s, and 71% during the 1970s, are located in the North of England and Scotland. Moreover, just under half (49%) of the authorities who first implemented place promotional strategies in the 1990s are located in the South of England. Overall then, at an aggregate level, a pattern emerges which suggests that local authorities in the 'peripheral North' are more active in place promotional activity generally, and became involved in place promotion earlier than authorities located in more 'core' southern areas of Britain.

One possible explanation for the differentiation is that older, industrial areas located in the North suffered serious economic decline much earlier than the more prosperous southern regions. In accordance with Harvey (1989), it can be suggested that authorities located in the North, experiencing severe economic restructuring processes, were compelled to adopt self-help strategies in the form of place promotion in an attempt to attract inward investment and therefore employment opportunities. The longevity of economic decline, coupled with the need to restructure their local economies, ensured that northern industrial localities became early players in place promotional strategies; what have become known as the 'growth strategies of the 1980s and 1990s' (Shaw, 1994, 59). For example, the North East's economic history has been dominated by its dependence upon coalmining, shipbuilding and heavy engineering, Yorkshire and Humberside has been dependent upon the staple industries of coalmining and steel production, and the North West



has been heavily dependent upon the chemical industry. In support of this explanation, 53% of authorities who stated that the ‘decline of traditional industries’ was a major contributing factor in the development of place promotional activities, are located in the North of England, Wales and Scotland, compared to the 26% located in the South of England.

Secondly, one can see from Table 5 evidence of a differentiation in the number of authorities participating in local place promotional activity between urban and rural areas. For the purposes of this analysis, the sample authorities have been divided into four categories, the first three of which are deemed to be ‘urban’: London Boroughs; Metropolitan Councils; Shire ‘Capitals’, those authorities presiding over major towns and smaller provincial cities; and Shire Districts, those authorities presiding over smaller market towns and rural areas.

<b>Type of Authority</b>	<b>%</b>	<b>Pre-1997 %</b>
London Boroughs	83	83
Metropolitan Councils	96	89
Shire ‘Capitals’	94	92
Shire District	80	75

**Table 5: Prevalence of Place Promotion by Urban-Rural Classification**

Before 1997, 75% of Shire Districts conducted place promotional activity, with 80% participating in such activities since then. Although still a high figure, this is

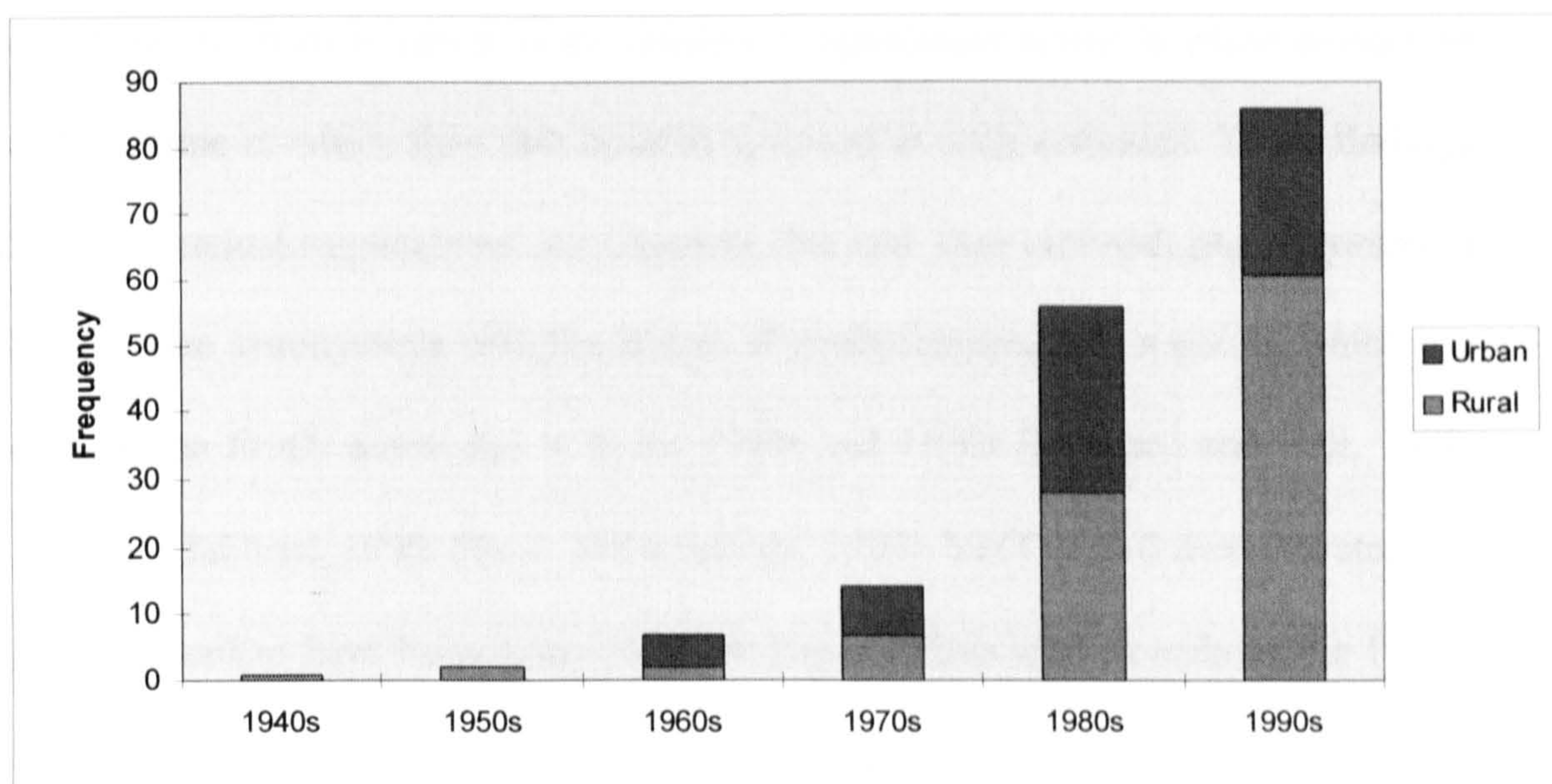


noticeably smaller than the 96% of Metropolitan Councils and 94% of Shire 'Capital' authorities who are active in place promotion. In addition, of the 11 authorities developing place promotional strategies in 1997/98, 8 are Shire Districts thereby demonstrating the relatively recent adoption of place promotion by more rural local authorities. As further supporting evidence for an urban-rural differentiation, 81% of District Councils (which tend to be located in more rural locations) conduct place promotional activity, compared to 96% of Metropolitan Councils. Although not necessarily urban, the large majority (94%) of County and Unitary Councils undertake place promotional activity. The high proportion of unitary authorities participating in place promotion is perhaps not surprising given that within a single-tier system, it is these authorities that have sole local *governmental* responsibility for this type of activity. The smaller number of District Councils and the larger number of County Councils active in place promotional activities, illustrates the fact that within the two-tier system of local government, it is the County Council that generally has responsibility for economic development and place promotion.

An urban-rural differentiation within the overall pattern of place promotion is reinforced by analysis that investigates the time at which place promotional activity was first undertaken. For example, 71% of local authorities implementing place promotional activities for the first time in the 1990s are Shire District Councils. Moreover, using the urban-rural classification cited above, Figure 2 (overleaf) clearly demonstrates that the vast majority (61/86) of authorities first implementing



place promotional strategies in the 1990s, are situated in what can be deemed to be more rural locations.



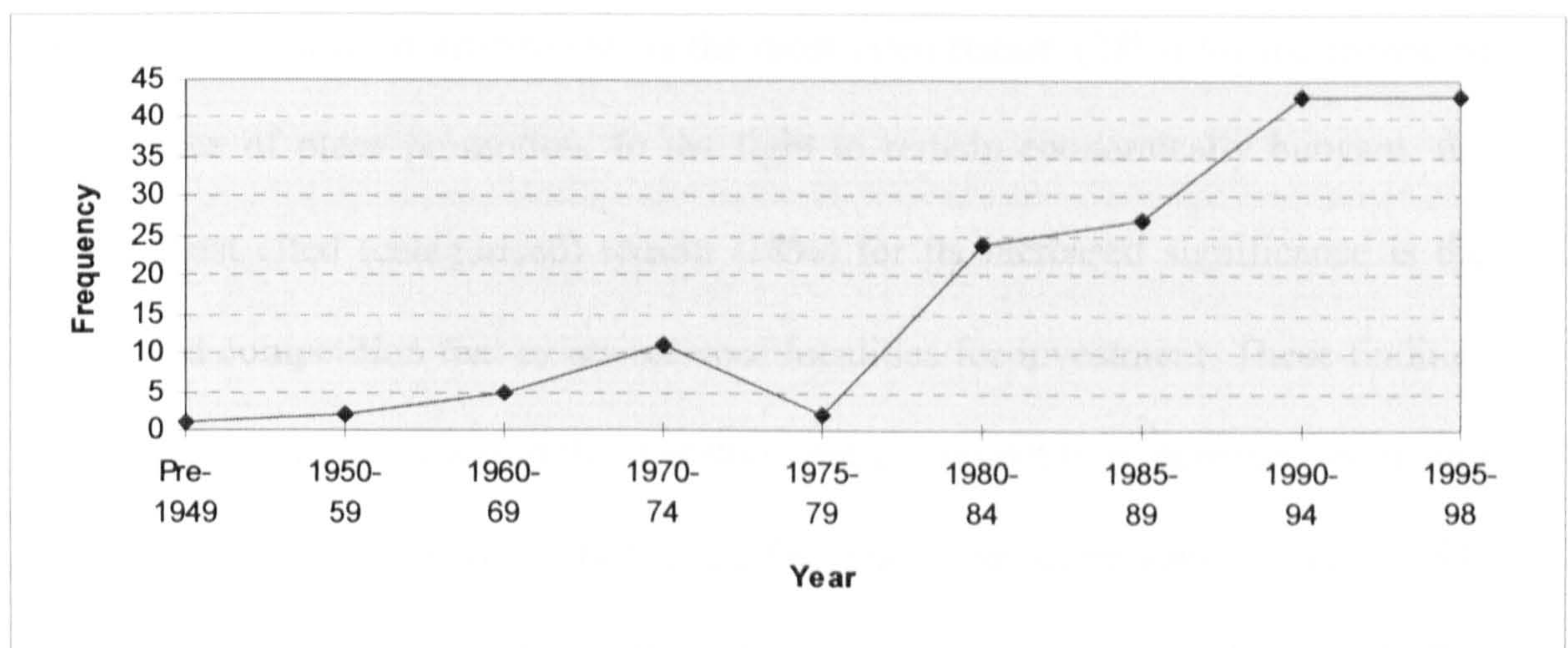
**Figure 2: Implementation of Place Promotion by Urban-Rural Classification**

By far the largest number of authorities first implementing place promotional strategies in the 1990s are District Councils (56%), and these could tentatively be classified as more rural than urban. Furthermore, 82% of those authorities who are not conducting place promotional activity or have never undertaken place promotional activity are Shire District Councils;

“I have never deemed it sensible to spend scant resources on sending messages into the ‘void’ when we are only now discovering who, where and what the market is and what product we have to offer” (District Council, 1997).



There is therefore considerable evidence to differentiate between core-periphery areas and urban-rural areas in the overall pattern of local place promotional strategy development, both in terms of the number of authorities active in place promotion and the time at which they first became involved in such activities. These findings have theoretical implications. As Chapters One and Two outlined, place promotion has become synonymous with the notion of entrepreneurialism; a notion which has come to be firmly associated with the 1980s and 1990s (Hubbard and Hall, 1998; Hall and Hubbard, 1996; Shaw, 1994; Harvey, 1989). Yet Figure 3 demonstrates that local authorities have been undertaking strategies of this kind as early as the 1940s, 1950s and 1960s.



**Figure 3: Year Place Promotional Activity First Implemented**

This raises questions therefore regarding the nature of the managerial phase of local government and the timing of the shift to entrepreneurialism. Shaw (1994) arrived at



similar conclusions in his analysis of urban regeneration initiatives in the North East of England. He highlights how;

“place-marketing strategies have been developed as part of the increasingly competitive battle for post-industrial economic activities, [but] such approaches can also be seen as extensions of pre-existing policies rather than merely as a contemporary shift to entrepreneurialism” (Shaw, 1994, 52).

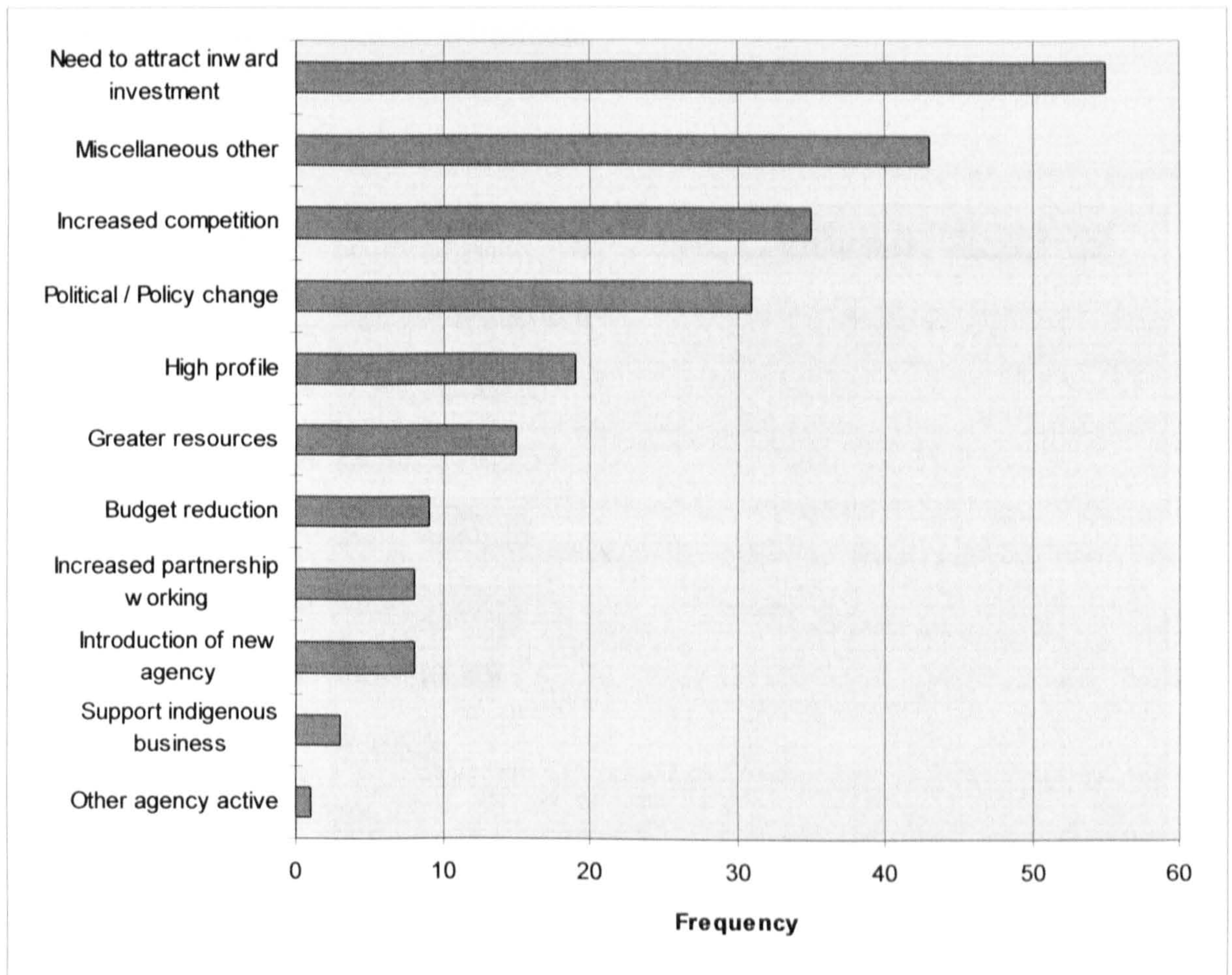
Place promotion has however gained in significance over recent years. As reported earlier, 79% and 77% of respondents stated that over the last 5 years place promotional activity has become more important within the local authority, and within the relevant department respectively. Figure 4 (overleaf) demonstrates that the ‘need to attract inward investment’ is the most cited reason (28%) for the increased significance of place promotion. In the fight to remain economically buoyant, the second most cited (categorised) reason (18%) for its increased significance is the heightened competition that exists between localities for investment. These findings lend weight to the assertion in the literature that as competition increases, more and more localities are compelled into playing the ‘place-marketing game’ (Shaw, 1994, 59) and fewer places are excluded from the compulsion to compete (Harvey, 1989). The perceived need to be proactive in the inward investment market is illustrated in the following survey responses;

“Place promotion has become more important because it is a highly competitive market for limited inward investment opportunities and we have



to respond to changes and opportunities in it” (Metropolitan District Council, 1997);

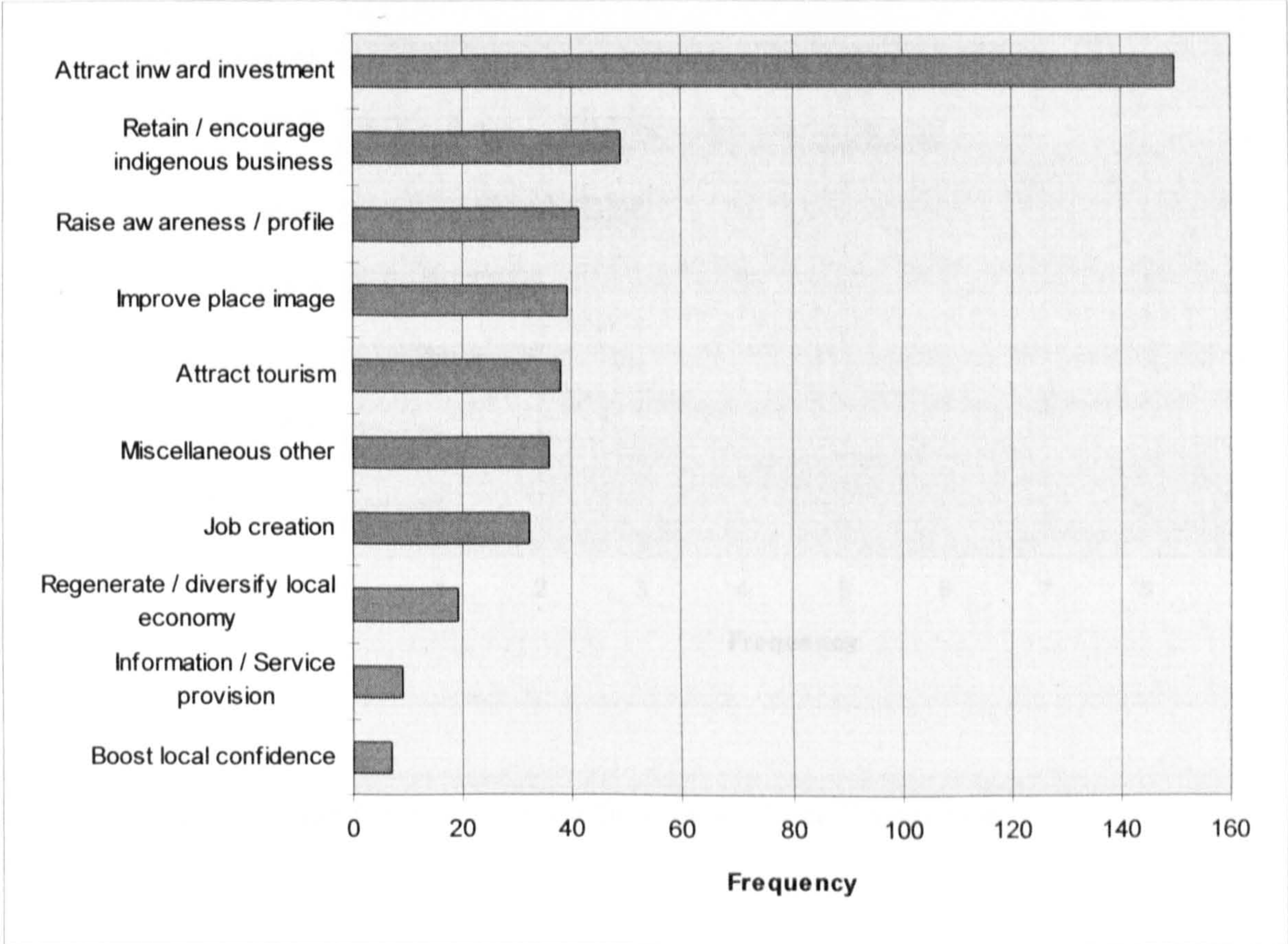
“Everywhere has become more aware of the gains to be made by attracting inward investors. Therefore, we need to be active to compete” (Metropolitan District Council, 1997).



**Figure 4: Reasons for Increased Significance of Place Promotion**



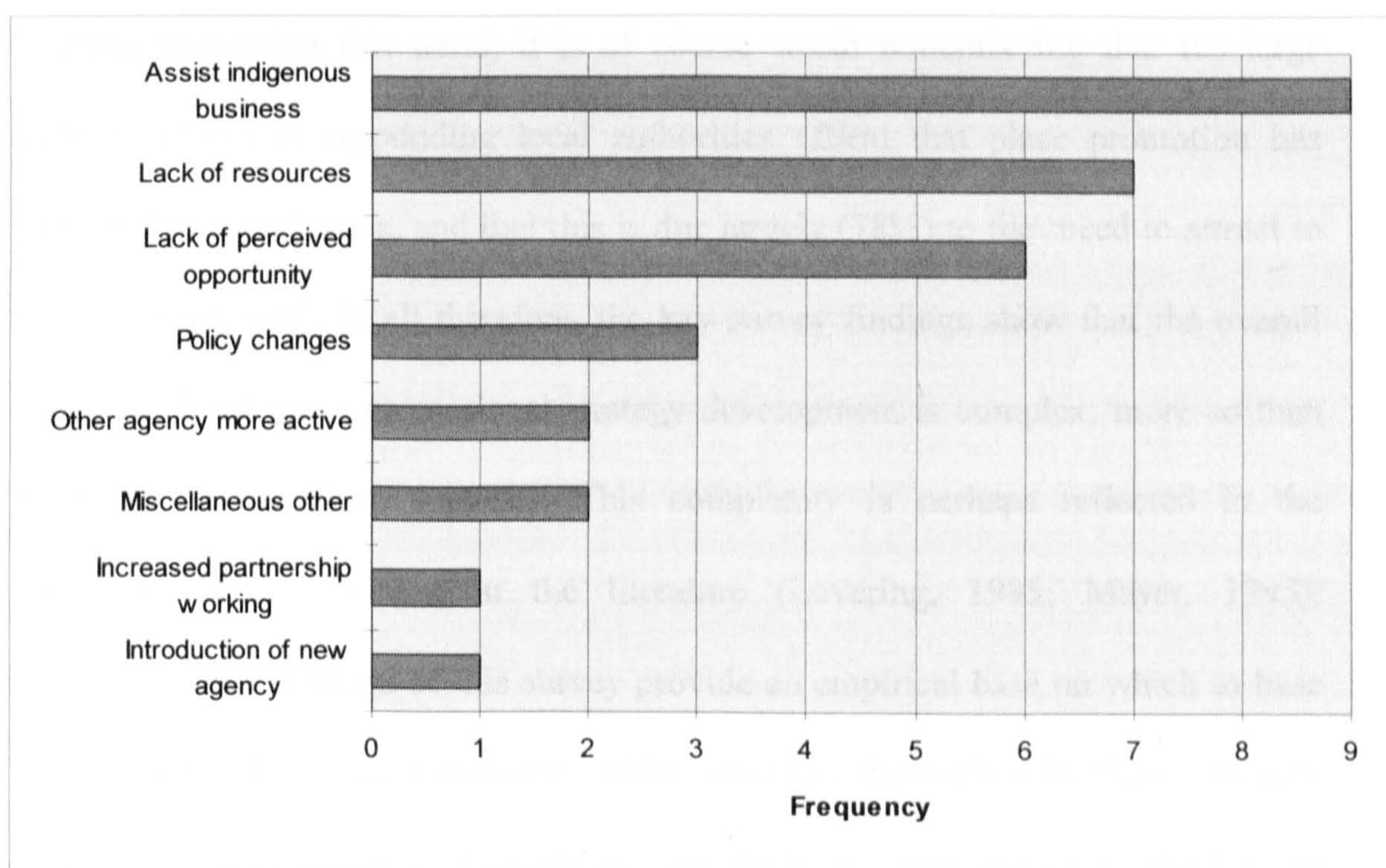
In all, the above findings go some way towards supporting the claim made by Lovering (1995), and yet the data also reveals evidence that supports the contrasting claim made by Mayer, that ‘instead of competing with other jurisdictions for the same investment, efforts are made to strengthen existing and potential indigenous resources’ (1995, 234). As illustrated in Figure 5, whilst 78% of responding local authorities stated that one of the major aims of their place promotional activity is the attraction of inward investment, the second most cited aim is paradoxically to retain, encourage and support indigenous business.



**Figure 5: Main Aims of Place Promotion**



This concurs with other commentators who have suggested that place promotional strategies aimed primarily at external investors are in decline. Millington identifies a ‘downwards shift in the level and intensity of competitive inward investment strategies’ (1998, 1) and a shift from external to internal promotion. This obviously resonates with the above finding. In addition, Figure 6 illustrates that ‘assisting indigenous business’ is the most cited reason for a decline in the importance of place promotional activity over the last 5 years.



**Figure 6: Reasons for Decreased Significance of Place Promotion**

The 21% of responding local authorities who felt that place promotion had decreased in significance over the last 5 years, cited the following reasons;



**“We have adopted a more rational view of the value of this type of promotion. There are greater rewards to be had from concentrating on assisting existing employers” (Metropolitan Borough Council, 1997).**

**“the realisation that positive, direct assistance to indigenous firms can be more successful in terms of job creation and retention” (Metropolitan Borough Council, 1997).**

Without dismissing this trend, it is of course worth remembering that the large majority (79%) of responding local authorities affirm that place promotion has increased in significance, and that this is due largely (78%) to the ‘need to attract to inward investment’. In all therefore, the key survey findings show that the overall pattern of local place promotional strategy development is complex, more so than much of the literature suggests. This complexity is perhaps reflected in the competing claims evident in the literature (Lovering, 1995; Mayer, 1995), nonetheless, the findings of this survey provide an empirical base on which to base future claims. The causal processes which manifest themselves in these complex trends will be explored in subsequent case study research, owing to the limited nature of aggregate research. However, the specification, at an aggregate level, of the roles and functions of public and private sector bodies in place promotional strategy can be undertaken here. The identified trends can then be used to direct and inform the case study research.



## **5.2 Institutional roles and functions**

As outlined in Chapter One, few commentators (Ward, 1999a) have sought to specify the form of local governance arrangements that have developed in support of place promotion. Many questions therefore remain unanswered regarding the pattern of institutional involvement in place promotion, in particular, with regard to the respective roles and functions of local government and other quasi-public and private sector interests, and the differentiated nature of their involvement in local promotional coalitions. The last decade especially, has witnessed a plethora of new agencies entering the economic development arena, raising questions over policy remits and patterns of institutional responsibility. The precise specification of this configuration of governance and the role of local government within it is important and yet remains unclear. An assessment of who does what, and where institutional responsibility lies is therefore warranted. In essence, one needs to identify: firstly, the types of organisations involved; secondly, the lead organisations; thirdly, the form of associated institutional structures; and fourthly, the spatial scales at which these institutional structures occur and operate.

The survey reveals that, beyond the relevant department itself, 'Other local authorities/departments' are the most involved organisational body in place promotion, with 65% of respondents citing 'Other local authorities/departments' as being directly involved in their local place promotional strategy development. It must of course be noted that local authorities may overemphasise their own role and the role of neighbouring authorities. Nonetheless, two patterns emerge from the survey responses: firstly, relating to the breadth of departmental responsibility within

the local authority; and secondly, the extent of collaborative relations with neighbouring local authorities.

It is clear that responsibility for local place promotional strategy is often shared amongst a range of interests. 54% of responding local authorities share responsibility for the development and implementation of local promotional activity with other departments, other local authorities, or external agencies. The remaining 46% of authorities claim to have sole responsibility for these activities within their department. Of those sharing responsibility, 76% share responsibility for these activities internally, primarily amongst a core set of local authority departments: namely, Economic Development; Planning; Tourism and Leisure; Public Relations; Marketing and Media; and the Chief Executive's Department. In many of these cases, internal reorganisation has led to the creation of new departmental structures, for example, large Development or Strategic Policy Directorates incorporating those departments named above.

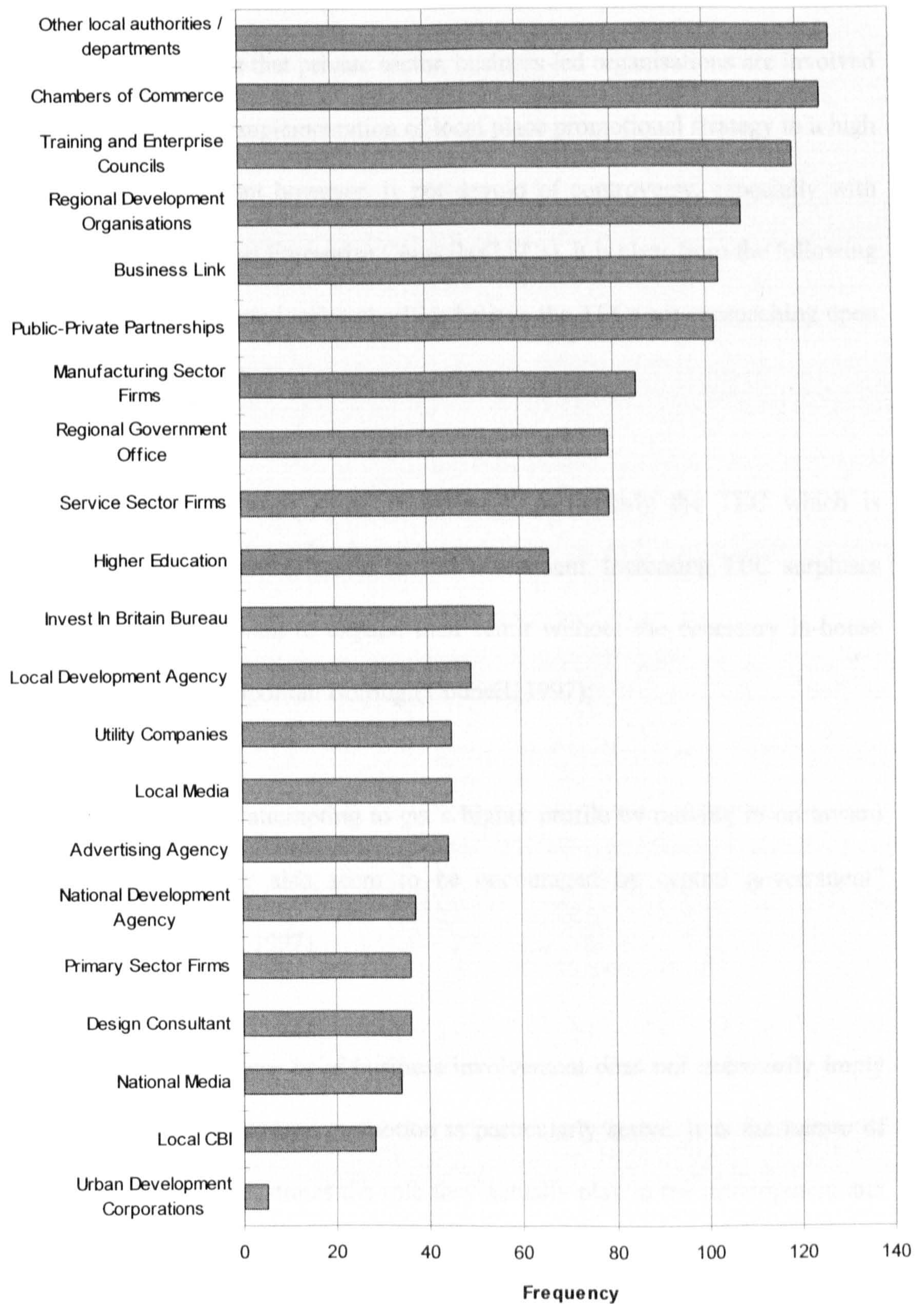
Externally, it is clear that those authorities operating within a two-tier system of local government, are working collaboratively to produce joint promotional strategies. Many District Councils are evidently handing over (or County Councils are taking over) responsibility for local place promotion. It is often the case that District Councils retain responsibility for the production of a local sites, premises and property register, but the larger scale, strategic marketing activity is generally pursued at the County Council level. It is also the case that human and financial resources allocated for promotional activity at District level are being seconded to



larger, County-level economic development departments or sub-regional County-led development agencies. For example, the Somerset Economic Partnership, the Leicestershire Inward Investment Partnership, the Bedfordshire Economic Partnership, the Warwickshire Inward Investment Partnership, the Hampshire Economic Partnership, and the Cumbria Inward Investment Agency, to name but a few. All of which are based at, and led by the County Council, and most, if not all District Councils are participating members, together with other quasi-public and private sector organisations.

This institutional reorganisation may reflect the realities of economies of scale, or perhaps the realisation that it is more effective to have a single, overarching marketing programme that projects consistent and coherent messages, rather than a cacophony of voices creating confusion for any potential investor. Nevertheless, the pooling together of resources and expertise in collaborative partnership arrangements has a strong resonance with the territorially-based alliances described in the literature (Harvey, 1989; Cox and Mair, 1988). It is widely perceived that in the context of ever-increasing competition, localities are compelled to enhance local capacity in order to secure sustained economic growth. This may well entail finding public and private sector partners beyond municipal boundaries. Other agencies and organisations are however encroaching upon the promotional responsibilities of the local state. As can be seen from Figure 7 (overleaf), 64%, 61% and 53% of responding local authorities cited the involvement of Chambers of Commerce, Training and Enterprise Councils (TECs), and Business Links respectively.





**Figure 7: Public and Private Sector Involvement in Place Promotion**



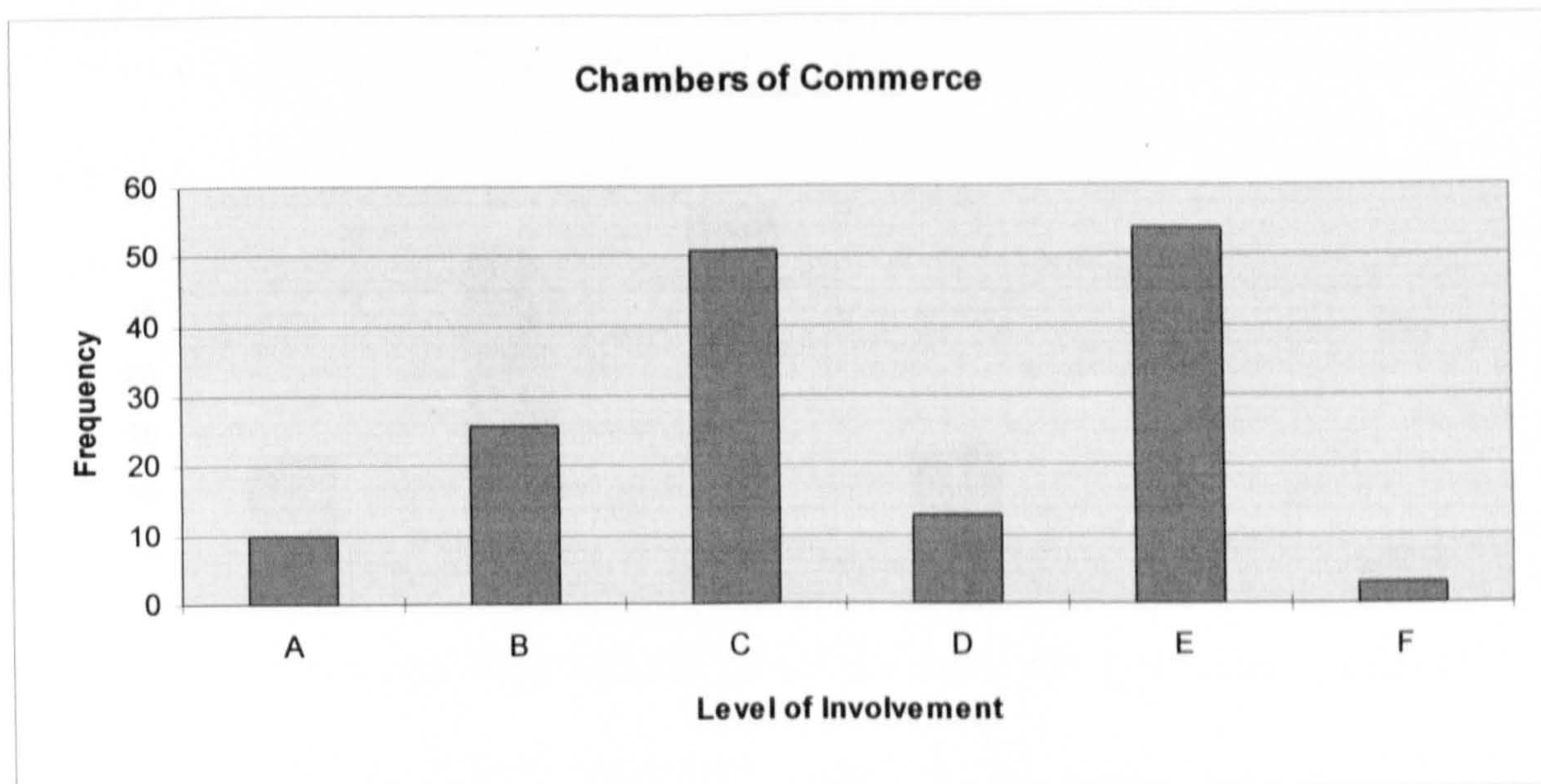
It would appear therefore that private sector, business-led organisations are involved in the development and implementation of local place promotional strategy to a high degree. Their involvement however, is not devoid of controversy, especially with respect to the Training and Enterprise Councils (TECs). It is clear from the following survey responses that some local authorities believe the TECs are encroaching upon their areas of responsibility;

“other agencies want more involvement, particularly the TEC which is looking to be more active in inward investment. Increasing TEC surpluses mean that they want to expand their remit without the necessary in-house expertise” (Metropolitan Borough Council, 1997);

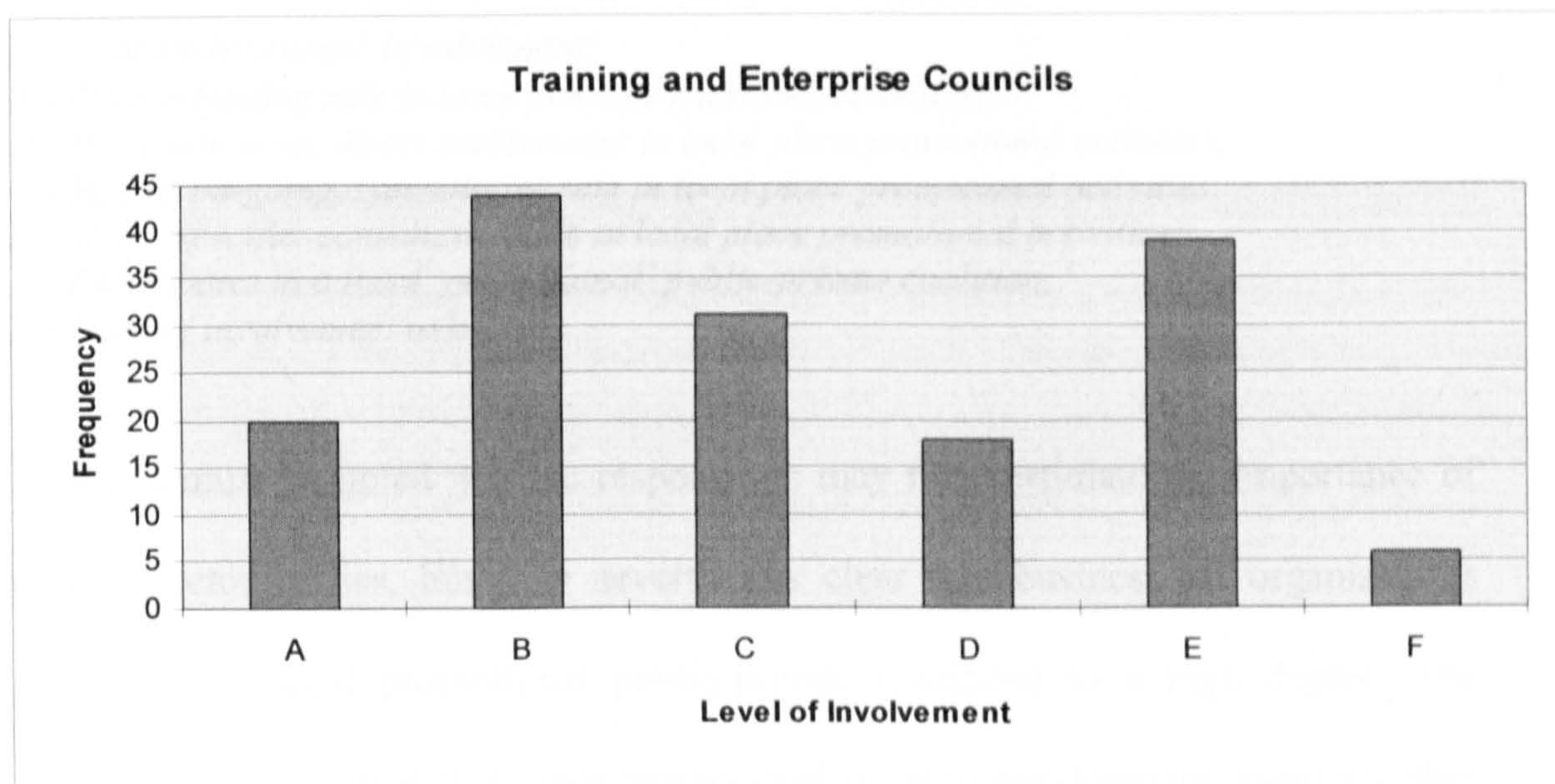
“some TECs are attempting to get a higher profile by moving in on inward investment. They also seem to be encouraged by central government” (County Council, 1997).

However, the existence *per se* of business involvement does not necessarily imply that their engagement in place promotion is particularly active. It is the *nature* of their involvement that illustrates the role they actually play in the development and implementation of local place promotional strategy. On comparing the following graphs (Figures 8, 9 and 10 overleaf), it becomes apparent that business-led organisations, whilst directly involved in local place promotion, generally assume a consultative role.





**Figure 8: Chambers of Commerce**



**Figure 9: Training and Enterprise Councils**

*Level of Institutional Involvement:*

*A - Plays a leading role in local place promotional activities;*

*B - Has continuous, direct involvement in local place promotional activities;*

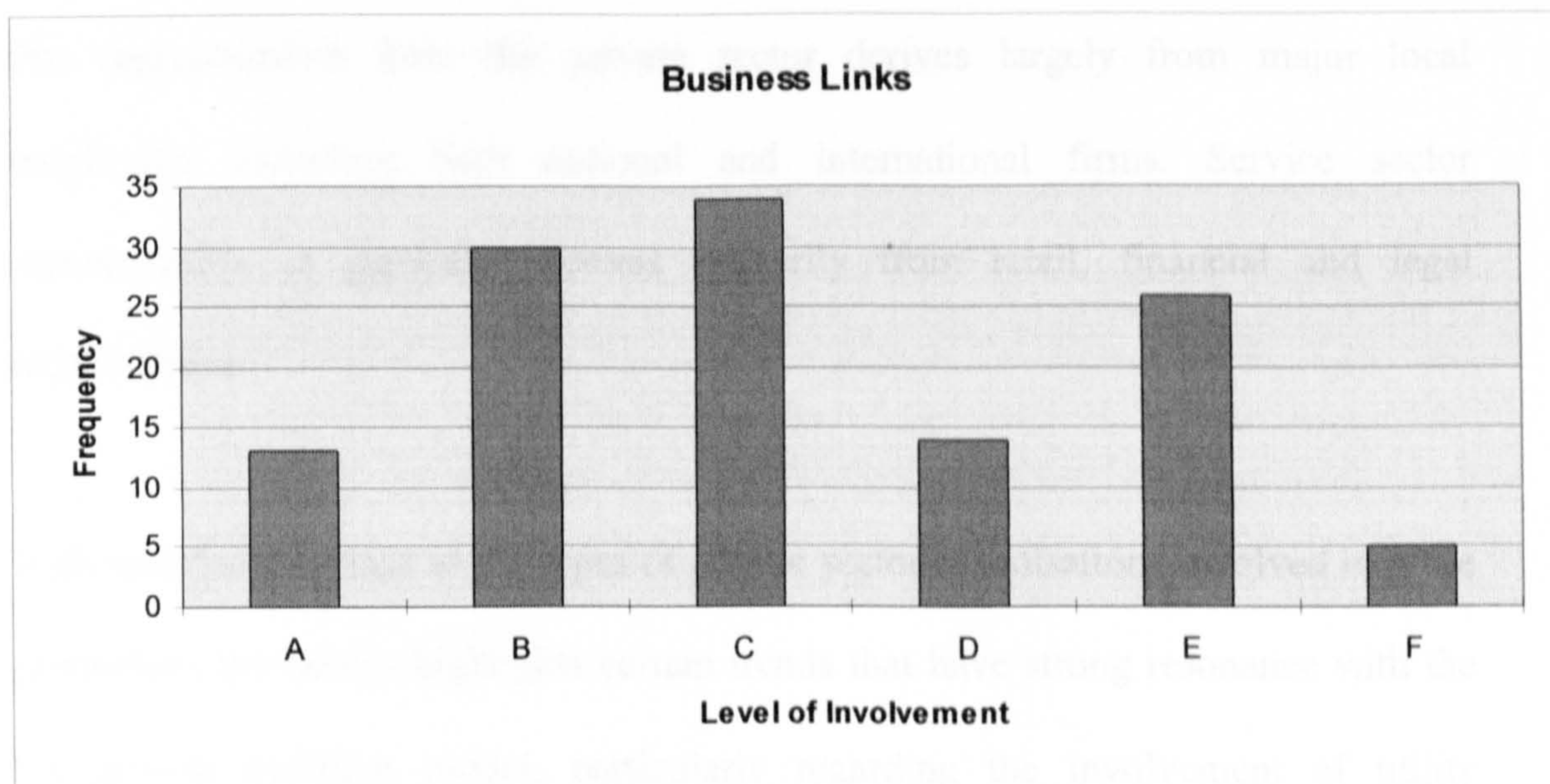
*C - Has an on-going, consultative role in local place promotional activities;*

*D - Has a specific, consultative role in local place promotional activities;*

*E - Participates in a local 'promotional' public-private coalition;*

*F - Level of involvement unknown.*





**Figure 10: Business Links**

*Level of Institutional Involvement:*

*A - Plays a leading role in local place promotional activities;*

*B - Has continuous, direct involvement in local place promotional activities;*

*C - Has an on-going, consultative role in local place promotional activities;*

*D - Has a specific, consultative role in local place promotional activities;*

*E - Participates in a local 'promotional' public-private coalition;*

*F - Level of involvement unknown.*

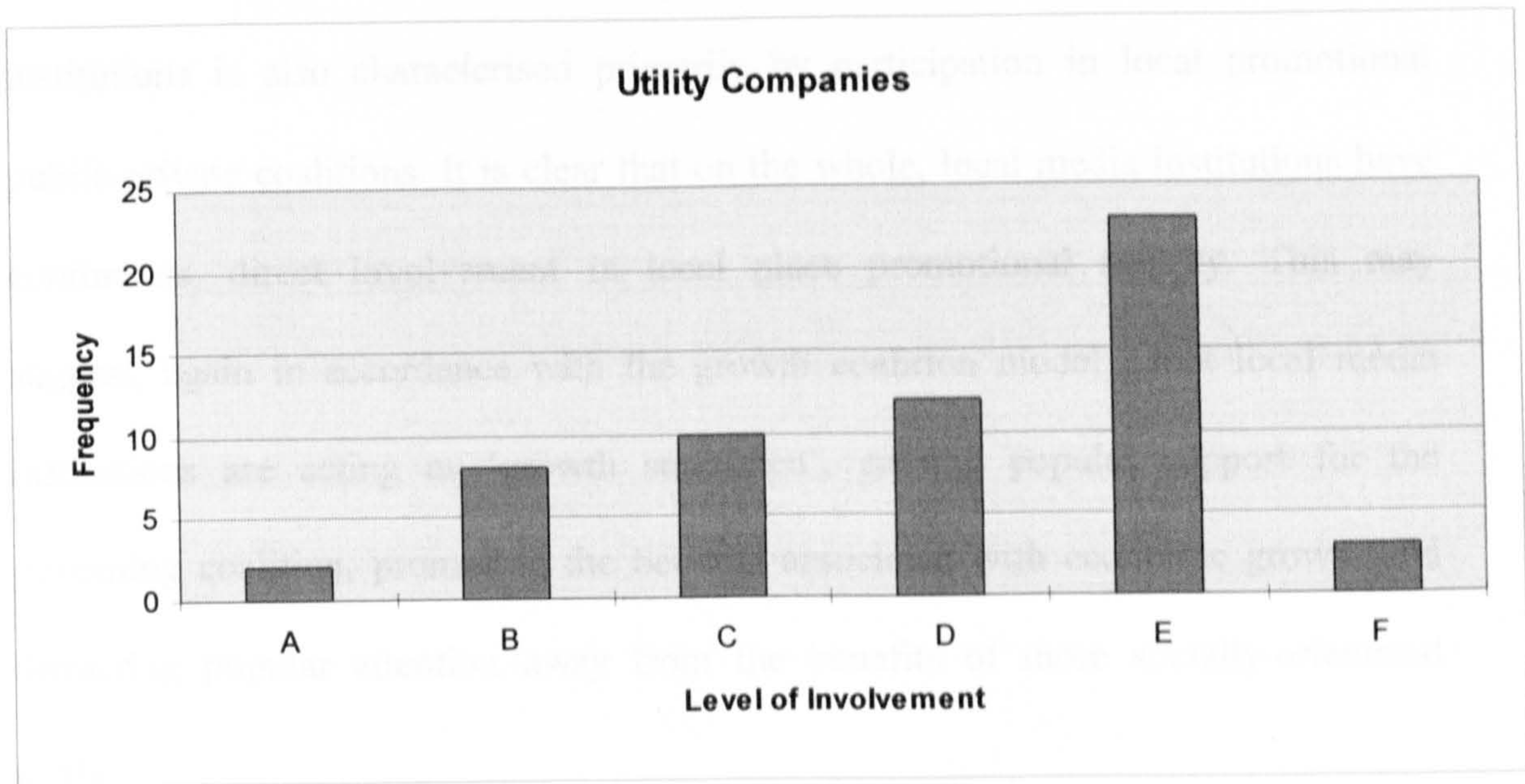
Again, it must be noted that the respondents may underestimate the importance of private sector bodies, but it is nevertheless clear that business-led organisations participate in local promotional public-private coalitions to a high degree. The survey reveals therefore that place promotional strategy development draws together a particular set of local actors, with local authorities, Chambers of Commerce and TECs (and Business Links to a lesser extent) at the core. This core is then supported by the involvement of Regional Development Organisations, Manufacturing Sector Firms, Service Sector Firms, and Institutions of Higher Education (see Figure 7, page 127). The involvement of these organisations was cited by 56%, 44%, 41% and



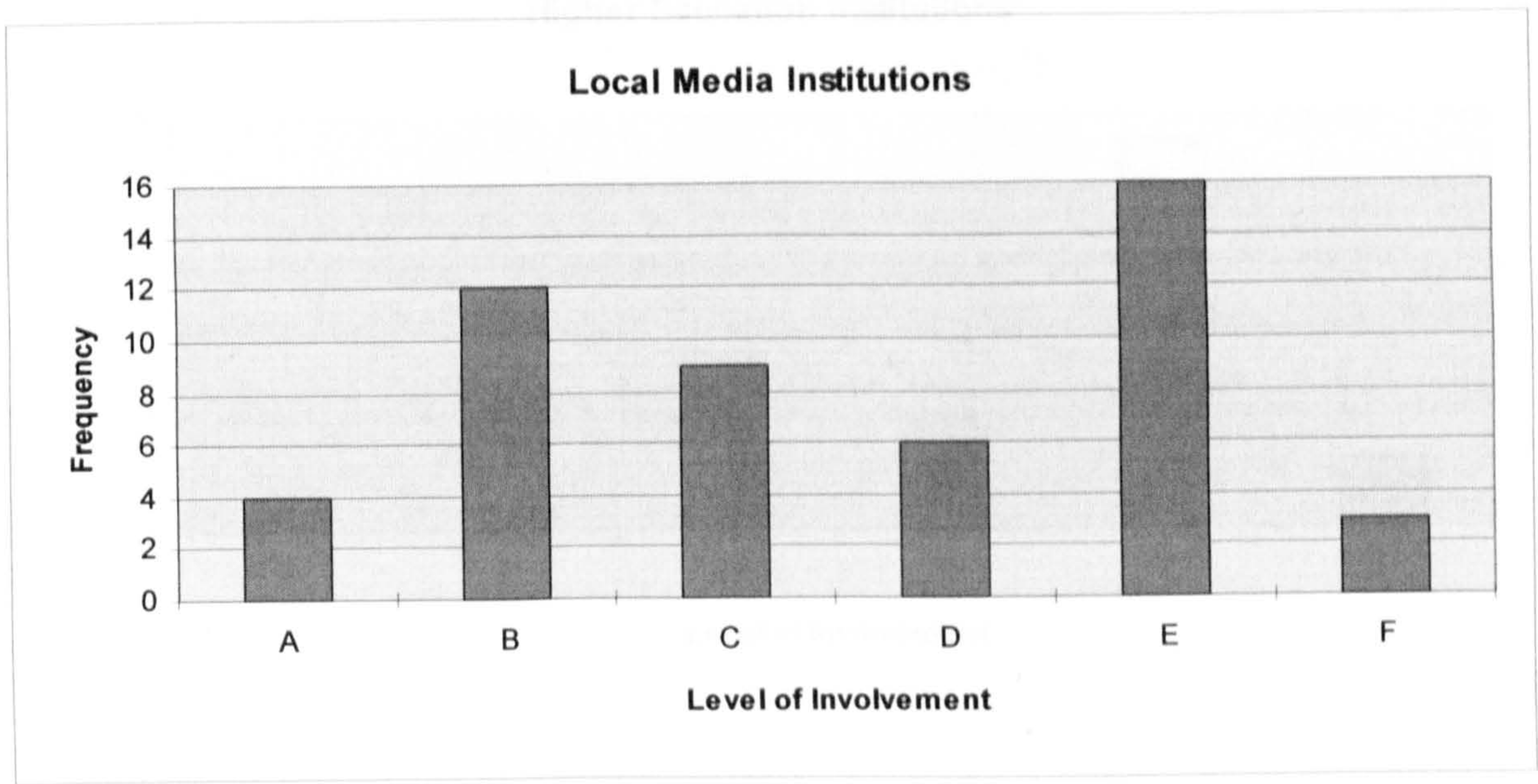
34% of responding authorities respectively. It is apparent from the survey responses that representation from the private sector derives largely from major local employers, including both national and international firms. Service sector representation in particular derives primarily from retail, financial and legal organisations.

With specific reference to the types of private sector organisations involved in place promotion, the survey highlights certain trends that have strong resonance with the US growth coalition model, particularly regarding the involvement of utility companies, the local media and higher education institutions (Logan and Molotch, 1987; Lloyd and Newlands, 1988). In the US context, Cox (1997) specifically illustrates the widespread involvement of utility companies in place promotion and in the attraction of inward investment in particular. In the British context, the survey reveals that utility companies, the local media and higher education institutions are involved in place promotion and local associated coalitions. This suggests perhaps that, in accordance with the growth coalition model, these organisations have become important stakeholders in local economic development. As Figure 11 (overleaf) illustrates, utility companies are primarily involved in local place promotional strategy development through their participation in local promotional public-private coalitions and via a specific, consultative role. This is confirmed by those respondents who indicated that utility companies are often called upon to respond to the specific servicing requirements of potential inward investors.





**Figure 11: Utility Companies**



**Figure 12: Local Media Institutions**

*Level of Institutional Involvement:*

*A - Plays a leading role in local place promotional activities;*

*B - Has continuous, direct involvement in local place promotional activities;*

*C - Has an on-going, consultative role in local place promotional activities;*

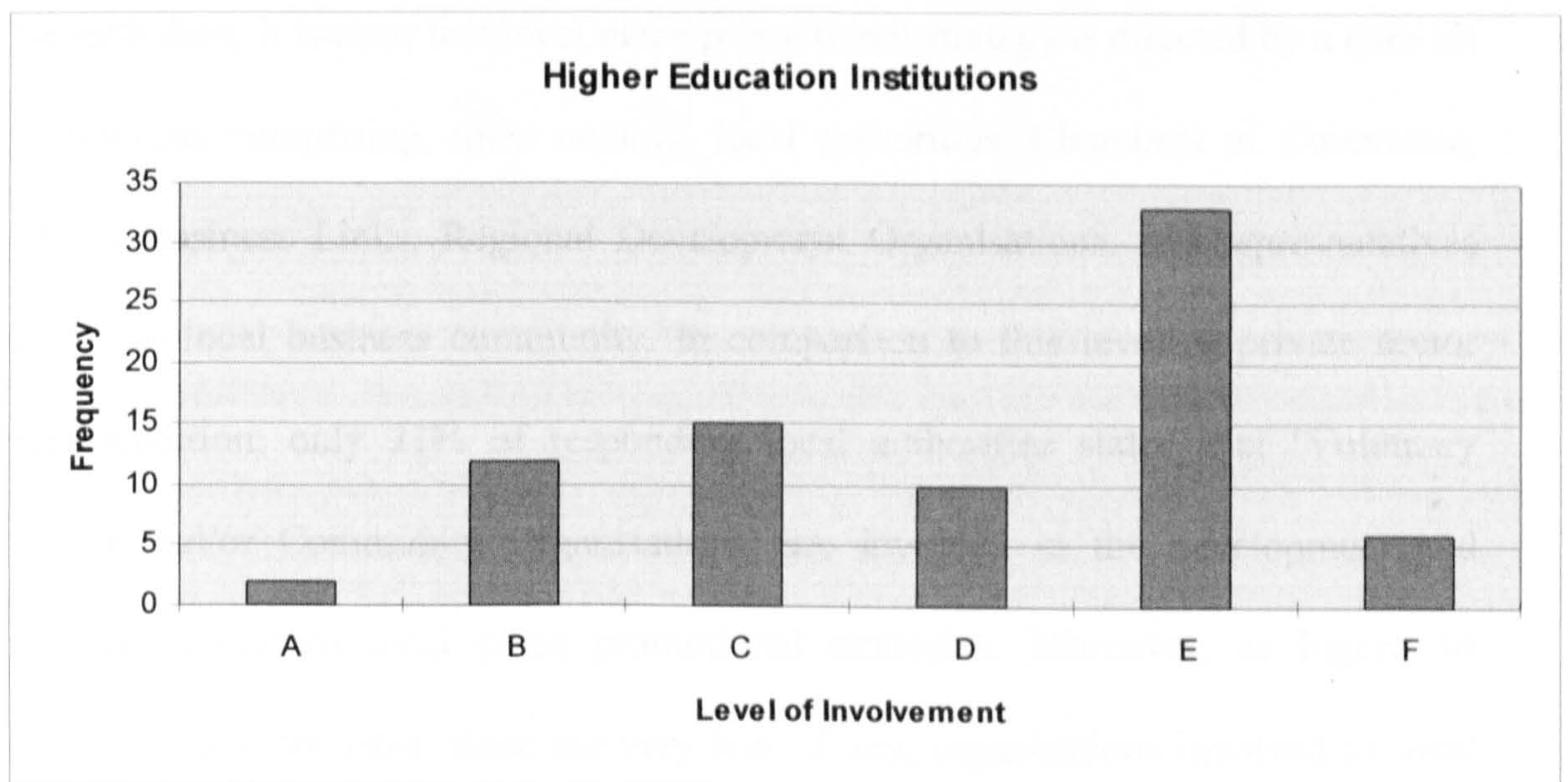
*D - Has a specific, consultative role in local place promotional activities;*

*E - Participates in a local 'promotional' public-private coalition;*

*F - Level of involvement unknown.*



As can be seen from Figure 12 (previous page), the involvement of local media institutions is also characterised primarily by participation in local promotional public-private coalitions. It is clear that on the whole, local media institutions have continuous, direct involvement in local place promotional activity. This may suggest, again in accordance with the growth coalition model, that local media institutions are acting as ‘growth statesmen’, gaining popular support for the governing coalition, promoting the benefits associated with economic growth and detracting popular attention away from the benefits of more socially-orientated goals.



**Figure 13: Higher Education Institutions**

*Level of Institutional Involvement:*

*A - Plays a leading role in local place promotional activities;*

*B - Has continuous, direct involvement in local place promotional activities;*

*C - Has an on-going, consultative role in local place promotional activities;*

*D - Has a specific, consultative role in local place promotional activities;*

*E - Participates in a local ‘promotional’ public-private coalition;*

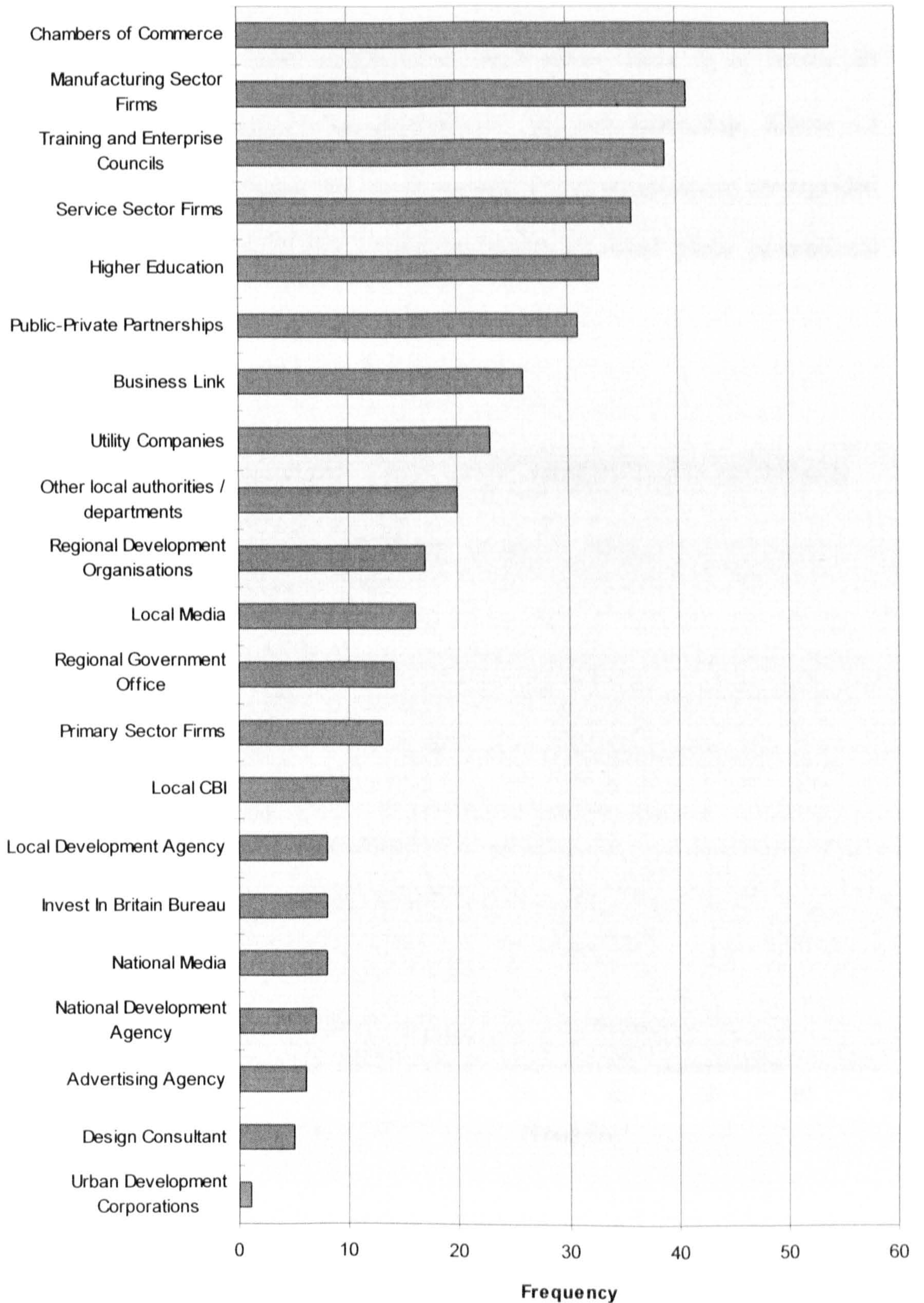
*F - Level of involvement unknown.*



Figure 13 (previous page) illustrates that the involvement of Higher Education institutions is overwhelmingly through their participation in local promotional public-private coalitions. This may suggest that they have yet to define or assert a clear, proactive role beyond a simple desire to be involved, or alternatively, it may suggest that they have a very clearly defined role; one that is perhaps related to the wealth of knowledge resources that are at their disposal. Unfortunately, the survey responses do not provide further information upon which such claims could be based. However, the issues raised here can be followed up during the subsequent case study investigations.

Nevertheless, it is clear that local place promotional strategy is directed by a core set of interests comprising, most notably, local authorities, Chambers of Commerce, TECs, Business Links, Regional Development Organisations, and representatives from the local business community. In comparison to this level of private sector representation, only 21% of responding local authorities stated that 'Voluntary Sector and/or Community Organisations' are involved in the development and implementation of local place promotional strategies. Moreover, as Figure 14 (overleaf) demonstrates, there are very few, if any, organisations involved in local promotional public-private coalitions that may represent the views of the voluntary and community sectors. Whilst it is recognised that voluntary and community groups pursue economic goals and desire economic growth and development, it could be suggested, from the particular balance of interests portrayed in Figure 14, that local promotional coalitions are more likely to pursue economic policies (which benefit the local business community) than those which are more socially-orientated.

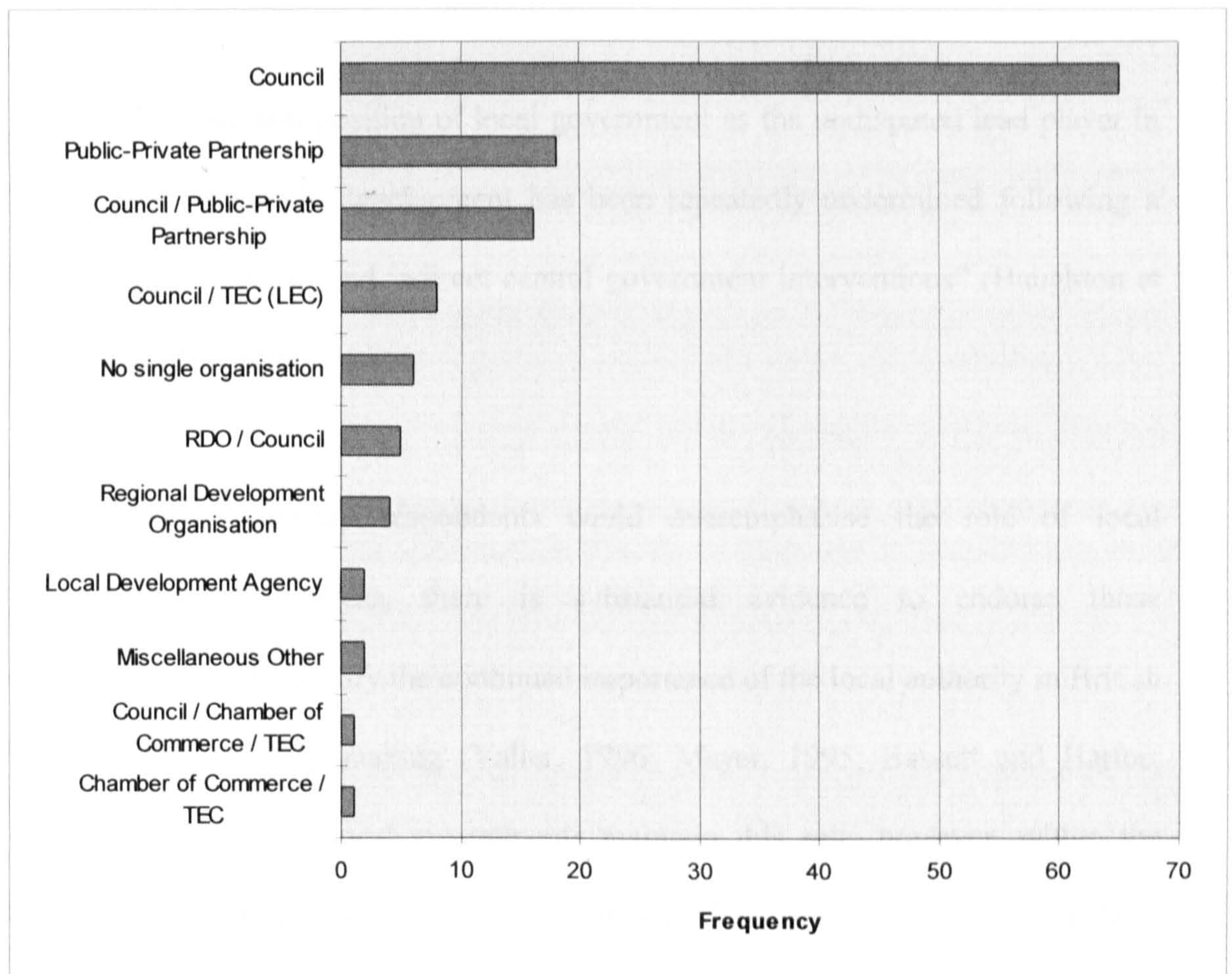




**Figure 14: Public and Private Sector Involvement in Promotional Coalitions**



With reference to the 'core' organisations cited above, there is of course an important distinction between involvement *per se*, and leadership. Figure 15 illustrates which organisations, and which combination of organisations are regarded as having responsibility for the overall leadership of local place promotional activities.



**Figure 15: Overall Leadership of Place Promotion**

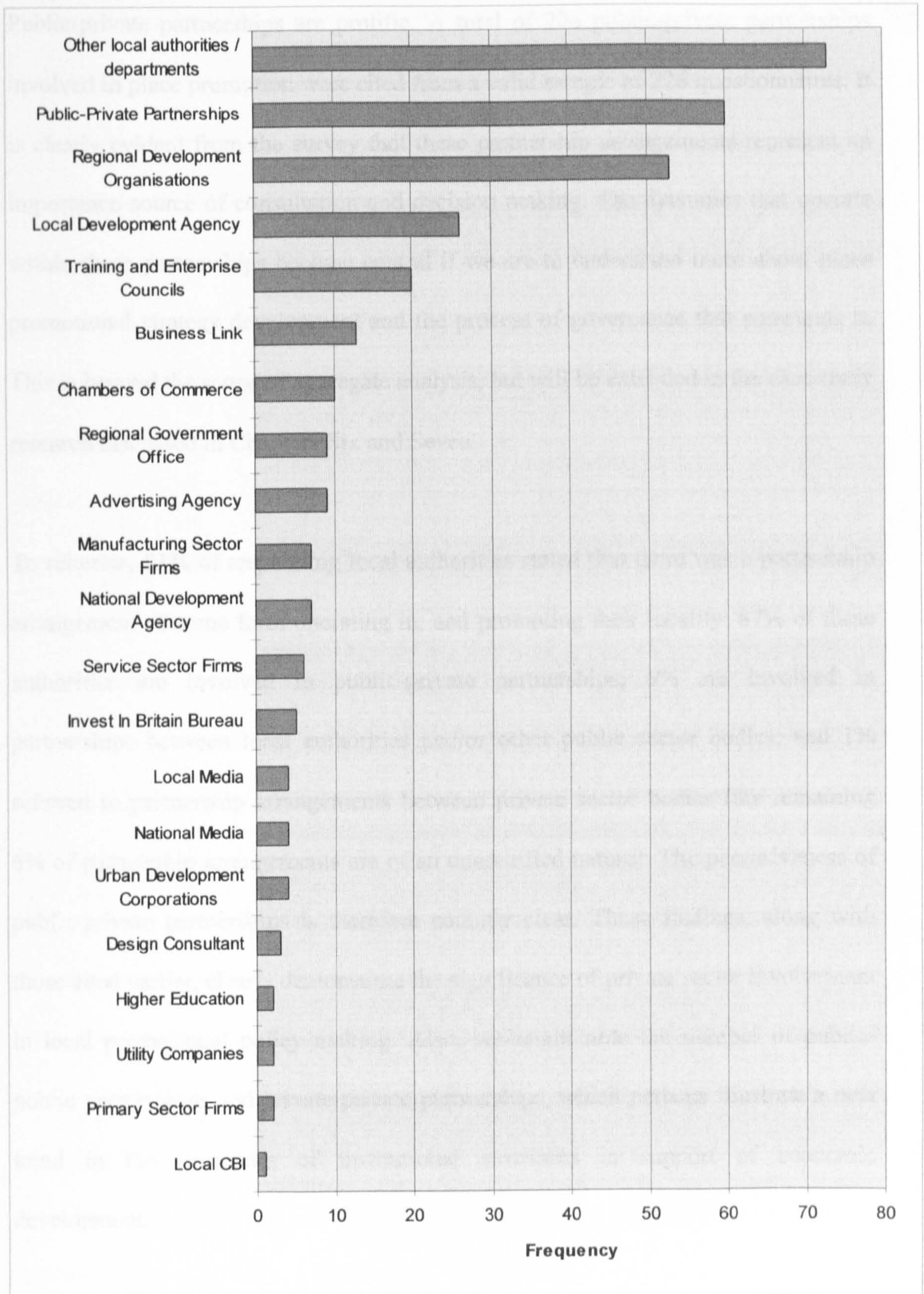


51% of responding local authorities claim to be in a position of overall leadership and have ultimate responsibility for the development and implementation of local place promotional strategies. While Chambers of Commerce and TECs evidently have an important role to play in local place promotional strategy, both individually and as constituent members of public-private partnerships, the dominant position of the local authority must call into question claims regarding the fundamental erosion of local governmental control;

“the dominant position of local government as the undisputed lead player in local economic development has been repeatedly undermined following a series of direct and indirect central government interventions” (Haughton et al, 1997, 88).

Clearly, local authority respondents could overemphasise the role of local government. Nevertheless, there is substantial evidence to endorse those commentators who identify the continued importance of the local authority in British local economic policy making (Valler, 1996; Mayer, 1995; Bassett and Harloe, 1990; Cooke, 1988). Local governments maintain this role, however, within the overall context of governance, the pervasiveness of which cannot be denied. 81% of responding local authorities are involved in public-private partnerships that promote the locality, and 95% cited the involvement of ‘other agencies/organisations’ in the development and implementation of their local place promotional strategies. Figures 15 and 16 (overleaf) illustrate that public-private partnerships occupy a highly significant position in such strategy development.





**Figure 16: Organisations Leading Place Promotion**



Public-private partnerships are prolific. A total of 206 public-private partnerships involved in place promotion were cited from a valid sample of 226 questionnaires. It is clearly evident from the survey that these partnership arrangements represent an importance source of consultation and decision making. The dynamics that operate within these partnerships become central if we are to understand more about place promotional strategy development and the process of governance that surrounds it. This is beyond the scope of aggregate analysis, but will be extended in the case study research discussed in Chapters Six and Seven.

To reiterate, 81% of responding local authorities stated that there was a partnership arrangement of some form operating in, and promoting their locality: 87% of these authorities are involved in public-private partnerships; 6% are involved in partnerships between local authorities and/or other public sector bodies; and 1% referred to partnership arrangements between private sector bodies (the remaining 6% of partnership arrangements are of an unspecified nature). The pervasiveness of public-private partnerships is therefore patently clear. These findings, along with those cited earlier, clearly demonstrate the significance of private sector involvement in local promotional policy making. Also, we might note the number of public-public partnerships and private-private partnerships, which perhaps illustrate a new trend in the formation of institutional structures in support of economic development.

Furthermore, whilst it is recognised that there is nothing new about partnership formation (Harvey, 1989; Shaw, 1994; Hall and Hubbard, 1996); for example, the



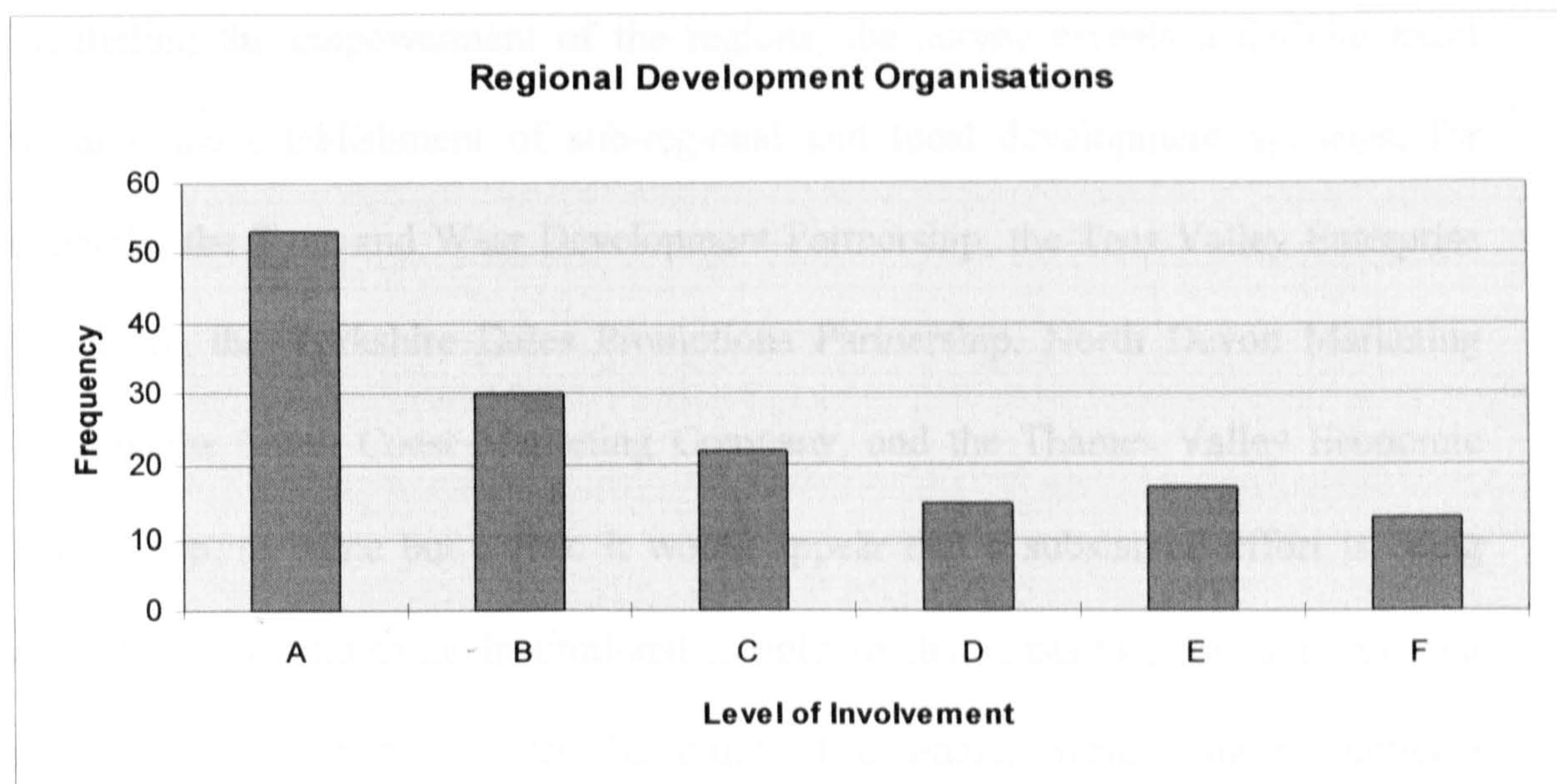
19th and early 20th Century alliances between civic leaders and prominent local businesses, the survey reveals the recent expansion of public-private partnerships. 55% of the partnerships cited were formed between 1995 and 1998, 39% were formed between 1990 and 1994, with just 6% in existence before 1990. The earliest account of partnership formation in the survey is 1985. These findings clearly demonstrate the contemporary nature of public-private partnership formation. This could perhaps reflect the increased need to engender effective local capacity, or perhaps the partnership requirement inherent in central government and European competitive funding regimes. Further analysis is clearly required, and the causal processes behind this trend will be explored in subsequent case study research.

### **5.3 The scale of institutional involvement**

Fundamentally, there has been a significant shift away from 'organising for economic development' (Cox, 1997; Wood, 1993) at the national scale towards the regional, sub-regional and local scales, and it is evident from the survey that the institutional pattern at the regional scale has undergone significant transformation. The survey was administered two years before the introduction of the Regional Development Agencies (RDAs) in April 1999. These have been established throughout England in the nine Standard Government Office Regions. Nonetheless, it is clear from the survey that regional and sub-regional dimensions of governance are significant, not least with the recent introduction of the East of England Investment Agency (EEIA), the West of England Development Agency (WEDA), and the Regional Investment Office for the South East (RIO SE). Regional Development Organisations (RDOs) have since been subsumed within the new



RDAs, but the significance of their involvement and leadership in 1997 is apparent from Figure 16 (page 138), and from Figure 17 below.



**Figure 17: Regional Development Organisations**

*Level of Institutional Involvement:*

*A - Plays a leading role in local place promotional activities;*

*B - Has continuous, direct involvement in local place promotional activities;*

*C - Has an on-going, consultative role in local place promotional activities;*

*D - Has a specific, consultative role in local place promotional activities;*

*E - Participates in a local 'promotional' public-private coalition;*

*F - Level of involvement unknown.*

This is perhaps not surprising given their remit of economic development and inward investment promotion. It is interesting to note however, the significant level of their involvement in *local* place promotional strategy given that their remit is fundamentally regional in scale. The survey reveals that RDO-local authority relations are cooperative on the whole, but as with the business-led organisations, this relationship is also not without controversy. Survey responses did indicate that



some local authorities are concerned about the equality of investment distribution across the region, with some areas believed to be favoured over others.

Paralleling the empowerment of the regions, the survey reveals a definite trend towards the establishment of sub-regional and local development agencies, for example, the Tyne and Wear Development Partnership, the Tees Valley Enterprise Company, the Yorkshire Dales Promotions Partnership, North Devon Marketing Bureau, the South Coast Marketing Company, and the Thames Valley Economic Partnership, to name but a few. It would appear that a substantial effort is being made locally to reduce the institutional complexity that exists by pooling all relevant resources and expertise under the remit of a single, overarching promotional organisation (as described earlier with the sub-regional County-led development agencies). The proliferation of sub-regional and local development agencies may also reflect the 'localisation' (Lovering, 1995) of economic development strategies and institutional forms. It is often cited in the literature that localities feel compelled to amalgamate local expertise and resources into partnership arrangements so as to possess the ability, capacity and skills to negotiate with regional, national and international government agencies and capital. The dynamics of these types of causal processes are investigated in the following two chapters, however it is worthy of note here that further analysis on partnership arrangements reveals that 55% are formed at the local scale, 41% are sub-regional in their geographical remit and 4% are regionally-based. These figures perhaps reinforce the notion that local actors are attempting to take control of their own destinies by introducing partnership measures designed to enhance local capacity.

It must not be forgotten of course, that competitive funding regimes introduced by central government 'require' local authorities to enter into partnerships, and compel localities to battle between themselves for ever-dwindling resources. Therefore, motivations behind public-private partnership formation may not always be altruistic or benevolent. Just as heightened competition for inward investment can lead to partnership formation, so can the need to compete in funding regimes;

“more partnership working has been essential in a period of declining resources” (County Council, 1997).

Again, causal processes such as these will be explored in the case study chapters, but for now, whatever motivations lie behind partnership formation, the survey has demonstrated, with specific reference to local place promotional strategy and associated partnerships, that local authorities retain an influential role. The evidence presented here, strongly suggests that local authorities lead place promotional activity at the local scale, thus raising fundamental questions concerning the erosion of local government. The reduction of local government activity in the sphere of economic development is called into question when 85% of responding local authorities currently undertake place promotional activity, together with the fact that 51% of these claim to be in a position of 'overall leadership' and have ultimate responsibility for the development and implementation of such strategies. These findings are surely testament to the continued centrality of the local authority in



British local economic policy making, and of their significance in local public-private coalitions.

#### **5.4 Conclusion**

This chapter has presented and discussed the key findings from a national survey of local authorities. In so doing, it has revealed overall patterns and trends in local place promotional strategy development, and associated patterns of public and private sector involvement and institutional formation. Whilst providing a broad overview of current practice and policy, the survey also addressed three more specific aims: to determine the overall pattern of local place promotional strategy development; to specify, at an aggregate level, the institutional roles and functions of public and private sector organisations involved in place promotion; and to examine temporal and spatial diversity in both of the above.

In addressing these aims, the survey has provided important empirical evidence on which to base claims regarding place promotion, and on which to base further case study research. In conclusion therefore, with 85% of local authorities conducting place promotional strategies, the current pervasiveness of place promotion is clear.

The survey has revealed however that within this overall context, the pattern of place promotion is differentiated across core-periphery regions and between urban and rural areas. In general, authorities located in urban and (northern) peripheral locations are more active in place promotion and implemented promotional strategies earlier than those located in the more rural and (southern) core areas of Britain. Furthermore, whilst some urban and (northern) peripheral authorities

conducted place promotion as early as the 1940s, 50s and 60s, it is clear that the vast majority of authorities implemented place promotional strategies in the 1980s and 1990s. Therefore, whilst place promotion is not a new phenomenon, there has been a dramatic expansion in the numbers of authorities participating in the practice over recent years.

Turning to patterns of public and private sector involvement and associated patterns of institutional formation, firstly, it is clear that governance arrangements have developed in support of place promotion. 81% of responding local authorities are involved in public-private partnerships that promote the locality, and 95% cited the involvement of 'other agencies/organisations' in the development and implementation of their local place promotional strategies. Within this overall context of 'governance', the survey identified that place promotion draws together a particular set of local actors. Local authorities, which maintain a dominant position, together with Chambers of Commerce and TECs comprise the core of these governance arrangements. This core is then supported by the involvement of Regional Development Organisations, Manufacturing Sector Firms, Service Sector Firms, and Institutions of Higher Education. In all therefore, the empirical findings of this survey clearly demonstrate the pervasiveness of place promotion and governance, and the continued salience of local government.

In conclusion, it is clear that the pattern of place promotional strategy and associated patterns of institutional involvement and coalition formation is more complex than the much of the literature suggests. The survey has highlighted important patterns



and trends in local place promotional strategy development, and prior to these findings, there was little empirical evidence on which to base claims regarding place promotion or its supporting forms of governance. These aggregate patterns and trends inform the more detailed case study research presented and discussed in the following two chapters.

## CHAPTER SIX

### LOCAL GOVERNANCE: THE NEWCASTLE CASE

#### 6.0 Introduction

It is, perhaps, a reflection of the industrial decline of Newcastle upon Tyne that this once significant global centre of capitalist production now aspires to be 'an important European Regional Centre' (Newcastle City Council, 1997, 4). Without doubt, the origins of industrial growth in Newcastle are to be found within the coal industry, which in turn, gave rise to the production and use of iron and steel. During the 19th century, the city emerged as one of the key centres of the industrial revolution. By the end of the century, now characterised by a highly successful integrated economy based upon coalmining, metal manufacture and production, the city had become acknowledged as a world leader in shipbuilding and heavy engineering. The industries that led to Newcastle's success in the 19th century however, also led to the city's downfall in the next. Economically, the dependence of the city and the region on such a small number of related industries became a major liability and in that dependence lay the seeds for Newcastle's subsequent demise (Hudson, 1989; Quilley and Ward, 1999). By the 1920s and early 1930s, the underlying weakness of an over-commitment to these staple industries was exposed when global restructuring and foreign competition heralded the decline of these sectors locally, and;



“For the first time, questions began to be asked about the soundness of the underlying economic model coupled with a growing recognition of the need for industrial diversification” (Quilley and Ward, 1999, 25).

During the 1930s, faced with such a potent economic threat, the more progressive capitalist companies within the region sought to defend their interests. They coalesced around, and embraced policies of industrial diversification and state-sponsored modernisation (Quilley and Ward, 1999; Hudson, 1989). After some initial reluctance, prominent local authority and trade union leaders endorsed these policies and a broad consensus emerged (Hudson, 1989). The bitter class conflicts of the 19th century gave way to a distinctive accommodation between capital and labour as the progressive capitalists began to accept the legitimacy of trade union organisation, and in turn, trade union politics took on a ‘very moderate hue’ (Quilley and Ward, 1999, 25). A regional problem had been identified and so a regional solution was sought in the form of a cross-class regional alliance, between capital, labour and their respective political allies, forged around a politics of state modernisation (Hudson, 1989; Beynon et al, 1994). As the need for the state to redress regional imbalances became more generally accepted at the national level, the scene was thus set in Newcastle and the North East for significant state intervention in regional policy (Hudson, 1989).

A commitment to full employment through state subsidy however, masked complacency and inaction. Local capitalists sought state solutions to regional problems instead of implementing aggressive reinvestment or reorganisation policies

(Quilley and Ward, 1999). For example, no commitment was made to technical innovation in the hope of heightening competitiveness, and so the economic decline of these sectors continued; as did state intervention. The North East of England thus soon became acknowledged as a state-managed region (Hudson, 1989; Garrahan and Stewart, 1994; Robinson, 1988), and so when attempting to specify the form of local politics in the North East, it is important to note that;

“The region has certainly been a policy ‘laboratory’, being the target of policy interventions since the 1930s (from local as well as central government)” (Shaw, 1994, 52).

Moreover, when attempting to specify contemporary governance structures, it is important to recognise that;

“the specific pattern of inter-organisational coalitions that characterise the North East in the 1990s reflect not only the [historical and] contemporary concerns of both..[central government]..ministers and the business sector...but also the more traditional localist response to the region’s long-term economic decline” (Shaw, 1994, 52).

For this reason, the marketing of Newcastle, and the associated governance structures cannot be understood in isolation from the historical development of the city, and indeed the region. As the regional capital of the North East, Newcastle’s fortunes have been, and still are intimately tied to those of the region.



## **6.1 Setting the city in context**

With representatives of local capital, labour and government adopting an interventionist role in the local economy, Newcastle and the North East of England have long been associated with corporatist political structures. As such, the North East is often portrayed as the archetypal corporatist region (Shaw, 1994, 1993, 1990; Byrne, 1993; Wilkinson, 1992; Cooke, 1988). In the 19th century, an alliance between John Clayton (Town Clerk), John Dobson (local architect) and Richard Grainger (local builder/developer) had a tremendous influence on the development of Victorian Newcastle and its city centre (Shaw, 1990). Referred to as Grainger Town, this historic core is now protected by Conservation Area Status and is being regenerated by the Grainger Town Partnership.

These corporatist traditions continued into the 20th century as the regional rhetoric and cross-class consensus of the late 1800s found concrete form. Riding the tide of a strong regional planning and development movement, tripartite groups comprising capital, labour and government established the North East Development Board in 1935 and the North of England Development Council in 1962. In addition, the Northern Economic Planning Council operated throughout the 1960s (Northern Economic Planning Council, 1969, 1966) and the Northern Regional Strategy Team coordinated regional economic development efforts during the 1970s (Northern Regional Strategy Team, 1977). In consequence, the region has had some form of tripartite development agency promoting its assets since the 1930s, thus leading Shaw to proclaim that ever since this time;

**“The area has...provided an almost ‘classical illustration’ of corporatist political structures dominated by the labour movement, local/regional capital and representatives of regional government agencies” (1994, 51).**

**A similar constellation of interests (Shaw, 1994) lay behind the ‘strongly local corporatist’ grouping (Cooke, 1988, 194) of unions, capital and public professionals that set about modernising the economic and social structure of the region during the 1960s. Directed by Newcastle City Council (NCC) and its leader T. Dan Smith, this alliance lobbied fervently for industrial diversification and improved regional infrastructure. A strong case has been made therefore, stating that local corporatism adequately describes the historical arrangements that have characterised economic development policy making in Newcastle and the North East.**

**Undeniably, the longevity of economic decline in Newcastle and the North East led to the early formation of alliances between different factions within the local and regional economy. Realistic, perhaps even fatalistic attitudes towards the plight that faced the city and the region led to the prevalence of a ‘stable political culture that emphasises pragmatism over ideology’ (Moore and Pierre, 1988; cited in Shaw, 1994, 54). Such pragmatism is evident in the creation of alliances between the public and private sectors, and local trade union and labour groups much earlier than elsewhere in the country. The potential for conflict between different interests was subjugated to the “let’s-sink-our-political-differences-in-the-interests-of-promoting-the-region” philosophy (Hetherington and Robinson, 1988, 208). Whether this claim**



is true of contemporary governing structures remains to be seen, and will be addressed later in this chapter.

One characteristic response to economic decline that has registered a regional political pragmatism in Newcastle and the North East is place promotion; what has become known as a characteristic growth strategy of the 1980s and 1990s (Shaw, 1994). During the 1960s, the regional development agencies cited above employed the more traditional policies of industrial attraction, whilst Newcastle City Council is well-documented as having conducted what would be regarded as more contemporary place promotional strategies under the controversial leadership of T. Dan Smith (Shaw, 1994; Wilkinson, 1992; Robinson, 1988; Smith, 1970; Burns, 1967). Indeed, the survey identified the North East as one of the earliest proponents of place promotion, with local authorities in the region undertaking promotional activities in the 1950s and 1960s.

Hence, there is nothing new about the use of partnership arrangements to facilitate regeneration in Newcastle and the North East (Shaw, 1990), nor is there anything new about the use of place promotional strategies to attract inward investment into the city and the region. It is therefore important to acknowledge the historical trajectory of these policies and recognise that changes in governance have been superimposed upon 'an already complex patchwork of agencies' (Shaw, 1994, 52). It could be argued therefore that recent transformations in governance and the supposed shift from managerialism to entrepreneurialism are likely to be less marked in Newcastle than they have been in other major British cities. It is therefore worth

considering what, if anything, distinguishes contemporary politics in Newcastle from previous years.

## **6.2 The shift to entrepreneurialism**

During the 1960s, Newcastle City Council was led by the charismatic T. Dan Smith, who, together with Wilfred Burns (NCC's Chief Planning Officer), developed an influential strategy based on a grand vision of Newcastle as the 'New Brasilia of the North' (Smith, 1970, 55). Their united aim was to transform Newcastle (back) into a progressive and vibrant regional capital that would rival existing European regional centres. It was a vision that sought to build upon the success of the Victorian years and the afore-mentioned corporatist alliance and blend their 19th century traditions 'with a visionary, modernist future' (Wilkinson, 1992, 178);

“In Newcastle, I wanted to see the creation of a 20th century equivalent of Dobson's masterpiece, and its integration into the historic framework of the city. If this could be achieved, I felt that our regional capital would become the outstanding provincial city in the country” (Smith, 1970, 46).

This visionary rhetoric was accompanied by a series of large-scale, comprehensive redevelopment schemes which still impact upon the city centre today. Indeed, strategies relating to image improvement and physical redevelopment have been classically associated with the 1980s and 1990s and the apparent shift from managerialism to entrepreneurialism (Harvey, 1989). For example, during this period we have seen the return of these high-profile, flagship schemes in the



regeneration activities of urban development corporations. In Newcastle, the Tyne and Wear Development Corporation (TWDC) introduced several flagship schemes along the banks of the River Tyne (Newcastle Quayside, Royal Quays, St. Peters Basin) and The Newcastle Initiative (TNI) stimulated high profile development projects in the inner city (Theatre Village, Chinatown). Questions must therefore be raised regarding the putative shift to entrepreneurialism in the 1980s and 1990s given that Newcastle City Council were conducting strategies of this kind in the 1960s.

There are also, however, important differences between the two promotional eras which should not be ignored or denied. Contemporary re-imaging and redevelopment activities are often founded upon a 'postindustrial' vision of the city characteristic of any number of old industrial centres. Keen to dispel images of a 'grimy, industrial town' (Principal Inward Investment Officer, NCC) and instead emphasise 'clean' architecture and a diversity of lifestyles, postindustrial strategies often result in the fragmented juxtaposition of different urban images. The delivery of the promotional message itself is also fragmented. Newcastle is marketed by a variety of public and private sector agencies, all of which have a slightly different spatial remit. For example, Newcastle City Council promotes the city of Newcastle; the TWDC markets the length of the waterfront of the Rivers Tyne and Wear; TNI's activities traditionally revolve around a series of individual flagship projects located across the city, however more recent initiatives concern the whole of the city; and the Northern Development Company (NDC) promotes the assets of the whole

Northern region, incorporating both the North East and Cumbria, with Newcastle as its regional capital. Consequently;

“initiatives aimed at creating a new Newcastle have become fragmented and unfocused despite attempts to promote inter-agency coordination” (Wilkinson, 1992, 206).

The postindustrial city is therefore being re-imaged as a series of fragments, both geographically and as a set of different flagship projects. This contrasts markedly with the single, all-embracing vision of the Smith era in which comprehensive planning and redevelopment was seen as the key to creating a modernist city (Wilkinson, 1992). Founded upon utopian ideals, it was;

“essentially a modernist vision with a strong social welfare component, managed by the public sector on Keynesian functional principles” (Wilkinson, 1992, 178).

Smith’s image improvement strategies were not solely concerned with the attraction of inward investment, but were also concerned with bolstering civic pride by promoting a positive vision of the city internally. In contrast, contemporary agencies, and the TWDC especially, are concerned with promoting the generation of wealth and attaining commercial profit. There are therefore important elements of both continuity and change in the way Newcastle has been promoted and developed over the years (Shaw, 1994).



The evidence presented in Newcastle indicates that the historical development of promotional policy and governance is more complicated than the general literature has hitherto suggested. This lends weight to the arguments outlined in earlier chapters that critique a vision of a straightforward shift from managerialism to entrepreneurialism. Although the Smith vision was founded upon managerialist principles, it is clear that some of the strategies conducted were speculative and innovative and so could be deemed 'entrepreneurial'. This would suggest that we are right to question the assumed axiomatic truth that local governance prior to the 1970s was exclusively characterised by managerial politics, and that this form of politics is characterised solely by a concern for service delivery and social welfare (Hubbard and Hall, 1998; Hall and Hubbard, 1996). It would appear that urban governments can indeed pursue 'an amalgam of managerial (socially progressive) and entrepreneurial (growth-centred) policies' (Hubbard and Hall, 1998, 14). Indeed, as Hubbard and Hall (1998) note, the perpetuation of this dualism masks 'the fact that city governments, to a lesser or greater extent, have always pursued entrepreneurial strategies and played a crucial role in local economic development' (Hubbard and Hall, 1998, 14). The Newcastle experience highlights the fact that we should perhaps acknowledge a 'new relationship between entrepreneurialism and managerialism' (Wilkinson, 1992, 210).

Of course, this is not to suggest that there has been no shift in the way cities are governed. However, the evidence presented thus far indicates the 'dangers in accepting the idea that entrepreneurial governance is distinct from other modes of

governance in all respects' (Hubbard and Hall, 1998, 15). I would argue that this further highlights the need to redirect our attention to *accurately* specifying contemporary governance structures and in this case, the role of place promotion within them. Given the above findings, correctly discovering the details of the configuration of governance is a necessary step before we can draw broader conclusions as to the nature, and extent of the shift to entrepreneurialism, and/or the potential emergence of new regimes of accumulation (Valler et al, forthcoming).

### **6.3 Local governance and place promotion**

The city of Newcastle is promoted by a plethora of public and private sector agencies; most notably by Newcastle City Council, the Northern Development Company, the Tyne and Wear Economic Development Company (TWEDCO), the TWDC (wound down in March 1998), and TNI. As outlined previously, all the above have different spatial remits, with only Newcastle City Council and TNI promoting the *city* of Newcastle. The following discussion therefore revolves predominantly around these two organisations, however, before attention turns to these, it is important to outline the evolution of Newcastle's entrepreneurial agenda with regard to place promotion, and further highlight elements of continuity and change.

As discussed, alliances in the city of Newcastle and the North East region have historically sought to attract inward investment through conventional industrial location policies and more contemporary place promotion strategies. During the 1960s, firms from the United States made substantial investments in the region (for



example, Caterpillar), and during the 1980s, significant investment came from the Far East (for example, Komatsu, Nissan and Fujitsu). Some commentators in fact argue that this Far Eastern investment simply replaced that from the US which was dis-investing at the time (Hudson, 1991), but nevertheless, agencies in the city and the region have historically based their promotional activities around the attraction of inward investment and made concerted attempts to heighten the profile of the city, both nationally and internationally.

The need to pursue these policies was heightened with the introduction of the Thatcher Government in 1979. Thatcher's neo-liberal, laissez-faire philosophies signalled the collapse of the state modernisation project. The diminution of both regional policy and local government autonomy throughout the 1980s ensured that the North East ceased being a state-managed region, and thus needed to adopt self-help strategies. This heralded a period characteristic of Harvey's entrepreneurialism (Harvey, 1989). Here followed a period of aggressive campaigning with the above agencies, between them, seeking both overseas and domestic investment. Attempts were made to shift the city's position in the international division of labour using classic entrepreneurial strategies. For example, Newcastle City Council sought to attract, and continues to seek, both control and command functions and the redistribution of central government departments (Harvey, 1989; Eisenschitz and Gough, 1993);

“we very much concentrate our efforts on UK based investment, on tracking individual companies and trying to attract UK companies to

Newcastle...we've very much concentrated on central government relocations, electronics companies, business services and engineering" (Chief Economic Development Officer, NCC).

In this, the Council were relatively successful, attracting the UK headquarters of Procter and Gamble (the multinational manufacturing and advertising company), the Department of Social Security, and more recently the Child Support Agency. There has therefore been a shift in the policy emphasis away from the utopian ideals of social welfare towards municipal enterprise and 'more outward-orientated policies designed to foster and encourage local growth and economic development' (Hubbard and Hall, 1998, 2; Hall and Hubbard, 1996; Cooke, 1988).

The 1980s and early 1990s therefore, marked a period of significant change in the stance of particular policies, and the institutional form of the agencies delivering them. For example, Thatcher's concerted attempts to eradicate trade union involvement in local politics and replace their role and that of local government with private business have made substantial in-roads into the local corporatist frameworks. The Northern Development Company was the only remaining organisation that could be said to reflect a traditional tripartite structure, and even this has now been subsumed within the new Regional Development Agency for the North East.

The increased involvement of private business has led some commentators to allude to a new form of corporatism (Shaw, 1994, 1993; Wilkinson, 1992) in which



traditional tripartite groups remain prevalent, but their alliances incorporate a wider range of both public and private sector interests. Since 'corporatist forms of government can...take on entrepreneurial roles in the production of favourable business climates' (Harvey, 1989b, 295), Wilkinson suggests that 'the public-sector actively engaging in the marketplace and assuming a more market-orientated approach compared with its traditional role as regulator and policy maker' (1992, 210) is indicative of the changing nature of corporatism in Newcastle. In support of this view, Shaw declares that;

"the key feature of experiences in the North East is how the existing local corporatist structures (rather than a business-dominated growth coalition) have been able to articulate a more entrepreneurial agenda" (1994, 63).

He therefore rejects the growth coalition model and, based on the following, strongly advocates using a corporatist framework to describe contemporary governance arrangements;

"While there is some evidence in Tyne and Wear of the emerging representation of the sectors associated...with the growth coalition, such representation is still limited...Clearly, this does not amount to the widespread colonisation of the agencies operating in the region by a 'new' growth coalition of interests" (Shaw, 1994, 56).

This however, stands in marked contrast to earlier comments;

“What is emerging then, is...the dominance of a small group of private sector representatives, particularly drawn from the property and commercial development sectors. The significance of such a development in Tyne and Wear..lies..in the increasing role played in the region by what some observers have described as a local ‘growth coalition’ committed to a pro-growth and pro-business philosophy. Thus, while only the Northern Development Company corresponds to a traditional corporatist arrangement, the other partnership bodies are increasingly made up of representatives from the property and commercial development sectors and related professional groups such as building societies, estate agencies and law firms” (Shaw, 1990, 10).

This highlights the difficulties associated with applying models of urban politics to the complexities of governance. Moreover, it surely testifies to, and thereby supports the claim made in earlier chapters that studies of urban politics need to demonstrate a renewed commitment to the precise specification of the configuration and mechanics of local governance structures and relations. In so doing, certain elements of the promotional governing structures in Newcastle do parallel the growth coalition model. In 1994, Newcastle City Council launched its flagship ‘Economic Regeneration Strategy’ (ERS) which was instrumental in securing wide-ranging support for local economic development. The ERS Executive Steering Group comprises over fifty public, quasi-public, and private sector individuals, including representatives from the Council, the Chamber of Commerce, local businesses and



city centre traders, local banks, building societies and other financial institutions, local property developers, surveyors, architects and builders, local manufacturing companies, utilities and universities. Clearly, in terms of membership alone, this would seem to reflect the characteristic form of a local 'growth coalition' of interests (Logan and Molotch, 1987; Molotch, 1976).

Furthermore, the strategy revolves around three organising themes: 'Physical Development'; 'Business Development'; and 'Human Resource Development'; and incorporates thirteen clearly defined 'Action Programmes'. The emphasis within these Action Programmes lies very much with Business and Physical Development, and so in accordance with growth coalition literature, the strategy is clearly project based, with a strong pro-growth agenda. The same can also be said of TNI. TNI's membership is virtually identical to that cited above, down to the same individuals, and so in this respect, it closely mirrors a growth coalition. In addition, it too is organised on a project basis, with its activities revolving around six major schemes. Moreover, TNI is very much concerned with the economic revitalisation of the city. In 1988, at the time of TNI's inception, the envisaged regeneration process aimed to stimulate 'leadership, vision and flagship projects' in the creation of 'rising land values' and expanding business opportunities (TNI, 1988). In 1990, Shaw observes how;

"The Newcastle Initiative is underpinned by a desire to engender a climate of 'growth' that has a direct effect on land values and opportunities for commercial development in Newcastle" (p.10).

In brief then, both the ERS and TNI closely resemble a 'growth coalition' in the ways described. However, it is clear in the literature that growth coalitions emerge where local business interests, out of a desire to generate increased land values, profit and wealth, coalesce to exploit the democratic power base of local government and instrumentally 'control' their agendas in order to pursue growth-orientated strategies that further their own economic interests. This has not been the case in Newcastle. The ERS strategic partnership has been facilitated and coordinated by Newcastle City Council out of a recognition that, financially, they simply cannot achieve the necessary economic transformation alone;

“Substantial financial resources [are] required to underpin the [ERS]. No single agency has sufficient resources alone to achieve success. It is only through partnership that the scale of resources can be secured to ensure economic regeneration” (Economic Regeneration Strategy, Newcastle City Council, 1997).

Furthermore, unlike typical growth coalitions, it appears that without the support or democratic clout of Newcastle City Council, TNI is not a particularly powerful or influential organisation. Neither is it well-resourced;

“TNI are very well meaning but grossly under-resourced and just scratching at the surface in a number of areas” (Councillor, NCC).



TNI was launched in 1988 as the first Business Leadership Team in the UK as a result of a CBI National Task Force study into the role that business could play in urban regeneration. It is;

“a campaign led by leading figures in the life of the city to build Newcastle’s status as one of the great regional capitals of Britain. It brings together leaders from business, the academic community and government into a partnership combining the strengths of both the private and the public sectors” (TNI, 1988, 1).

Formed to pursue the economic revitalisation of Newcastle, it was to act as a test-bed for a new type of public-private partnership. Public sector representatives are however, constitutionally excluded from the board, and so, in essence, TNI is a business-led coalition. Despite this, strategies are developed and implemented in close consultation with NCC and TNI is reluctant to conduct initiatives without first receiving endorsement from the local authority. Indeed, the TNI Business Plan certainly does not suggest that this is an organisation which aspires to control the local authority or the city’s agenda;

“In some areas TNI will be the leading partner playing a pro-active part in stimulating and implementing new initiatives. In other areas TNI will be a less active partner playing a mainly supportive role. At times a light, reactive role, perhaps doing little more than watching and loosely coordinating will be most appropriate” (TNI, 1996, 4).

The Business Plan states further that TNI seeks to avoid duplication with other organisations in the city in order to maximise its impact, suggesting perhaps that it does not intend to usurp the local authority's role, or even compete with NCC over economic development. The fact that TNI exerts little leverage over Newcastle City Council is indeed confirmed by one of their officers;

“TNI are not trying to do the Council's job and the Council don't feel threatened by TNI, it's an additional set of resources that we can call upon”  
(Chief Economic Development Officer, NCC).

Rather than feeling threatened by TNI's presence or their remit of activities, it is clear that Newcastle City Council recognise the need to work in partnership for added value and resources;

“In terms of how we market ourselves, the budget has been cut progressively over the years, and it's become apparent that to get added value you need to work in partnership with other organisations...I can't however, envisage a situation where we would hand over the marketing of the city and our marketing budget to TNI. TNI are part of a broader collaboration”  
(Councillor, NCC).

It is evident therefore, that TNI is not a dominating force in the city, exploiting the local authority and compelling other institutions to adopt its agendas. On the



contrary, it is the business-led arm of a public-private partnership that forms one constituent part of a collaborative framework between various public and private sector actors in the city. This framework is quite clearly dominated by quite a small group of individuals: namely, representatives from Newcastle City Council, Procter and Gamble, Northern Electric, Northumbrian Water, Barclays Bank, the Northern Rock and Newcastle Building Societies, Newcastle Chronicle and Journal Ltd, Tyne Tees Television, and the Universities of Newcastle and Northumbria (TNI and NCC transaction documents). It is this group of individuals that forms the core of the ERS Executive Steering Group and comprises the various boards of TNI. This core is then surrounded by a looser federation of transport, retail, hotel and leisure interests (TNI and NCC transaction documents). The fact that these core interests are represented on so many of the boards that govern Newcastle and the North East, leads Robinson and Shaw to declare that;

“the region is still effectively run by a small coherent and cohesive local elite. Looking across the various agencies one sees not just the same interests represented but also the same handful of names” (1991, 280).

It can therefore be argued that the power wielded in Newcastle transcends institutional boundaries and operates more as a governing ‘regime of interests’. Responsibility for certain initiatives is pragmatically assigned across the regime according to particular areas of expertise. As a result, representatives from Procter and Gamble have become some of the most proactive private sector agents in the city. The Director of Marketing Services chairs the ERS ‘Image Improvement’

Action Programme, and both he and the Vice-President of UK operations are active, influential and enthusiastic board members of TNI and the new 'Newcastle Marketing Initiative';

"it's probably not in the least bit surprising that if the City Council were looking at things like marketing, that because we're probably the leading marketing company in the world...it only seemed fair that we should try and help in a subject area that we could probably be of some assistance with"  
(Director of Marketing Services, Procter and Gamble).

Newcastle City Council coordinates this broad collaboration of interests, owing to the fact that historically, it has been a strong local authority, and because;

"In reality, all the partnerships that I've been involved in end up being led by the City Council, whether we like it or not, mainly because we're the enabling body, the body that's financially responsible, and that's almost inevitable in any partnership arrangement, unless we give some money to a private company to do it...essentially because everybody else can go bust in the end, but the City Council is always there to pick up the tab basically"  
(Deputy Leader, NCC).

It therefore continues to be the major power broker in the city, and further evidence of this will be presented shortly. The Council also has a well-documented history of pursuing growth-orientated strategies (albeit more aggressively in the 1980s), and a



history of working *in partnership* with the private sector. I would therefore suggest that the present situation in Newcastle is indicative of a strong local authority encouraging, facilitating and coordinating the involvement of a proactive private sector. Rather than a growth coalition of interests, this parallels a form of regime politics which Stone originally defined as the 'informal arrangements by which public bodies and private interests function *together* in order to be able to make and carry out governing decisions' (1989, 6, emphasis added). Owing to the nature of the strategies cited above, and the nature of relations between the public and private sectors, Newcastle's promotional governing interests and structures can be characterised as an 'entrepreneurial regime' along the lines described by Painter;

"Following Harvey's definition of entrepreneurial urban governance, I define an entrepreneurial urban regime as a coalition of interests including the public sector and private firms which is organised through partnerships and whose goal is the enhancement of the competitiveness of the urban region with regard to (a) the location of production and consumption activities and control and command functions; and (b) the spatial redistribution of surpluses by the state and quasi-state bodies" (1998, 265).

Painter believes that this characterisation would 'not slot neatly' (1998, 265) into existing regime typologies, but suggests that a regime in which;

"urban politics and governance were increasingly focused on the promotion of economic competitiveness..[and]..place marketing to attract inward

investment...(often linked to a shift away from an earlier emphasis on welfare services for urban residents)...would be partly an instrumental regime and partly a symbolic revitalisation regime” (Painter, 1998, 264-5).

This concurs with the evidence in Newcastle. To reiterate the principles outlined in Chapter Three, instrumental regimes are project-oriented with the main participants motivated by achieving specific goals and producing tangible results. Symbolic revitalisation regimes occur where cities are striving to revitalise their fortunes ‘with a change in image as well as in circumstance’ (Stoker and Mossberger, 1994, 200). These regimes are fundamentally concerned with establishing a future role and vision for the city, and in so doing, concentrate upon changing a city’s image in order to attract investment.

In accordance with these more recognised regime typologies (Stoker and Mossberger, 1994; DiGaetano and Klemanski, 1993a, 1993b), both the ERS and TNI are organised around clearly identifiable projects with well-defined goals, underpinned by strategies designed to change Newcastle’s image, heighten its profile, attract inward investment, and thereby enhance the city’s position in the international division of labour. Furthermore, regimes which are organised around specific projects and the achievement of tangible results are more likely to include certain interests and exclude others (Stoker and Mossberger, 1994), and Newcastle’s regime is indeed characterised by a relatively small, but consistent, core group of interests.



Newcastle's entrepreneurial regime has therefore been driven by these instrumental, economic concerns. Marketing the city has been an issue high on the local political agenda for many years, and this continues to be the case today. In 1997, the regime partners established the new 'Newcastle Marketing Initiative' (NMI) which provides a good example of how the Newcastle regime operates in practice. The activities undertaken by the NMI are also consistent with accounts of symbolic revitalisation regimes in which emotive symbols are used to arouse commitment and sustain political activism;

"By fostering positive attitudes about a city that has experienced serious erosion of its economic base, [symbolic] regimes aim to create a new image...This image change assists the city in attracting new investment"  
(Stoker and Mossberger, 1994, 201).

In relation to marketing, there has been a 'constant debate on what we want to achieve, identifying the resources to do that, and identifying who is responsible for what, where the public sector is responsible and where the private sector is responsible' (Marketing Coordinator, NMI). The regime partners recognised that Newcastle was being promoted in a number of different ways by a variety of different organisations, and so in response to this, the NMI was established in an attempt to overcome the existing fragmentation of Newcastle's promotion;

**“one of the problems in Newcastle is that everything has happened on an ad hoc basis. Different groups all have their own marketing budgets and spend it in different ways” (Marketing Coordinator, NMI).**

**For example, Newcastle City Council were seeking inward investment and promoting the city as a place in which to live and work. Northumbria Tourist Board were promoting local tourist attractions, festivals and events. The hotel and leisure industry, together with Newcastle Airport, were marketing the city as a business, conference and leisure location, whilst the major retail interests (the Metro Centre, Eldon Square, Boots, Marks and Spencers, and the locally-based department stores, Fenwicks and Bainbridges), were promoting the city as a major retail destination. In an attempt to reduce duplication of effort and enhance both the simplicity and efficiency of the promotional message, the partners embarked upon establishing the ‘Newcastle Marketing Initiative’. Funded by the interests cited above, together with Procter and Gamble, Northern Rock Building Society, Northern Electric and the local universities, amongst others, this acts as a focal point and aims to coordinate all the various bodies who are marketing Newcastle;**

**“we felt we needed to do the job the Council were doing, but separately have someone responsible for marketing the city, but it was important that the Council felt very strongly that they were behind it and that it was useful to them and that it was well coordinated with the things they were doing, but at the same time, it was actually helpful to have it slightly separate from the Council because that would allow an individual to be able to leverage more**



of the private sector to help and also it would break down some of the political boundaries you can get between the NDC, the TWDC, and the City Council, because they have all got some responsibility for marketing the city, but are all coming from different angles” (Director of Marketing Services, Procter and Gamble).

In the first instance, the NMI is a three year promotional campaign, designed to coordinate the activities and minds of those marketing Newcastle. Its activities revolve primarily around the creation of a new city logo, developing marketing project groups, and gaining both public and private sector commitment, membership and support for the campaign. Symbolic politics for example, are as much about the discourse of doing things as they are about actively doing them. A marketing initiative such as this can bolster local business confidence and enhance civic pride without actually altering physical and economic circumstances. So far, it has been successful in creating a city logo and brand that major stakeholders, small businesses, and residents are happy with. It has also raised awareness of the need to coordinate the city’s marketing activities. It has however, achieved little more than this. Whilst the major stakeholders have contributed financially to the initiative, they still retain control of their own marketing budgets and spend it accordingly, based upon their own target audiences.

This has sparked off a further debate concerning the potential establishment of a ‘Newcastle Marketing Office’ (NMO), a central, coordinating promotional agency. This would be a ‘one-stop-shop’ for all the information and promotion services of

Newcastle, to which the marketing budgets of the above stakeholders would be transferred. The NMO would then be responsible for image improvement, inward investment promotion, tourism promotion, accommodation, concert and conference bookings, and festivals and events. It is envisaged that the establishment of such an organisation would bring an end to the fragmented approach that has characterised Newcastle's promotion over recent years;

“structurally, the Marketing Initiative still has some way to travel to become what I perceive is the type of organisation that can effectively deliver marketing programmes for the city. Structure is really important, but not everyone shares this view...we need to move on from here and get the structure right, although the last thing I want to do is create yet another separate body to add to all these other bodies” (Marketing Coordinator, NMI).

The negotiations that have taken place over extending this ‘initiative’ into a concrete organisational structure, illuminate the internal machinations of the regime and reveal the important role played by Newcastle City Council. Indeed, recent attempts to form a Newcastle Marketing Office have failed given Newcastle City Council's current lack of commitment to the scheme. The Council is divided on the matter. Some officers strongly believe that if all the above promotional functions were combined in one organisation;



“we can get more, jointly and collectively, for our money than we can singularly. The argument that we’ve got to make is that if those promotional functions came back into the organisation [NCC], you couldn’t carry out those functions for the same amount of money” (Principal Inward Investment Officer, NCC).

Other officers are concerned about the operational costs of setting up a new overarching promotional service in new premises;

“it quickly became apparent that if you were going to set one [NMO] up, the actual running costs of such an office in terms of overheads, staffing, premises and so on, would quickly subsume all our marketing budgets and we would have nothing left to spend on marketing” (Chief Economic Development Officer, NCC).

They argue that scant resources would be expended on rent, rates, and overheads, when they could in fact be better spent on promoting the city. Critics believe that available monies would be far better spent on a coordinated campaign, undertaken in partnership by existing bodies;

“we prefer to stick to the original model of appointing someone in the private sector to coordinate all the various bodies who are marketing Newcastle, funded by quite a broad base of people” (Chief Economic Development Officer, NCC).

Moreover, Councillors in particular, are very sceptical about setting up a Newcastle Marketing Office;

“there’s always a suspicion in setting up arms-length, free-standing agencies...because the Councillors think that you’re removing control and removing local democracy” (Principal Inward Investment Officer, NCC).

The NMO would be jointly funded by all those with a vested interest in the promotion of Newcastle, and so NCC would not have absolute control. In a city where the local authority has historically held a prominent position in the broader framework of collaborating bodies, it perhaps comes as no surprise that the NMO project has been greeted with scepticism and indecision, and has subsequently been postponed. A Newcastle Marketing Office is indeed unlikely to emerge until it receives endorsement from the Council. This is testament to the Council’s power and influence across the city, and also to its leading role within the entrepreneurial regime. Even the most proactive of private sector partners are reluctant to pursue this project without the support of NCC;

“I’d be driven a lot by whether the Council wanted to do it. If the Council felt strongly that they thought it was a sensible and useful thing to do, then I would support them and back it. If they were resistant to it, or reluctant about it, I wouldn’t push them” (Director of Marketing Services, Procter and Gamble).



Councillors do not wish the scheme to proceed, but if they were convinced otherwise and the NMO went ahead, it would be led by the City Council. Chiming with earlier comments made by the Deputy Leader of NCC, this leading role appears to be accepted, and even regarded as inevitable by their private sector partners;

“I think there will be some friction, but having said that, I still see this as being *led* by the City Council, *in partnership* with TNI. If you look at the promotion of the city, the body that can affect change is the City Council. The Chamber of Commerce can't, the private sector can't, they can all contribute but the key body is the City Council. However, what the City Council must be prepared to do is to dilute their absolute power for the overall benefit of the city” (Marketing Coordinator, NMI).

The NMO however, is not going ahead precisely because the Council is unwilling to dilute their powers any further. If the Council did this, it would be much harder for them to change agendas in the city, as they are doing at the present time. Originating from the City Council, and particular Councillors within it, the entrepreneurial agenda and its associated approach have been called into question. The mid to late 1990s heralded a period of significant change for Newcastle City Council, and for the economic development department in particular. These changes are now having a knock-on effect on the city's agenda, and yet again, the marketing of the city and issues surrounding how and why Newcastle should be marketed have become focal points for debate.

Firstly, the Leader of the Council had remained unchanged for seventeen years. Sir Jeremy Beecham had been an influential Leader and, as Chairman of the Development Committee and a prominent local businessman, he had also been an ardent advocate of the *economic* development of Newcastle. During his leadership, he developed strong ties with the national Labour Party, and as a result, successfully raised Newcastle's profile on the national stage. He stood down as Leader in 1995, and as Chairman of the Development Committee in 1997, to become a full-time advisor to the Labour Party, and subsequently the new Labour Government. Secondly, not only was there a new Leader, but over the two years that followed, there was a new Chief Executive, a new Director of Development, and the old Development Department was disbanded. At the time of the research, a new 'Enterprise and Environment' Directorate had yet to be established. Hence, this was very much a period of transition for Newcastle City Council, and with it came the opportunity to review operations.

As part of this review, certain influential members expressed their increasing concern and disillusionment with the marketing approach the Council and the city were taking. They felt that the way Newcastle was being marketed was not impacting upon the problems facing the city, or its level of unemployment. Since the late 1980s, the Development Department have appointed a London-based advertising company to assist in raising the city's profile and 'improve the image of Newcastle at a national level' (Principal Inward Investment Officer, NCC), principally because an agency in the South East can access national media institutions and influential



opinion-formers more easily than the Council. J. Walter Thompson, and more recently, Hill and Knowlton were contracted 'to get Newcastle and Newcastle's image positively promoted down in the South' (Principal Inward Investment Officer, NCC). However, as part of an attempt to raise awareness of their efforts locally, Hill and Knowlton placed adverts for inward investment on the local light-rail public transport system. This, it appears was the proverbial 'straw that broke the camels' back';

"the idea of the City Council spending an awful lot on marketing was brought into disrepute by the old Development Department, they basically seemed to be wasting our money. Advertising for major inward investment on the 'Metro' was the icing on the cake as far as a lot of our members were concerned and it led to a massive row in the Labour Group at the time" (Councillor, NCC).

Marketing activities therefore gained a poor reputation and the Marketing Strategy Sub-Committee was regarded as largely 'ineffective' (Vice-Chair, Marketing Strategy Sub-Committee). The composition of this sub-committee however, ensures that it still maintains a high profile within the Council;

"Whilst it's a sub-committee, it's got a lot of power and influence because it's chaired by the Leader of the Council, and the Deputy Leader is the Vice-Chair" (Chief Economic Development Officer, NCC).

In fact, the Deputy Leader has decided to revolutionise the marketing strategy in two major ways. In short, he wishes to see a shift down in focus from a national to a regional level, and an incorporation of social and cultural issues into an otherwise economic strategy. Championed by the Deputy Leader therefore, there has been a mounting attack on the economic development department owing to the belief that substantial sums of money have been wasted during a period of increasing financial stringency;

“we’ve wasted an awful lot of money on a London-based approach to raising the city’s profile in inappropriate areas...it’s not about kudos, it’s not about status...we’ve concentrated too much on Newcastle being marketed at a national and international level, simply to raise its profile with no clear objectives as far as I’m concerned and there has been a political debate about that” (Deputy Leader, NCC).

The city of Newcastle has traditionally lacked appropriate large sites for investment, yet despite this, for many years the Council have pursued a strategy centred upon the attraction of inward investment;

“I think the marketing ran ahead of the product. The marketing has been very successful, Newcastle now has a much better image than it ever had, but sites and premises have lagged behind” (Chief Economic Development Officer, NCC).



Therefore, with the exception of two large strategic sites (the Northern Development Area and Newburn Haugh), that have only recently become available, the Deputy Leader feels that the economic development department have;

“been focusing in the wrong directions. I think there needs to be a re-focusing of approach...there’s a fundamental common sense about looking after your core business. If you have the capacity to go for things that are peripheral and marginal, which frankly, inward investment is, apart from the two big strategic sites, then do so, but we haven’t” (Deputy Leader, NCC).

However, it seems officers have yet to be convinced of this, since at the time of research, the economic development team were just embarking upon a new direct mail campaign to companies located in the South East. In the words of the Deputy Leader, ‘it is a debate that is moving on, but different people are at different stages at the moment’. So, whilst ‘all of the marketing to date has been done on a national level’ (Chief Economic Development Officer, NCC), the preferred approach of Councillors at least is to market Newcastle locally and regionally in an attempt to sustain the city’s ‘core business’ and even its role as regional capital of the North East;

“What’s clear to me, the big thing we’re not doing at the moment is properly marketing Newcastle to the region. That is our key business, that’s where most of our employment comes from. We’re going for inward investment, we’re going for a national profile, we seem to be missing the major thing that

we do, where there's the potential for most growth...we should be selling Newcastle to the region...because we are a regional capital, there are a large number of businesses in the city who very much rely on us being a regional capital...I would like to see us focus much more on marketing the city to local customers rather than to national inward investors" (Deputy Leader, NCC).

The reasoning behind his argument is very simple. Over recent years, Sunderland, the region's second city, has embarked upon a competitive strategy to undermine Newcastle's role and become the North East's regional capital itself;

"there's always been an historical rivalry but it's got worse in recent years, you have a political leadership in Sunderland who are obsessed with the issue of status and being bigger and better than Newcastle...probably because of the extreme economic pressure the region's been under, people are scrabbling around for every scrap and fighting for things they probably shouldn't be fighting for" (Councillor, NCC).

In contrast again, officers 'do not perceive Sunderland to be a major threat' (Principal Inward Investment Officer, NCC), however, whilst not regarded as a major threat, it is widely recognised that competition within the region has increased since the demise of the Tyne and Wear County Council in 1986. Prior to the County Council's abolition, the Tyne and Wear Structure Plan determined the location of new investment thereby reducing intra-regional competition. Owing to the relative



buoyancy of Newcastle's service sector economy and lack of appropriate industrial sites, manufacturing investment was directed to the A19 corridor in an attempt to boost Sunderland's declining economy. With the demise of the County Council, individual authorities have been able to plan for, and attract their own commercial and industrial allocations. Newcastle City Council therefore pursued a more aggressive inward investment campaign, and in turn, Sunderland City Council sought to enhance their service sector role, rival Newcastle, and mount their own campaign to become the North East's administrative capital.

It could be argued therefore, that having pursued an aggressive inward investment campaign, those responsible for promoting Newcastle have become complacent about its regional standing. They now find themselves having to re-assert the city's position as the regional capital and 'settle some issues about the status of the city. This is one thing the marketing strategy can help with' (Deputy Leader, NCC). In re-asserting the city's role as regional capital, the Deputy Leader wishes to see 'Newcastle marketed holistically as a cultural centre, as a retail centre, and as a leisure centre, for the region' (Deputy Leader, NCC). In so doing, he wishes to see an otherwise economically-driven marketing strategy incorporate more social and cultural elements. The restructuring of Newcastle City Council into larger directorates, such as the 'Enterprise and Environment' Directorate is regarded as assisting this 'corporate' approach to regeneration;

"we've really just started to shift our regeneration approach in the city to being much more holistically based on social, cultural and economic issues.

It's been very much economic-led in the past and we don't think that it's worked necessarily that well because it's missed out core opportunities of enriching people's lives and gaining employment...that culture of people being very much economically-focused is going to take a while to change but the restructuring of the local authority will reinforce the corporate approach to regeneration" (Deputy Leader, NCC).

These sentiments have gathered momentum across the regime and have since been welcomed by its private sector partners. The Marketing Coordinator of the NMI believes that;

"the City Council has struggled to effectively market the city because of its departmental culture, rather than a corporate culture";

and the Director of Marketing Services at Procter and Gamble has become;

"increasingly aware of the fact that..[NCC]..weren't very well geared up to market the city because the Council's structure is to have a department which is in charge of *economic* regeneration that fundamentally is very single-mindedly focused on things like 'can we attract this factory here' or whatever, and what we felt was needed in addition to that was looking at the totality of the city".



It is clear therefore, just how changes within the City Council impinge upon the city and the city's regime. This latest political debate has already impacted upon the marketing of the city, how it is delivered and by whom. Stemming from this movement within the Council, the flagship ERS is now under review. Council departments are being asked to identify and prioritise social and cultural issues and develop social and cultural strategies in anticipation of them being incorporated into the revised strategy. Furthermore, the NMI has curtailed its original promotional aspirations. Initially, the intention was to conduct high-profile, national media campaigns to promote Newcastle and its assets externally. This type of approach has since been described by the Marketing Coordinator of the NMI as 'putting information and resources into a black hole'. Instead, it has been decided that it will be more cost effective to direct promotional efforts internally in the hope of raising local awareness, and bolstering local business confidence and civic pride.

TNI has also shifted its agenda slightly. Although TNI is concerned with creating opportunities for economic growth, and economic and physical development are of vital importance to TNI, it appears that it is not the overriding commonality that binds the partnership together. Growth *per se* is no longer the sole driving aim. The key objective now is to;

“achieve outcomes which are beneficial to the City of Newcastle and its population” (TNI, 1996, 4).

A profit motive no longer appears paramount as social objectives are pursued alongside other, more economically-driven goals. Amongst a range of aims, TNI seeks to;

“provide appropriate advice and contacts to organisations with social objectives wishing to enlist the support of the private sector” (TNI, 1996, 4).

TNI conducts six major project initiatives, one of which is the TNI Community Challenge. Under this umbrella initiative, seven individual community projects receive public and private sector resources, involvement and coordination, including the well-documented Cruddas Park Community Trust and the West End City Challenge (Gilroy, 1996; Wood et al, 1995). This Community Challenge project aims to;

“focus private sector support on specific projects aimed at economic and educational improvement in areas of underprivilege and social need” (TNI, 1996, 10).

All these developments suggest something of a redirection away from the entrepreneurial agenda that has for so long dominated the city and its regime. It is clear that the agenda is beginning to shift from an outward-orientated growth agenda to one more concerned with sustaining and maintaining existing economic activity. The entrepreneurial agenda stressed the importance of creating and nurturing the conditions conducive to out-and-out growth. Rather than attracting new investment



and new opportunities for growth, this alternative agenda concerns itself with managing the opportunities for growth that are already present in the city and that the city already has in its possession. This perhaps more closely resembles that of a 'caretaker' regime (Stone and Sanders, 1987), a 'maintenance' regime (Stone, 1993), or an 'organic' regime (Stoker and Mossberger, 1994). These regime types seek to sustain, preserve and maintain the status quo. In this case, Newcastle's governing regime is becoming increasingly concerned with maintaining the city's position at the top of the regional hierarchy and protecting the economic, social and cultural benefits that arise from this.

The entrepreneurial agenda is therefore showing signs of unravelling. Whether the actual regime of interests will unravel with it remains to be seen. However, the evidence presented reveals how the private sector partners have embraced the new sentiments of the Council. It is perhaps more likely therefore that the regime will simply evolve to accommodate this new agenda. Any transition however, is unlikely to be smooth given that some of the City Council's officers are yet to be convinced of the need for these changes.

#### **6.4 Conclusion**

The trends are therefore clear to see. The city and the region have historically been characterised by corporatist structures. From the turn of the century, a regional cross-class consensus between capital, labour and government emerged in response to the impending collapse of the region's staple industries. This consensus found concrete form in various corporatist structures, which dominated the local institutional scene

for many decades. Whilst these structures continued well into the 1960s and 1970s, local leaders at that time were compelled to act speculatively, take more risks, and adopt more innovative strategies in the hope of stemming the continuing decline of the region. This embryonic form of entrepreneurialism was then enhanced during the 1980s by the pro-business, anti-local government policies of the Thatcher Government.

As demonstrated however, Newcastle City Council appears to have survived this downgrading, despite the introduction of a proliferation of non-elected government institutions and public-private partnerships (for example, the TWDC, Tyneside TEC, and TNI). Illustrating this point, the relationship between Newcastle City Council and TNI has been discussed, as has the role the Council plays within Newcastle's regime. In addition, it is apparent that Newcastle City Council adopted a pragmatic attitude towards the introduction of the TWDC, accepting Councillor seats on the board, thereby enabling the Council to continue to exert at least some influence over the TWDC's statutory area;

“unlike a lot of other authorities, we took a very positive view, despite the fact that they were imposed by a right-wing Thatcher Government saying that local authorities had failed to do their job. Despite all that, we said ‘right OK, well politically we don't like what you're doing, we think it should be within local control, but we've got to accept that it is a fait accompli, let's just get on with it. We don't like it, but we're still going to be involved in discussions



at the table', because then you can at least direct the money, to some extent, to where you want it to go" (Principal Inward Investment Officer, NCC).

The picture that emerges from the Newcastle experience therefore, is one in which the local authority continues 'to play a key role: private sector involvement may prove useful – but public sector involvement is vital' (Shaw, 1994, 54). Thus, Shaw concludes further that we therefore;

“need to highlight, not the demise of local government's role in urban regeneration, but how this has *altered* to accommodate both the increased role of the business community and the need to ensure coordination between different agencies” (1994, 54, emphasis added).

Indeed, this is not unique to Newcastle. Several commentators have found this to be true in other parts of the country. The local authority is often the focal point around which various public-private coalitions form (Ward, 1997a; Valler, 1996; Bassett and Harloe, 1990; Cooke, 1989, 1988). Admittedly, 'gone are the days when local government could *dictate* terms' (Cooke, 1988, 199, emphasis added) without referring to other organisations or sectors, but what continues to be the case is that;

“Without exception, the democratically elected municipality has been the lightning rod attracting the various sources of social energy to it” (Cooke, 1988, 195; also cited in Valler, 1996, 386).

It is for this reason that many commentators have rejected the growth coalition concept when attempting to apply it in the UK. The problems associated with its transferability from the US have been widely documented and presented in Chapter Three (Ward, 1997a, 1995; Wood, 1996; Harding, 1995, 1994, 1991). In essence, local authorities have historically played a central role in local economic development and the formation of associated coalitions, and indeed, this continues to be the case. It is this facet that often precludes the development of powerful and proactive business-led coalitions in the UK, especially those that are successful in gaining control of local governmental agendas.

Nonetheless, Newcastle's entrepreneurial regime has pursued a growth-orientated agenda for many years. Recent events indicate however, that this may be superseded by an alternative, one which is much more concerned with sustaining current growth and maintaining existing economic activity rather than continually seeking new growth opportunities. It is perhaps worth considering some of the wider implications of this new approach. For example, as outlined in Chapter Two, using somewhat different theoretical approaches, both Cox and Mair (1988) and Harvey (1989) emphasise the potential for enhanced intra-regional cooperation.

Cox and Mair (1988) suggest that organisations and individuals with a major stake in local economic development have in common various place-specific relations that immobilise them, or at the very least, limit their spatial alternatives to particular local, sub-regional (metropolitan) or regional economies. This 'local dependence' forms the basis of a political system in which competition among places has come to



outweigh conflict within them. Locally dependent interests view their locality as a crucial sphere of activity and therefore actively seek to support its renewal by becoming involved in local political coalitions. Harvey (1989) argues that coalitions come about as a result of the emergence of 'territorial' politics;

“the ideology of locality, place and community becomes central to the political rhetoric of urban governance which concentrates on the idea of togetherness in defence against a hostile and threatening world of international trade and heightened competition” (p. 14).

These commentators therefore suggest that 'local dependence' and an ideological commitment to place, are important mechanisms in consolidating public-private relations and public-private partnerships. Cox (1997) extends this logic to incorporate public-public relations and public-public partnerships. He criticises the established regime literature for prioritising the public-private divide over the public-public divide, and questions why local governments should not enter into arrangements or understandings with each other as well as with private agents (Cox, 1997, 100);

“there is no a priori reason why the relations through which cooperation for local economic development is secured should stop at municipal boundaries. In metropolitan areas, the metropolitan provides a significant arena of action not just for developers, utilities, and other private agents with interests in

local economic development but also for the local governments themselves”  
(Cox, 1997, 106).

I would argue that these accounts underestimate the potential for intra-regional competition and conflict; facets which are currently driving local political debates in Newcastle, the metropolitan area of Tyneside, and other rival cities in the North East. Newcastle and the North East are renowned for their characteristic ‘Geordie’ identity, and yet within the region, and even within the city, the strongly parochial nature of different areas results in many competing identities. In fact, local culture dictates that those living north of the River Tyne should not associate with those living to the south, and vice versa. Therefore, as the agenda in Newcastle shifts to a concern with the *city* and re-establishing its pre-eminence over the rest of the metropolitan area and region, the regime and its interests are likely to become even more parochial and much less concerned with forging collaborative relations with rival, neighbouring authorities. The same obviously applies to these neighbouring authorities. Indeed, because they are operating in Newcastle’s shadow, evidence suggests that they are even more parochial, and even more concerned to establish an identity and distinguish themselves from the rest of the metropolitan region.

For example, in the past, Newcastle City Council and North Tyneside Council have worked collaboratively on the Balliol Business Park. This association grew out of the fact that boundary changes during local government reorganisation in 1974 meant that parcels of inward investment land were jointly owned. More recently however, the successful attraction of Siemens to the Hadrian Business Park in North



Tyneside has caused some parochial tensions. Testament to the regressive nature of branch plant economies, it is worthy of note that this multinational micro-electronics company closed down after just eighteen months in operation. However, when it first arrived, the local, national and international media reported that it was locating in Newcastle. North Tyneside Council made persistent requests for the reporting to be accurate. These requests failed owing to the fact that;

“Newcastle is the stronger name outside the region, it is the better name to take outside the region because it is better known” (Inward Investment Officer, North Tyneside Council),

and much conflict ensued. Efforts could be more effectively channelled if these municipalities worked collaboratively rather than in opposition, especially when;

“from the standpoint of the firm making the investment, what may be attractive may be less one particular local government in a metropolitan area and more the metropolitan area as a whole. So although local economic development initiatives may be supported, even financed, there is no assurance that they will result in payoffs for the local tax base rather than for the tax base of some other local government in the metropolitan area” (Cox, 1997, 110).

This was indeed the case. The managing directors of Siemens wanted to be seen to be locating in Newcastle since this is stronger brand name to take outside the region

to their international customers. They were in fact so keen to be seen to be locating their new operations in Newcastle, they asked Royal Mail if they could include Newcastle in their address and have a Newcastle postcode. Their request was politely refused, but the managing directors were not so easily discouraged. They simply included Newcastle in their letterhead address and amended all their corporate information.

This kind of intra-metropolitan parochial conflict does not bode well for the increasing numbers of sub-regional partnerships identified by the survey. On the other hand, the introduction of sub-regional strategic partnerships may go some way towards eradicating this increasing trend. In the North East, the new Regional Development Agency is planning to create four sub-regional partnerships to act as a mediating point between itself and the local authorities.

In conclusion, the Newcastle experience has highlighted many facets that can be taken forward, and used to inform and interrogate the second case study. Firstly, despite the gloomy predictions of the demise of local government, Newcastle City Council clearly plays a key role in forming the agendas for the city, and in the local regime. Its role as facilitator and coordinator can be examined in relation to Leeds City Council and their role within the 'Leeds Initiative' partnership. Secondly, the evidence presented here has highlighted the importance of accurately specifying who, what, why and when, in relation to the types of policies pursued and the governance structures supporting them. It is clear from the Newcastle experience that the shift from managerialism to entrepreneurialism is perhaps not as



straightforward as it has been portrayed in the literature. There are also signs of a shift away from entrepreneurialism and an economically-driven approach, to an agenda more concerned with the holistic amalgamation of economic, social and cultural issues. It is increasingly perceived that economic policies have not addressed the fundamental, underlying social problems facing the city, or the quality of lives of the majority of the city's residents.

The picture of both place promotion and governance is therefore more complicated than has been traditionally suggested in the literature. This case study points to the fact that there are important elements of both *continuity* and change in the evolution of a city development trajectory (Shaw, 1994), and that putative 'modes' of governance are not different in *all* regards (Hubbard and Hall, 1998). In this respect, it can be argued that the transformation in governance in Newcastle is perhaps less marked than in other major cities in the UK. The evidence presented in this case study concerning the longevity of economic development policy, public-private partnership, place promotion and entrepreneurialism, suggests that further research needs to be conducted in a different urban context in order to specify more precisely what the shift to entrepreneurialism implies. This, together with the other major themes highlighted, can be investigated further in the following chapter, in which reinforcing or contrasting evidence may arise. From this, and the survey findings presented in Chapter Five, broad conclusions will be drawn and presented in the final chapter.



## 7.0 Introduction

As a brief introduction to this chapter, it is worth reiterating the reasons behind the selection of Leeds as a second case study. Firstly, whilst different bodies in Leeds conduct their own tailored marketing, a single, overarching organisation is responsible for the overall promotion of the *city* of Leeds. This contrasts sharply with the fragmented organisational landscape that characterises the promotion of Newcastle, and therefore makes it possible to explore different institutional configurations of governance. As we shall see however, the situation in Leeds becomes more complex when we examine recent events in detail. Secondly, strategies relating to place promotion and partnership were placed on the local political agenda in Leeds much later than they were in Newcastle. This, in turn, facilitates the exploration of the *shift to* entrepreneurialism in more detail. Despite these particular differences, striking similarities between the two cities emerged during the analysis, which are perhaps testament to the presence of certain meta-narratives operating across cities and particular local economies. This second case study therefore provides both contrasting and reinforcing evidence to Newcastle that can be used theoretically and empirically to develop the literature on governance.



## **7.1 Setting the city in context**

Historically characterised by light engineering, manufacturing, printing, clothing and textile industries, the economic base of Leeds has been strongly founded upon indigenous, small and medium sized enterprises. The city has therefore largely avoided over-reliance on a few, dominant industries; a tendency which has been evident in many other northern cities, such as Newcastle. This ‘heterogeneity has cushioned Leeds from cyclical extremes’ (Financial Times, 1995) by enabling the city to respond effectively to shifts in national and international economic profiles. The city has therefore fared considerably better than many other UK cities, and it is, in part, for this reason that Leeds has developed its distinctive economic profile.

During the 1950s, 60s and 70s, the Leeds economy was comparatively healthy in relation to the UK as a whole, and as such did not necessitate the adoption of proactive industrial location policies (Mawson, 1983; Haughton, 1996). In the absence of any attractive packages therefore, new and expanding manufacturing investment simply located elsewhere. In addition, owing to its relative success, local planning policies in Leeds were restrictive, especially when compared to those in neighbouring towns and cities such as Bradford, Dewsbury, Batley, and even Manchester (Haughton, 1996). Therefore, not only was there little new manufacturing investment, but manufacturing companies were relocating away from the city in favour of these other locations;

“I had increasing frustration with the local authority in Leeds, who would not give permission for this, that and the other...[so] eventually we moved

out...One of the reasons Leeds has become a financial centre is because there was such a lot of bureaucracy in the '50s, '60s and '70s" (business leader, Haughton, 1996, 27).

However, the Leeds economy was not unduly harmed by these events. On the contrary, commentators have claimed that the city has demonstrated a quite unique resilience to the economic recession of the late 1980s and early 1990s (Haughton and Williams, 1996; Campbell, 1996; Bateman, 1986). The foundations were in place for the city to become a regional service sector capital, and it emerged from the last recession as a leading light in financial and professional services 'mounting a direct challenge to London' (Financial Times, 1995);

"Leeds' development as a financial centre has been both recent and rapid. On both quantitative and qualitative measures, the city has emerged as one of the UK's fastest growing and most self-confident financial centres over the past decade" (Tickell, 1996, 104).

The financial services sector in Leeds now employs 45,000 people which almost equals the success and prominence that the clothing and textiles industry enjoyed in the city during the 1950s (Financial Times, 1995). Clearly, Leeds has been successful in negotiating the transition from a manufacturing to a service-based economy, and thereby shifting its position in the (inter)national spatial division of labour. In consequence, Leeds has been portrayed both within the media and academic literature as *the* entrepreneurial city of the north, laying claim to the titles



of 'Corporate City', 'European City', 'Intelligent City', and the 'Financial Capital of the North' (Haughton and Williams, 1996; Haughton, 1996; Haughton and Whitney, 1994; Financial Times, 1997, 1995; The Daily Telegraph, 1994).

Economic success *per se* should not, however, be conflated with the entrepreneurial characteristics described by Harvey (1989). Such claims need to be examined directly, especially in light of the current scepticism that surrounds the concept of entrepreneurialism. Several commentators have recently highlighted uncertainties regarding its over-application, utility and definition (Jessop, 1998; Painter, 1998; Jessop et al, 1998; Wood, 1998b; Hubbard and Hall, 1998). As such, this chapter examines the shift to entrepreneurialism in Leeds by exploring and specifying governance. In so doing, the chapter reveals what is distinctive about the shift to entrepreneurialism in Leeds. For example, it is evident that the city has not endured sustained economic decline for long periods, and so unlike other northern cities and especially Newcastle, it has not experienced the same overwhelming need to regenerate the local economy by attracting inward investment or promoting itself;

“I suppose there is a question mark as to whether Leeds needs to improve its image or to improve its marketing in that it has been a very successful city over the past 15 years...there hasn't been the same sort of demand for marketing campaigns as there might have been in other places, but that partly reflects the economic background of the city which has seen a relatively smooth transition from a manufacturing-based to a service-based economy without any of the horrific glitches or cataclysmic events which seem to

affect places like Birmingham, Liverpool and Sheffield back in the 1980s”  
(Director, Leeds Development Agency, Leeds City Council).

The political process in Leeds has been greatly influenced by this structural context. Local actors have not experienced the same overwhelming need to coalesce in pursuit of a particular issue, campaign or project, as in Newcastle. In Chapter Six, I examined how the length and severity of economic decline in the North East galvanised local public and private sectors into forging economic development partnerships as early as the 1930s. The ‘cataclysmic’ collapse of the coalmining, shipbuilding and heavy engineering sectors demanded a level of entrepreneurial activity that was not matched in other parts of the country until much later. This gave rise to organisational and political innovations that were not developed in Leeds until relatively recently. Indeed, Ward defines local politics in Leeds as a ‘politics of catch-up’ (1997b). By examining critical moments in local politics therefore, this chapter explores the shift to entrepreneurialism in Leeds and, in turn, reveals how, in contrast to Newcastle, it was stimulated by different factors at a different time.

## **7.2 The shift to entrepreneurialism - better late than never**

Initial attempts at both promotion and partnership were made in the late 1970s in the form of ‘Project Leeds’, a joint venture between Leeds Chamber of Commerce and Industry (LCCI) and Leeds City Council (LCC). Recognising that other cities were implementing campaigns to lure investment, they developed the concept of ‘Leeds – the Motorway City of the Seventies’ (Burt and Grady, 1994; Haughton, 1996; Ward, 1997b). Senior Councillors felt however that local economic circumstances did not



warrant such an active approach and so it was thwarted (Haughton, 1996). In its place, the Council adopted industrial location policies; policies which had characterised economic development in other cities for many years (Mawson, 1983);

“it has been undertaken really for a number of years, going back through to the late 1970s, that’s really in my mind when Leeds started to put itself in a position where it was able to respond to inward investment enquiries...and the need to, or the recognition that we were in competition with a number of other cities in terms of investment was acted upon” (Director, LDA, LCC).

An approach founded upon *responding* to inward investment enquiries, characterised economic development in Leeds throughout the early to mid 1980s. By the late 1980s and early 1990s however, several key developments had changed the local economic and political landscape and this rather reactive approach was replaced by one that was far more proactive.

Following a period of relative economic boom, the late 1980s witnessed an (inter)national recession that was felt most markedly within the property and development markets. In response to this, the LCCI strongly believed that the city needed to do more than just participate to compete if it was to sustain its competitive edge, and so called for a more proactive approach to local economic development. They publicly criticised what they saw as complacency on behalf of the local authority and urged the Council to embrace a new ‘growth’ agenda as a means of shifting the city’s position in the (inter)national division of labour (Eisenschitz and

Gough, 1993). The LCCI went as far as forming a 'Future City' Working Party and published a document entitled 'Leeds - International City of the Future' (Leeds Chamber of Commerce and Industry, 1988). This outlined their concerns that Leeds generally was lacking in ambition and that no one was setting a strategic vision for the city's future. The document marks the beginning of a period that runs to date in which the LCCI challenge the Council on their approach to economic development, and in particular, their approach to promoting the city. It also marks the beginning of a critical period in local politics, during which a strong sense of the 'need for change' pervaded the city and its main economic and political actors.

Whilst the city's business leaders were stimulated into action by the onset of economic recession, the city's political leaders were encouraged to act by the threatened imposition of the Leeds Development Corporation (LDC). This non-elected, quasi-government institution would have statutory planning powers over the riverside areas of the inner city, and so the City Council, unwilling to lose democratic control over these areas, created the Leeds City Development Corporation (LCDC) in 1988 as an attempt to see off its imposition. Just as the LDC would do, the LCDC had a property focus and drew in private sector partners. It was hoped that these measures would convince central government that an urban development corporation was not needed in Leeds. They were unsuccessful however and the LDC was established in the same year. The LCDC represents another attempt at joint public-private working within the city, and yet this too was soon replaced by the Council-controlled Leeds Development Agency (LDA). Public-



private *partnership* did not truly appear on the local political agenda until there was a change in Council leadership.

One individual in particular recognised that the strong sense of the ‘need for change’ would stretch to politics as well as economics. The late 1980s therefore heralded a period of considerable change in Leeds and brought about political as well as institutional manoeuvring. Having advocated a new ‘growth’ agenda and a ‘visionary’ approach to economic development, Jon Trickett became Leader of Leeds City Council in 1989. He replaced the long-standing George Mudie, and in so doing, introduced a new agenda to the Council’s economic development policies;

“in terms of overall marketing and marketing lifestyles and visions for the city, that came in very much with Jon Trickett when he became Leader...the whole idea about café culture and European-style originated from his line of thinking. Marketing was recognised at the very highest level for a time...he had a strong vision of where the city should be going” (Marketing Officer, LDA, LCC).

As new Leader, he set about putting his stamp on the nature and direction of economic development in Leeds. In line with the wishes of the LCCI, he founded his approach upon developing and promoting Leeds as a ‘Corporate City’, in which his primary goals were to revitalise the image of Leeds, promote it as a vibrant, dynamic and competitive European city, and ensure that it received a national profile that hitherto had not been achieved;

**“Jon Trickett did a lot for the city in terms of raising its profile...he ran a number of initiatives like 24 hour city, European City, Intelligent City, which clearly started to give Leeds a profile nationally and in the national press” (Director, LDA, LCC).**

**These aspirations and initiatives were greeted with enthusiastic support by the LCCI. Not only were they addressing the concerns outlined in their strategy document (Leeds Chamber of Commerce and Industry, 1988), but they were achieving a higher national profile for the city, around which a strong consensus emerged between the Chamber and Trickett. In terms of the economy, the Chamber wanted their emerging financial services sector to gain notoriety with leading companies and influential opinion formers in London (Haughton and Williams, 1996; Tickell, 1996). Assisting the LCCI to develop a prestigious financial services sector second only to London could only help Trickett’s cause, since politically, he had aspirations;**

**“to become an MP and so it was probably important to him to make sure that Leeds was on the national stage” (Senior Officer, LCC).**

**In addition, throughout the 1980s, local authorities had been increasingly ‘required’ to enter into partnerships with the private sector in order to qualify and compete for particular central government and European resources. After a decade of these Thatcherite measures, it was not until 1990, under Jon Trickett’s reign, that Leeds responded to this central government dictat (Ward, 1997a). In a mutually reinforcing**



approach of attracting central government attention, and winning the resources necessary to enhance Leeds' profile further, Trickett, the Council, and the LCCI, created the flagship 'Leeds Initiative' partnership. Charged with establishing a comprehensive economic development strategy for the city, this partnership was to pave the way in terms of the future governance of British cities, and comprises the major public and private stakeholders in the city; most notably, the City Council, the LCCI, Leeds TEC, the local newspaper group, both universities, and the Government Office for Yorkshire and Humberside (Leeds City Council, 1997a). It has been the vehicle which has carried the 'Corporate City' approach forward, prioritising economic development and, in particular, place promotion for almost a decade.

Advocated by Trickett and strongly endorsed by the LCCI, the Leeds Initiative embarked upon a 'postindustrial transformation' of Leeds, economically, physically and culturally. To achieve a heightened national profile, the coalition needed to implement high profile strategies that would warrant national media attention. In this they succeeded. Indeed, the chosen entrepreneurial strategies were also a success coinciding as they did with the restructuring and deregulation of finance capital both nationally and globally. Throughout the early to mid 1990s therefore, Leeds benefited from rapid indigenous growth and the successful inward investment of banks, building societies, insurance and legal firms, together with the more recent influx of telephone-based operations like First Direct Bank and Direct Line Insurance.

The city has also been successful in attracting major relocations, for example the Medical Protection Society, Barclays Mortgage, and British Telecom, together with

the Department of Social Security, the Benefits Agency and the NHS Management Executive (Leeds City Council, 1995). The latter reflect the success Leeds has had in attracting governmental redistributions; one of the entrepreneurial strategies advocated by Harvey (1989; see Chapter Two). Indeed, Leeds is now home to a long list of regional and national headquarters, including the National Westminster Bank and Halifax Building Society. In February 1995, the unemployment rate was below the national average at 7.7% (Campbell, 1996), and during the early to mid 1990s, the city consistently had one of the lowest unemployment rates of any conurbation in northern Britain (Financial Times, 1995).

The city's rapid transformation from a centre of manufacturing to a regional capital of financial services attracted national media coverage and Leeds was soon dubbed 'The Financial Capital of the North' (The Daily Telegraph, 1994) and 'The Pinstripe City' (The Economist, 1993, cited in Tickell, 1996). The national broadsheets also covered the physical and cultural transformation of the city (The Daily Telegraph, 1994; Financial Times, 1995, 1997), charting the postindustrial development of the riverside (including Granary Wharf and the Tetley Brewery Museum) and the renaissance of Leeds as a major cultural and retail centre (through ventures like the Royal Armouries, Opera North and Harvey Nichols).

The shift to entrepreneurialism in Leeds is therefore definitively characterised by the 'Corporate City' approach. A strong consensus between the city's major public and private stakeholders emerged around enhancing the city's (inter)national economic standing and profile. This consensus found concrete form in the Leeds Initiative



partnership, which chose to pursue and attract control and command functions, production and consumption activities, and governmental redistributions (Painter, 1998; Harvey, 1989). In so doing, the Council embraced municipal enterprise and the prevailing public-private coalition implemented policies designed to foster local economic growth and development (Hubbard and Hall, 1998; Hall and Hubbard, 1996). With respect to the motivations of Jon Trickett, the City Council, and the LCCI, I would suggest that the agenda behind this shift to entrepreneurialism was more attuned to events happening at an extra-local or national level, than those happening locally.

For example, during the late 1980s, widespread recession both nationally and internationally compelled the private sector and the LCCI to act. They recognised that the city needed to actively compete if it was to maintain its standing in the (inter)national urban hierarchy. For economic reasons therefore, the LCCI were keen to attract the attention of national decision makers in the financial services sector in order to boost the economic fortunes of their own emerging sector (Haughton and Williams, 1996; Tickell, 1996). The City Council on the other hand, were encouraged to adopt a more active approach to local economic development by the imposition of the LDC by central government (Haughton, 1996). Riding this wave, Trickett advocated a new 'growth' agenda, secured the Council leadership, and for political reasons of his own, sought the attention of central government and national media institutions. In collaboration with the Council and the LCCI, he successfully achieved this by implementing high profile economic development strategies and creating the flagship Leeds Initiative partnership. With regard to the balance of

central-local relations, it is also worthy of note that local voluntary and community groups were not incorporated into the Leeds Initiative partnership until their representation was a requirement of central government and necessary to attain competitive resources through the Single Regeneration Budget (Ward, 1999b, 1997a).

In relation to the timing of the shift, and in contrast to Newcastle, relative economic success over the years has meant that local stakeholders have simply not needed to promote the city. Moreover, they have not been encouraged through economic necessity to form public-private coalitions in pursuit of transforming economic development strategies. In this context, the City Council continued to exert *its* influence over the city until relatively recently;

“For most of the twentieth century a consensus existed that leadership in Leeds was to be in the hands of the local authority” (Haughton, 1996, 25).

The city of Leeds has therefore been a late entrant into both place promotion and partnership. As Ward observes;

“the institutions at work in Leeds were relatively slow in embracing ‘urban entrepreneurialism’. The coupled effect of a historically strong local authority and a broader reticence about joining the rush to achieve ‘world city’ status, shaped any movement towards regime formation” (1997a, 1501).



In comparison to Newcastle therefore, recent transformations in governance are noticeably marked. Furthermore, the political process in Newcastle was moulded by its economic dependence on declining sectors. Its early shift to entrepreneurialism can therefore be characterised as largely a response to economic restructuring. In contrast, whilst governance in Leeds has of course been moulded by economic conditions and the global effects of restructuring (for example, the emergence of a strong financial services sector), the agenda behind its shift to entrepreneurialism can be seen as more of a response to central-local relations;

“The city...bears the hallmarks of central government’s search for a ‘local institutional fix’ to the scripted national crisis” (Ward, 1997a, 1500).

The creation of the Leeds Initiative was part of this search for a ‘local institutional fix’. Responding to the will of central government, Jon Trickett moulded a partnership that prioritised the needs of business and the pursuit of economic growth. Since its inception, its major objectives have been to: ‘promote Leeds as a major European centre’; ‘ensure the *economic* vitality of the city’; ‘improve the quality and visual appeal of the city’; and ‘develop the city as an attractive centre for visitors’ (Leeds City Council, 1997a, emphasis added). In pursuing these objectives, place promotion has been at the centre of emerging governance forms in Leeds throughout the 1990s.

### **7.3 Local governance and place promotion**

The ‘Corporate City’ approach undeniably characterised local politics in Leeds throughout the early to mid 1990s, dominating local political agendas and skewing them in favour of marketing the city in pursuit of *economic* growth. Equally, the Leeds Initiative undeniably transformed the local institutional landscape by introducing a powerful public-private board that carried this approach forward. Between 1989 and 1996, representatives from the public and private sectors worked collaboratively towards securing economic growth and development for the city. Indeed, regime politics are often used to describe a situation in which;

“the effectiveness of local government depends greatly on the cooperation of nongovernmental actors and on the combination of state capacity with nongovernmental resources” (Stone, 1993, 6).

Commentators have thus suggested that a ‘regime’ of public and private interests characterised governance in Leeds during this particular period (John and Cole, 1998; Ward, 1997a, Haughton, 1996). Governance in Leeds has often been said to resemble a ‘pro-growth corporate regime’ (John and Cole, 1998; Ward, 1997a; Haughton, 1996; DiGaetano and Klemanski, 1993a, 1993b) which seeks ‘to bring public and private sector activists together around a vision of economic development for the city’ (Haughton, 1996, 22) and boosts the local economy by ‘building a favourable image of the city that attracts investment’ (Pierre, 1999, 385; Stone and Sanders, 1987). I would concur with this. However, there are processes in Leeds that are characteristic of other specifications of urban governance, and so the insights



these other specifications can offer should not be dismissed outright. For example, given its explicit growth agenda, it might also be appropriate to suggest that the Leeds Initiative is a 'growth coalition', along the lines described in earlier chapters (Logan and Molotch, 1987; Molotch, 1976). According to the US literature, from which the growth coalition concept originates, groups of local business interests coalesce to exploit the democratic power base of local government and instrumentally 'control' their agendas in order to further their own economic interests. Despite the fact that;

“some British cities have found themselves at a stage where their dominant vehicle for economic development strategy often appears remarkably similar to those of their US counterparts” (Haughton, 1996, 22);

observers in the UK have been reluctant to classify indigenous governance forms as growth coalitions. This reluctance has derived ostensibly from the problems associated with transferring the concept from the US to the UK. These have been widely cited (Harding, 1995, 1994, 1991; Lloyd and Newlands, 1988; Logan and Molotch, 1987). On the whole, it is recognised that the UK provides a much less fertile ground for the development of growth coalitions than the US (Harding, 1994) owing, most notably, to the fundamental difference in the spatial distribution of capital. Private businesses in the UK are often much less financially dependent on local markets than their US counterparts, and so are less inclined to participate in the determination of local growth policies. Formal business participation in local politics

and its instrumental control over local political strategies is therefore much less marked in the UK (Harding, 1994, 1991; Lloyd and Newlands, 1988).

However, whilst conceding that a 'US-style' growth coalition may not be replicated in the UK in *all* respects, it would seem reasonable to suggest that elements of the concept may be present, especially when, as Harding (1994) points out, some of the UK characteristics that initially undermined the formation of growth coalitions have been transformed. For example, private sector involvement in local politics has been on the increase, largely as a result of Thatcherite pro-business policies. Furthermore, global restructuring has given rise to a heightened inter-urban competition, and putative shifts to entrepreneurialism have seen a change in policy emphasis away from social welfare, towards the prioritisation of local economic growth and development. Consequently, UK coalitions often;

“bear a close resemblance to their US counterparts...in terms of private interest-group representation, the general strategic directions followed, and the limited priority put on the distributive consequences of redevelopment in comparison to previous UK initiatives (Harding, 1994, 356).

Indeed, with respect to governance in Leeds, there are elements which do, and do not conform to the growth coalition model. For example, rather than a group of 'local business interests', the composition of the Initiative's partner organisations reflects an even mix of public, quasi-public, and private sector bodies. Along these lines therefore, the composition of the Leeds Initiative does not resemble a growth



coalition. Moreover, growth coalitions are typically comprised by those interests whose activities are more 'place-bound' in their nature; for example, land and property-orientated interests whose returns are more intimately tied to the economic fortunes of their locality. Economic interests with an explicit land or property focus are not represented on the board of the Leeds Initiative. Having said that however, the auxiliary members of a growth coalition are represented; for example, local media institutions who act as 'growth statesmen' (see Chapter Three) and local financial, legal and insurance organisations.

More convincingly perhaps, the City Council is not 'controlled' *per se*, by these private sector interests. As in Newcastle, the 'strong local authority' (Ward, 1997a, 1501) continues to enjoy its historically prominent role in local policy making;

"the...council is a powerful economic player, and it is not possible to understand policy making in Leeds without reference to its power and legitimacy" (John and Cole, 1998, 390).

Thus, despite the evolution of partnership within the city, commentators allude to the fact that the creation of the Leeds Initiative 'did not mark a complete decoupling of past trends' (Ward, 1997a, 1501);

"In the 'new' coalition, Leeds local authority has positioned itself as the 'natural' leader in local economic development' (Ward, 1997a, 1501).

Moreover, the Council's leadership is largely accepted by the Initiative's partners;

“Although there is some criticism locally that “What the Leeds Initiative has developed into now, is largely a department of the city council” (business leader), most players accept the inevitability and even the legitimacy of the local authority's dominant role” (Haughton, 1996, 34).

Importantly however, these accounts underestimate the degree to which the private sector in Leeds has influenced the city's style of economic development and governance over recent years. They underestimate the extent to which Leeds City Council has acted *in response* to the LCCI and the wishes of the local private sector. This chapter has already highlighted how the LCCI have challenged the Council on their approach to economic development, and in particular, on their approach to promoting the city. In 1988, the LCCI and the publication of their document ‘Leeds - International City of the Future’ (Leeds Chamber of Commerce and Industry, 1988) pushed a new agenda onto the local political scene. This was an agenda that explicitly furthered the economic interests of the local business community, and resulted in a change in the policy emphasis of the Council, and a change in Council leadership.

Admittedly, the imposition of the LDC and the actions of Jon Trickett played a large part in stimulating the Council to adopt a more proactive approach to economic development, but I would argue that the significant role played by the LCCI and its private sector members has been underestimated and consequently downplayed. For



example, with regard to place promotion, whilst the *lead* role of the Council in this activity is accepted, the *nature* and *extent* of their involvement in it has been stimulated by pressure from the private sector;

“basically there was a feeling that the Council wasn’t doing enough in terms of marketing the city and so there was pressure from the private sector for the Council to do more, take on board more of a role and to take a lead in that”  
(Marketing Officer, LDA, LCC).

The LCCI’s most recent challenge also culminated in the publication of a document; one which outlines restructuring proposals for the Leeds Initiative (Leeds Chamber of Commerce and Industry, 1996). The significance of this latter publication will be discussed shortly. Suffice to say, it stimulated yet another response from the City Council and heralded another transitional phase in local politics. Perhaps it could be said therefore that, in some senses, local business interests do exploit the democratic power base of the City Council and instrumentally ‘control’ its agenda in order to further their own economic interests. Governance in Leeds is characterised by a public-private coalition that prioritises the needs of business and pursues an explicit growth agenda, and this is consistent with the growth coalition literature (Logan and Molotch, 1987; Molotch, 1976). Therefore, whilst a ‘US-style’ growth coalition may not exist in the city, or may not exist at all times, particular processes are evident at particular times which are consistent with ‘growth-coalition-like models’ (Harding, 1991, 301). One key *difference* between classic growth coalition models and the situation in Leeds lies in the role of the local authority. In collaboration with the

private sector, it is the local authority that *leads* this coalition, and this leadership is widely recognised across the city. Again, with regard to promoting the city, those in the quasi-public sector feel that;

“there is only one body that is specifically responsible for the marketing of Leeds as a city and I think that has to be the City Council. The City Council is democratically accountable and its role is to govern the city.” (Chief Executive, Leeds City Centre Initiative, Leeds Initiative);

Whilst those in the private sector believe that;

“whilst we are here to say what business thinks and what business would like and to put its view in terms of marketing the city, it’s not actually our job to do it...we’re not so much the ‘doers’ in this forum [the Leeds Initiative] really as contributors to the process...I think the City Council is the natural leader for it” (Chief Executive, LCCI).

This may of course suggest that there is a UK variant of the growth coalition; one that is perhaps led by the local municipality. Indeed, much of the UK governance literature testifies to the continuing importance of local authorities within public-private coalitions (Jessop, 1998; Ward, 1997a; Valler, 1996; Bassett and Harloe, 1990; Cooke, 1989, 1988), so the fact that Leeds City Council is the driving force behind the Leeds Initiative may not come as much of a surprise. Therefore, whilst



there are clearly differences between the Leeds experience and the classic growth coalition model, there are certain elements that parallel this particular typology.

This discussion begins, more generally, to highlight the problems associated with characterising local governance as one form or another. If the defining criteria of a particular model are not *all* present, the conceptualisation is often rejected as a whole. It is also clear from this discussion that specifications of the form of governance have tended to abstract significantly from particular events and governance processes in Leeds. In this sense, whichever model one chooses to attribute, it is considerably less important than the accurate specification of the processes, strategies, actors and institutions that produce and define the historically and spatially contingent phenomena that is 'governance in Leeds'. It is this which is the object of investigation, rather than the search for a distinctive model of urban politics.

For example, the years 1989 to 1996 have been portrayed as a relatively harmonious period in local politics, during which the city's public and private interests formed a 'regime' which adhered to a policy of aggressive city marketing (Leeds City Council, 1995, 1997a; Ward, 1997a; Haughton, 1996). This masks the fact that during this period, marketing the city was a particularly contentious issue between Leeds City Council and the Leeds Initiative, and the LDC. The LDC were 'never willing to join in a partnership for marketing Leeds' (Director, LDA, LCC), and 'despite overtures from the City Council' (Director, LDA, LCC), it appears that, in an attempt to prove their success to central government, the LDC wished to focus

their promotional activities on themselves, rather than market the area and the city they were trying to develop;

“I think as an organisation they felt that they had to be seen to be distinct and successful and therefore the marketing of the organisation became for them [LDC], more important than the marketing of Leeds, which is unfortunate, and I think that’s probably one of the key reasons why in the early 1990s when Jon Trickett was really trying to focus on the image of the city, that wasn’t one where we could all come together” (Director, LDA, LCC).

The ‘Corporate City’ consensus was therefore formed within and between the founding members of the Leeds Initiative. It did not stretch right *across* the city and include all locally dominant institutions, nor did it endure, at least internally, for as long as we are led to believe (Leeds City Council, 1995, 1997a, Haughton and Williams, 1996). The Leeds Initiative has been described as ‘the official image setter for Leeds’ (Smales, 1994, 48), and yet beneath this overarching, umbrella framework, there are several different agencies that promote the city, each of which have their own agenda and conduct their own *tailored* marketing campaigns. The most notable of these are the LDA, the Council’s Leisure Services Department, the Leeds City Centre Initiative, the Leeds Financial Services Initiative, the Leeds Manufacturing Initiative, Gateways Yorkshire and the City Centre Management Team. These agencies adhered to the ‘Corporate City’ approach for the first few years of the Leeds Initiative existence, until it became apparent that as a result of this approach, some initiatives were enjoying more success than others. Conflicts began



to arise, but they were concealed so as not to distort the appearance of a unified city and a unified city partnership (Marketing Officer, LDA, LCC). Ward rightfully highlights how damaging local contestations are ‘subsumed to allow the ‘entrepreneurial city’ to be marketed to an external audience’ (1997a, 1503), whether this be to inward investors or governmental funding bodies, *until* this promotion gives rise to material considerations;

“Partnerships that had previously been concerned with the discursive *promotion* of the city are now faced with *material* projects that may reveal intracoalition tensions” (Ward, 1997a, 1496, original emphases).

For example, the Leeds Financial Services Initiative (LFSI) and its tailored marketing activities have been so successful that ‘nobody in the financial services sector needs to be told about Leeds, they all know about it’ (Chief Executive, Leeds City Centre Initiative, Leeds Initiative). As a result, Leeds is often uni-dimensionally perceived as a service sector city, contradicting the fact that it still has a significant manufacturing base centred upon engineering, clothing and textiles;

“We’re still the second largest manufacturing base outside London and it was felt that that was being neglected” (Marketing Officer, LDA, LCC).

To try and redress this imbalance, the less successful ‘Engineering Initiative’ and ‘Printing Initiative’ have merged to become the ‘Manufacturing Initiative’ in an

attempt to support and sustain their activities, and compete with the LFSI. This has only occurred recently however, despite the fact that;

“it has been felt for some time that there has been too much emphasis placed on the financial services sector” (Marketing Officer, LDA, LCC),

As these competing concerns became more pronounced, the various sub-initiatives of the larger Leeds Initiative began to carve out their own distinctive roles; roles which targeted and serviced their own customer base;

“Now the difficulty of course is that when you start taking sectoral approaches, sectoral interests start jumping out of the wood-work and I think it is quite interesting that it became necessary for individual sectors to promote to their own audiences, and certainly the LFSI and the Engineering Initiative and the City Centre Initiative did just that and continue to do so...the approach we've taken is effectively to try and draw a dividing line between the city of Leeds and its city centre” (Chief Executive, Leeds City Centre Initiative, Leeds Initiative).

In further illustration, the city of Leeds suffers from acute skills shortages in the professional and financial services owing to the unparalleled success of these sectors. The LFSI therefore, did not want the city, or the city's marketers to attract any more call centres because they felt any new business would, in effect, poach their staff. In consequence, the LFSI;



“basically thought that the city was full up and said as much to the press, which was a major difference of opinion from the people here [LDA], who at the same time were dealing with major enquiries from potential call centres wanting to set up in the city...so when you get differences of opinion like that, it can get quite nasty and that particular case did involve many heated discussions between us [LDA] and LFSI to sort out what the party line was going to be” (Marketing Officer, LDA, LCC).

Within the Leeds Initiative as a whole, these competing concerns proved harder and harder to dismiss. As a result, two inter-related debates have opened up within the city; one regarding the city’s policy emphasis, and in particular the marketing of Leeds; and the other concerning a review of the structure of the Leeds Initiative. Despite the duration and pre-eminence of the ‘Corporate City’ approach, ‘marketing is [still] not understood by the majority of politicians’ (Marketing Officer, LDA, LCC), and so when these sectoral divides came to light, it provided the ideal opportunity for certain Council members to re-open;

“prolonged debates that have taken place over a long period of time, at very senior levels within the Council, about how Leeds should market itself” (Director, LDA, LCC).

These ‘discussions have not so far come to a satisfactory conclusion’ (Director, LDA, LCC). Suffice to say that these discussions revealed clear institutional divides

across the city, which in turn undermined the 'Corporate City' approach, and brought about a change in Council leadership. Once again, the city of Leeds was pervaded by a strong sense of the 'need for change', and in 1996, Brian Walker replaced Jon Trickett as Leader of Leeds City Council. With regard to the marketing of the city, many Council members felt that Jon Trickett had gone 'too far in that direction' (Marketing Officer, LDA, LCC) and were attracted by the 'back-to-basics' approach that Brian Walker offered.

Despite the recent pre-eminence of local economic development, Council members were keen to protect core services, and so there followed a backlash to the 'Corporate City' agenda that had dominated local politics for seven years. Its grand visionary approach came under extensive attack from local voluntary and community groups, local politicians, and local academics (Haughton and Williams, 1996; Stillwell and Leigh, 1996). In their eyes, the 'Corporate City' approach had done little to enhance the employment opportunities and quality of life of those Leeds' residents living in the inner city, given that over the last ten years, the city had attracted an additional 20,000 commuters daily from surrounding areas, and 30,000 people, almost exactly the same as ten years ago, remained unemployed in the city (Financial Times, 1997). The 'Corporate City' strategies were therefore criticised for actually enhancing social polarisation and marginalisation across the city by emphasising economic growth and neglecting social policies. Ironically, this also attracted national media attention and resulted in the following headlines: 'Urban problems: A city of stark contrasts' (Financial Times, 1997); 'Social issues need



action'; and 'Regeneration fails to benefit poor' (Financial Times, 1995). Thus, commentators have recently concluded that;

"The days of the corporate city approach appear to be numbered, as the policy momentum gathers for a change from a narrow entrepreneurialism to a more inclusive social agenda for the city" (Haughton and While, 1997, 7).

The city is however divided. There are those, primarily from the private sector, who argue strongly that the momentum gained since 1989 is in danger of being lost, and that the marketing of the city will become 'something of a reactive process, rather than a proactive process' (Chief Executive, Leeds City Centre Initiative, Leeds Initiative);

"Councillor Walker does have a very different emphasis in that he is very much 'back-to-basics' and back to service delivery, and although a lot of the work that Councillor Trickett put in place, like the big event programmes, the things that were actually attracting national attention to the city, whilst those are maintained, it must be said that the public relations side has diminished somewhat" (Marketing Officer, LDA, LCC).

The city's marketing activities are therefore currently under review. Questions relating to how the city should be promoted, to what extent, and by whom, are highly salient and politically charged issues within the city at this present time;

“we’re trying to establish a clear viewpoint from the City Council side about what it sees as being the best way of marketing the city and improving its image, although I’d have to say at this stage, whilst it’s been raised on a number of occasions, I think the City Council’s own position is still not complete” (Director, LDA, LCC).

The LCCI are again applying considerable pressure, demanding that the Council strike a satisfactory balance between the economic growth-orientated strategies of the ‘Corporate City’ agenda and the more socially inclusive and redistributive strategies of Brian Walker’s ‘Citizen City’ approach;

“Councillor Walker obviously does want Leeds to be promoted, but I think he feels very strongly, and I wouldn’t wish to put words in his mouth, but I think he feels very strongly that we are here primarily to serve Leeds’ residents and how much do you serve Leeds’ residents with the promotion of Leeds?” (City Centre Manager, City Centre Management Team, LCC).

In an attempt to balance these competing priorities, a solution is being sought in the form of the ‘Vision for Leeds’ exercise. This intends to;

“give the people of Leeds some say into what the priorities of the city should be” (Marketing Officer, LDA, LCC).



With the sub-heading 'Your city, your choice, your chance to have your say', the 'Vision for Leeds' initiative claims to be the largest consultation exercise ever undertaken in the city, and from the results, the partners aim to establish a strategic vision for the city for the next twenty years. The balance that Leeds City Council and the Leeds Initiative partners are trying to strike is clearly reflected in the five main themes that the 'Vision for Leeds' document focuses upon: 'Competing in a Global Economy: Leeds - an international city', with the sub-heading 'City Image'; 'Making the most of people: Opportunities for all'; 'Better Neighbourhoods and Confident Communities: A good place to live'; 'Ensuring Sustainable Development: Concern for the environment'; and 'Information and Communication' (Leeds City Council, 1997b).

The act of balancing these economic and social agendas, with marketing at the core of the debate, is having a profound influence on the process and structure of governance in Leeds. The emergence of an alternative agenda for the city and associated changes in policy emphasis have led to a period of institutional flux, in which the Leeds Initiative partner organisations and Leeds City Council are reconsidering their roles and rethinking their alignments in respect of the two alternative agendas. The result is twofold. Firstly, in conjunction with these changes in policy emphasis, Leeds City Council have initiated internal reorganisation procedures in an attempt to overcome the fact that;

“the local authority [LCC] was for too long hampered by rigid, vertical integration. There were too many departments and committees, each

reporting upwards and each autonomous with poor sideways linkages, co-ordination was usually attempted too late as policies were set in stone by the time they reached anyone with a wider overview” (Financial Times, 1997).

Secondly, the structure of the Leeds Initiative, and more importantly, the Council’s role within it, are being reviewed. Over recent months, there has been growing disquiet amongst the Leeds Initiative partner organisations regarding the Council’s commanding role;

“Until recently, it’s been very much the City Council, they go off and do the things, they tell us what’s going on and we try to put our two-penneth in, but in the end Leeds City Council drives it” (Chairman, Leeds TEC).

Unable to stem the gathering momentum of these opinions, the Council are in the process of implementing changes to the Leeds Initiative structure that will enable ‘existing stakeholders to have a bigger say’ (Chairman, Leeds TEC);

“the partnership will definitely be outside the Council rather than in it, because that’s been one of the moot points really, about whether it’s part of the Council or whether it’s separate from the Council...it will be a sort of semi-detached arm, with the City Council being the lead partner” (Director, Leeds Initiative).



In anticipation of these changes, the major partners are pursuing self-marketing campaigns in an attempt to secure prominent positions and influential roles within the revamped structure. At the centre of this, the Chamber are yet again challenging the Council on their approach to economic development, and in particular, their approach to place promotion. So having been central to the process of institutional coalescence with the Leeds Initiative, the marketing of Leeds is now central to processes of institutional restructuring and sectoral repositioning which threaten to destabilise the city's governing coalition;

“Much of the rhetorical appeal of urban regimes rests on the assumption that somewhere, beyond the political posturing of the council chamber and the interminable bureaucracy of the town hall, lies a nirvana of shared beliefs and community interests...But rhetorical appeals to localism, to social responsibilities, to partnership and to shared visions are one thing, the complex and often acrimonious reality of local politics and governance failure is another” (Jessop, 1998, 31).

The somewhat ‘acrimonious reality’ of local politics can be illustrated with the actions of the LCCI. Recently, they produced a critical report of the Leeds Initiative and its activities, claiming that it had lost momentum and focus (Leeds Chamber of Commerce and Industry, 1996). They reasserted the statement made in 1988, prior to Jon Trickett's reign, that ‘the marketing of the city..[should be]..a major priority’ (Leeds Chamber of Commerce and Industry, 1988, 25) and reflected this in their proposals for a ‘new’ Leeds Initiative (Leeds Chamber of Commerce and Industry,

1996). They proposed that the partnership should focus on four main areas of operation: land and property use, the labour market, the physical environment and marketing the city (Leeds Chamber of Commerce and Industry, 1996). They also proposed that an executive holding company be created which would be supported by three subsidiary committees: the Leeds City Development Company (LCDC); the Leeds Initiative Regeneration Board (LIRB); and the Leeds Marketing Initiative (LMI). In response to the recent changes in policy emphasis, the Chamber appear particularly concerned that the marketing of the city should not be neglected;

“The Chamber believes that there is a clear need for co-ordinated marketing of the city to further promote our ongoing success. It recommends that a Leeds Marketing Initiative is convened with the responsibility of drafting a business plan that will address how the strategic marketing needs of the city can be met and also to give consideration to the incorporation of the body to act as a vehicle for future marketing action” (Leeds Chamber of Commerce and Industry, 1996, 3).

By asserting such economically-driven proposals, the Chamber has, in effect, placed itself in opposition to the City Council. This stands in marked contrast to comments made earlier by the Chamber attesting to the legitimacy of the Council’s lead role in marketing the city, and perhaps highlights the fragility of the foundations upon which public-private relations are formed. It suggests that the private sector in Leeds are only willing to accept the Council’s lead role for as long as the LCC are endorsing and pursuing strategies that are of benefit to them, for example, during the



years of the 'Corporate City' approach. However, it does appear that the LCCI and the local authority have reached a compromise.

In place of the Chamber's proposals, the existing *modus operandi* and existing decision making structures are being clarified in an attempt to enhance and strengthen the interrelation between the various sub-initiatives. Furthermore, the five themes identified in the 'Vision for Leeds' exercise have replaced the Chamber's suggested four main areas of operation, and a steering group has been put in place to oversee each of these. These objectives mark a significant departure from those originally pursued in 1990. Given that the three operational sub-committees advocated by the Chamber have also been substituted by a working group that comprises the City Council, the LCCI, Leeds TEC and the Director of the Leeds Initiative, it appears that, for the moment at least, the LCCI are willing to adhere to these new objectives.

It is notable how in Newcastle also, the City Council were unwilling to support the creation of a 'Newcastle Marketing Office', despite considerable private sector commitment. Yet, much of the literature detailing the lineaments of local government restructuring testifies to notions of decentralisation and strategic enabling in which traditional local authority functions are out-sourced to nongovernmental bodies (Cochrane, 1991; Stewart and Stoker, 1989). In contrast, the evidence presented from these two case studies suggests that local authorities are reticent to devolve responsibility and influence into an arena that would facilitate greater private sector control;

**“I can’t see Leeds going down that road, partly it’s a control issue, I can’t imagine this particular Council wanting a hands-off relationship with what people might be saying about the city” (Marketing Officer, LDA, LCC).**

**Bearing similarities again with opinions expressed in Newcastle, those in the public sector believe that the creation of a ‘Leeds Marketing Initiative’ is superfluous. They wholeheartedly believe that if you bring the relevant parties together, greater coordination can be achieved without the unnecessary expense of setting up a separate organisation;**

**“institutionally, what would be the right way of dealing with it? It is possible to bring together some of the key players who have an interest in marketing the city. I think the question that we’ve been asking ourselves within the City Council is, are there any tricks we’re missing which would give us some added value about bringing and coordinating operations more carefully, which is a separate question from do we need a separate city marketing unit” (Director, LDA, LCC).**

**Consequently, the public sector are instead choosing to focus upon the;**

**“ways in which there can be some sort of central coordination and ways which perhaps may unify some of the messages coming out of the city and how you might also perhaps direct some of the initiatives that are going on in**



the private sector so we all look like we're singing from the same hymn sheet" (Marketing Officer, LDA, LCC).

One of the fundamental problems with the current approach is that the local business community are approached by several different agencies, all asking them to fund separate and distinct city marketing campaigns;

"they're calling on the same market for people to join in, contributing to different funding for different aspects of marketing and that's where the retailers say well hold on, you get your act together and we'll contribute centrally, but we can't be contributing in three different ways because you've got three different acts going, and that's certainly one of the issues that's stopping us getting it sorted now, that's one of the hurdles that we haven't got over yet" (Director, Leeds Initiative).

So despite their different viewpoints on implementation, both the public and private sector in Leeds recognise that, at the very least, a coordinated marketing strategy would benefit the city, and would offer an opportunity to clarify the promotional message. There are however clear obstacles to both the creation of a coordinated marketing strategy and the potential establishment of a central marketing organisation. Firstly, each and every sector wants the strategy to address their particular requirements. So despite agreement in principle, no sector wishes to lose control over what they say about the city, let alone forsake their aspect of marketing to another for the greater good of an overarching strategy. Secondly, the

establishment of a 'Leeds Marketing Initiative' is not only being halted by the lack of public sector support, but also the lack of financial commitment on behalf of the private sector. It would appear that the private sector are more than happy to suggest ideas, but are less than willing to fund them;

“going back five years there was a feeling that we ought to have some group, somebody driving the marketing of Leeds in a coordinated way, but where we ground to a halt was when we said, what a good idea, that needs to be done, that'll cost x millions, where do we get it from? Then everybody threw their hands up and said not from us...this is the nub of it all, unless we can break that and say look we can put money in for properly organised city-wide promotion, I think we've got a real problem” (Chairman, Leeds TEC).

As a further example, the LCCI suggested that the city centre would benefit from the introduction of uniformed people who would, in effect, 'police' the city centre, provide help where and when it was needed and generally make the city centre a safe and secure place for tourists and families to visit. The Leeds Initiative partners unanimously agreed that it was a good idea and set the scheme in motion. However, 'when it came down to a question of brass-tacks, there was a deafening silence' (Chair, DSG, LCC), and so, in the words of the Chair of the Development Services Committee (LCC);

“Who do you think paid for it? Leeds City Council of course. Not one penny came from the Police, the private sector or anybody else. It was us [LCC]



that found the money within the budget and when you're going for cut-backs year after year, that does rankle slightly...we were never going to get it to work if we waited for the private sector".

Local businesses are therefore widely criticised for adopting the attitude that 'the Council ought to do it shouldn't they, we pay our taxes, that's the job of the Council isn't it' (Chief Executive, Leeds City Centre Initiative, Leeds Initiative). So with regard to the LMI, the Council simply believe that the private sector will not provide the amount of match funding required to pursue such a scheme;

"from the City Council's point of view, there's been a concern that its partners in the Leeds Initiative would see the Council as being by far and away the main source of funds for a scheme of that nature and then as a Council you get back into the local political debate about how much should be spent on marketing versus schools, social services, housing, or any of the other things" (Director, LDA, LCC).

The questionable level of local business commitment is also acknowledged by the private sector themselves. At the admission of the Chamber;

"most local business aren't interested in local politics, they're just not interested unless or until something goes wrong that affects them...the marketing of the city is not a top priority for them, or even in the priorities for most businesses...you won't find many willing to contribute, partly

because of the arguments, 'I pay my taxes, what's the Council there for', so on and so forth" (Chief Executive, Leeds Chamber of Commerce and Industry).

The Council have therefore tried to hold the business community, and the LCCI in particular, accountable for the contradictions they impose on local politics. On the one hand, the Chamber believe that 'the key to success lies in the city government and the business community acting in concert' and as such, believe they should be at the 'heart' of the Leeds Initiative (Leeds Chamber of Commerce and Industry, 1996, 27), and yet, according to the City Council, they are unwilling to provide the financial resources necessary to implement initiatives of their choice;

"in terms of punching their weight, they like to assume greater importance than they actually have, which is irritating because they can be so pompous about what they want the city to do" (Chair, DSG, LCC).

This resentment however, breeds both ways. The LCCI feel very strongly that the local authority are unduly benefiting from the Leeds Initiative partnership;

"other people are not only carrying out the City Council's duty, but now they're also funding it. Now of course the City Council could well sit back and relax and rub its hands with glee and say this partnership thing is bloody wonderful because we've got all these businesses in Leeds, they're coming up with all the ideas, they're coming up with a marketing campaign and now



they're paying subscriptions and putting money in, they're bloody paying for it as well, that's absolute heaven" (Chief Executive, Leeds Chamber of Commerce and Industry).

Therefore, if one portrays local politics in Leeds as a unified 'corporate regime', these are the types of 'processes of governance' that can be concealed. For example, a coalition of public and private interests did coalesce around economic development and the promotion of the city, and this did endure for several years. However, it was perhaps not as long-lasting, consistent, or as widespread as the presentation of a seven year 'corporate regime' would suggest;

"marketing, whilst it's been talked about amongst members of the [Leeds] Initiative, for one reason or another, has not been one of those where I think people have felt comfortable with one another. To create a 'Leeds Marketing Initiative' and to have that sort of partnership with a city-wide office, then I think you need a level of partnership and a partnership which sees that as a priority and I'm not sure that in Leeds, that was the way round that it was seen, so I think there wasn't the institutional framework or comfort to do that, but equally, the economy wasn't in quite such a severe state of recession and therefore the thing that might have galvanised all those institutions to be comfortable with that sort of arrangement, just hasn't occurred" (Director, LDA, LCC).

Using typologies can therefore detract from these defining processes by exaggerating the degree of consensus, or for that matter, underestimating the extent of intracoalition conflict. The operation of such a 'regime' has been marred by intracoalition tensions and sectoral divides between the public and private sector and the manufacturing and financial services sector. Latterly, these tensions and divides had more profound consequences for the city and its putative regime as the dominant partners chose to pursue alternative economic and social agendas.

#### **7.4 Conclusion**

It is therefore clear to see just how much the marketing of Leeds inputs into the local governance process, both in terms of creating the discourse of the 'Corporate City', to which the public and private sectors adhered to for a time, but also in terms of actually causing tensions and conflicts to arise. I therefore conclude that place promotion has played a key role in establishing the processes, structures and strategies that have defined governance in Leeds throughout the 1980s and 1990s. It is of course still vital to recognise its position within the broader policy framework of core service provision, but whilst not overstating its importance, it is evident from this chapter that the marketing of Leeds has been highly influential during critical 'moments' in the city's politics, both in terms of its rise to prominence, and also its decline.

In summary, the city of Leeds came through successive recessions relatively unscathed owing to a diverse economy and an historical abundance of indigenous enterprise. By the 1970s therefore, its main economic development strategies were



being conducted, not out of economic necessity, but out of a recognition that other cities were doing the same. By the late 1980s however, the story had changed somewhat. The LCCI believed that if such complacency was allowed to continue, the city would be in real danger of losing its competitive standing within (inter)national urban hierarchies, and so demanded change in the form of new and innovative economic development policies.

Jon Trickett rode this particular wave, advocating the pursuit of entrepreneurial strategies; a transformation of the city's image and the prioritisation of business needs. In so doing, he secured the leadership of the Council, and there followed a period of strong consensus between himself and the Chamber, during which time they developed the 'Corporate City' approach. A growth-orientated 'regime' of interests coalesced around this agenda, based as it was upon *economic* development, place promotion, and public-private partnership, and found concrete form in the Leeds Initiative. Place promotion therefore played a critical role in specifying the style of governance that characterised local politics in Leeds from 1989 to 1996.

It also played a critical role in the period that followed, although for very different reasons. There was a growing recognition that the policies of the economically-driven 'Corporate City' approach were causing as many social problems as they were solving economic ones. In response to this, and more socially-orientated directives from central government, a new socially inclusive agenda gathered momentum, and gave rise to another change in Council leadership. With strong pressure from the private sector, the Council have been compelled to find a

satisfactory balance between the old economic and the new social agenda, or risk destabilising the coalition. Questions relating to the marketing of the city have been at the core of this debate and have, in turn, revealed a clear public-private divide as the main institutional stakeholders entered a period in which they redefined and reasserted their roles, aims and objectives in respect of the two alternative agendas. Therefore, whilst the nature of the comprising interests remain the same, the entrepreneurial 'Corporate City' coalition has given way to one more wholly concerned with the redistribution of wealth and addressing the social inequities that the 'Corporate City' agenda left behind.

In conclusion therefore, the Leeds experience has highlighted many facets that can be taken forward into the final chapter, and used alongside the Newcastle case study and the findings from the survey chapter, to inform and interrogate the theoretical propositions outlined in Chapters Two and Three. Where there have been obvious similarities or differences between Newcastle and Leeds, these have been highlighted throughout the chapter, however, overall, there are four themes that clearly distil from these two case study chapters. These are: the prominent role of the local authority; the complex nature of the shift to entrepreneurialism; the transition from an economically-driven agenda to one more holistically concerned with the amalgamation of both economic and social issues; and finally, in association with this transition, the evolution of the city's politics from a form that parallels entrepreneurial 'regime' politics to that which more closely resembles a socially progressive and/or growth maintenance 'regime'. These themes form the structure of Chapter Eight and will be examined accordingly.



The final chapter also explores the benefits and limitations associated with the use of governance typologies and labels, since both case studies have highlighted their equivocal nature. The exploration and specification of governance is not wholly dependent on their use. As both case study chapters have highlighted, specifying the configuration of governance accurately, depends not on the identification of a distinctive *model* of local politics, but upon the identification of the types of *processes* summarised above. It is vital to specify who, what, why and when in relation to the types of policies pursued and the governance structures supporting them. Only in this way, can the role place promotion plays in specifying contemporary governance be identified and determined.



## CHAPTER EIGHT

### CONCLUSIONS

#### 8.0 Introduction

The overarching aims of this thesis have been twofold: firstly, to specify the form of local governance arrangements that have developed in support of place promotion; and secondly, to contribute to a greater understanding of the relationship between shifts in governance and place promotional practice. If one refers back to Chapter One, it was important to specify the role of place promotion within contemporary governance structures in this way because many competing claims had been made regarding place promotion and changes in governance more generally. This thesis therefore set out to inform both the place promotion and governance literatures by addressing some of these claims.

To summarise briefly, while Lovering for example declares that place promotion has become 'virtually the core activity in local economic development' (1995, 117), in the same year, Mayer argues that, rather than compete for the same finite investments, local governing bodies are instead putting their efforts into 'strengthen[ing] existing and potential indigenous resources' (1995, 234). Thus, in tackling these diverse readings, a survey of British local authorities addressed these concerns directly (Chapter Five) by examining, *inter alia*, the nature of, and extent to



which place promotion occurs and by whom, and case study chapters explored governance arrangements in Newcastle and Leeds.

It has been widely acknowledged that over the last twenty years, the nature and balance of policies pursued by local government, and the ways in which local government pursues them, have changed considerably. In the face of technological advance, deindustrialisation, global restructuring and intensified competition, local authorities have had to become proactively engaged in 'promoting the capacities of their respective economic spaces' (Jessop, 1998, 80) in order to secure continued economic growth. As such, there has been a reorientation in local government away from the local provision of welfare and services towards 'a more outward-orientated stance designed to foster and encourage local growth and local economic development' (Hall and Hubbard, 1996, 153). This reorientation has been accompanied by changes in how these policies are delivered and by whom, and is classically referred to as the shift from managerialism to entrepreneurialism (Harvey, 1989).

Characterised by a political prioritisation of local economic development, most notably via the adoption of place promotional strategies, and an institutional shift from public sector government to public-private governance, the shift to entrepreneurialism has fundamentally changed the way places are governed. However, as discussed in Chapters One and Two, notions of governance and the shift to entrepreneurialism have been plagued by ambiguities and points of contention. Whilst the broad principles of a shift to entrepreneurialism have been

widely accepted, there has been much less agreement regarding the nature and extent of the shift. Hall and Hubbard note how;

“an objective assessment of the extent of this transition..[has been]..difficult, if not impossible, given the empirical silences that permeate work in this field” (1996, 155).

Commentators thus called for empirical studies that more precisely examined the shift to entrepreneurialism and its implications for changing structures and strategies of governance. By using survey and case study analysis, this thesis set out therefore to address this ‘empirical silence’ by contributing to the debate and shedding light on the extent and precise forms of change.

### **8.1 The shift to entrepreneurialism - overall findings and conclusions**

Chapters One, Two and Three have shown how and why place promotion has become integral to the process of contemporary governance and the shift to entrepreneurialism (Hall, 1998; Hubbard and Hall, 1998; Jessop et al, 1998; Griffiths, 1998; Harvey, 1989). In order to directly address the claims cited above, a national survey was undertaken to produce an informed account of the nature of, and extent to which British local authorities are conducting place promotional strategies. The findings were unequivocal. With 85% of responding local authorities conducting place promotional activity in 1997/98, 81% involved in a public-private partnership that promotes the locality, and 95% stating that other agencies and organisations are directly involved in the development and implementation of local



place promotional activities, the overall trends are clear to see. The results from the survey provide vital information, and enable the more detailed case study findings to be located within a broader, national context. However, the prevalence of place promotion and partnership does not equate to entrepreneurialism, and aggregate research does not interrogate the ambiguities evident in the governance literature. In light of the constraints inherent to aggregate research, case study analysis is needed in order to examine the more precise claims relating to the shift to entrepreneurialism.

As Chapter Seven concludes, there are five major themes that distil clearly from the case study analysis. In brief, these relate to the prominent role of the local authority, the complex nature of the shift to entrepreneurialism, the recent transition from economically-driven agendas to ones that are more socially inclusive, associated changes in the style and form of local politics and local political strategies, and finally, reflections on the benefits and limitations of governance typologies.

Firstly, both case studies reveal that the local authority continues to possess a prominent and influential role within local economic policy making. In Newcastle, the City Council clearly coordinates the group of individuals and organisations that comprise the governing 'regime' of public and private sector interests. As demonstrated in Chapter Six, partner organisations, for example The Newcastle Initiative, are unwilling to pursue initiatives without the endorsement of the Council. Moreover, the private sector partners have not challenged Newcastle City Council regarding the potential creation of a Newcastle Marketing Office. Despite

considerable private sector support, the scheme has been postponed, due largely to the fact that the Council do not wish to dilute the powers they possess any further by devolving responsibility and influence for marketing the city to an arms-length organisation.

Furthermore, Newcastle City Council plays a key role in formulating and *steering* local political agendas. For example, having pursued an entrepreneurial agenda for many years, the Council have redirected the 'regime', its interests and the city's Economic Regeneration Strategy away from an outward-orientated growth agenda towards one more concerned with sustaining and maintaining existing economic activity. Newcastle City Council therefore, is still the major power broker in the city. This role is accompanied however by financial responsibility. Harvey believes that this is the 'risk-absorption by the local...public sector which distinguishes the present phase of urban entrepreneurialism from earlier phases of civic boosterism in which private capital seemed generally much less risk averse' (1989, 7). In accordance with this claim, it would appear that Newcastle City Council is the major risk-taker that under-writes the various development schemes and initiatives. In the words of the Deputy Leader of the Council, 'all the partnerships that I've been involved in end up being led by the City Council...because we're the...body that's financially responsible...the City Council is always there to pick up the tab basically' (Deputy Leader, NCC). In all therefore, and reiterating the conclusions of Chapter Six, the picture that emerges from the Newcastle experience is one in which the local authority continues 'to play a key role: private sector involvement may prove useful - but public sector involvement is vital' (Shaw, 1994, 54).



In Leeds also, the local authority appears to be 'the lightning rod attracting the various sources of social energy to it' (Cooke, 1988, 195). Chapter Seven demonstrates how representatives from both the public and private sector affirm the legitimacy of the Councils' lead role in the Leeds Initiative, and in formulating and implementing local policy. For example, with regard to promoting the city, whilst the Leeds Initiative partnership is putatively 'the official image setter for Leeds' (Smales, 1994, 48), it is clear from the comments made in Chapter Seven that this function is actually conducted by the City Council; 'whilst we are here to say what business thinks and what business would like and to put its view in terms of marketing the city, it's not actually our job to do it...we're not so much the 'doers' in this forum...as contributors to the process' (Chief Executive, Leeds Chamber of Commerce and Industry).

The potential fragility of the *acceptance* of this leading role has however been highlighted, and it is the case that the local private sector in Leeds does exert considerable influence over the City Council. Nevertheless, the Council has successfully resisted and moderated the Chamber proposals for restructuring within the Leeds Initiative. Moreover, the Chamber have adhered to these moderated proposals. The Council have also successfully steered local politics away from the 'Corporate City' agenda (concerned with creating and nurturing the conditions conducive to out-and-out growth) to the 'Citizen City' agenda (one more wholly concerned with the redistribution of wealth and addressing the social inequities that the 'Corporate City' agenda left behind). Furthermore, as in Newcastle, the local

authority appears to be absorbing most of the risk associated with local economic development, although it is recognised that this is a moot point within the city.

So, despite the evolution of partnership and after almost a decade of the prioritisation of business needs, Leeds City Council continues to play a key role in formulating local agendas, and in facilitating and coordinating the city's regime. This finding reinforces the conclusion made at the end of Chapter Six that we need to highlight, not the demise of local government, but how local government has altered to accommodate the increased involvement of the local business community and the need to develop enhanced coordination between different agencies (Shaw, 1994). For example, in their account of local politics in Leeds, John and Cole conclude that;

“although business is important in Leeds politics, the regimelike qualities of the city's politics need to be qualified by the power of the city council, the predilections of the city leadership, and the role of the other public-sector organisations in the city” (John and Cole, 1998, 394).

These findings contrast with much of the literature that testifies to notions of decentralisation and strategic enabling in which traditional local authority functions are out-sourced to nongovernmental bodies (Cochrane, 1991; Stewart and Stoker, 1989). They are however, clearly supported by the results of the survey, which reveal that 51% of responding local authorities claim to be in a position of overall leadership and have ultimate responsibility for the development and implementation



of local place promotional strategies. These findings also reinforce existing claims (Valler, 1996; Stone, 1993; Bassett and Harloe, 1990; Cooke, 1989, 1988) and more recent claims (Jessop, 1998) that whilst the lead role of local authorities has been challenged, they remain important facilitators and coordinators within new institutional arrangements;

“local authority involvement in economic development is now as much about shaping the overall context within which partnerships...can be forged, as it is about developing specific strategies and initiatives” (Jessop, 1998, 92).

Moreover, with particular regard to entrepreneurial strategies, Jessop declares that;

“What the[se strategies] share is the key role of local authorities in their overall framing and promulgation. In this sense, for all the talk of the crisis of the state (at whatever level), public authorities still appear to have a major role in organising entrepreneurial policies for the city...and narrating such policies in entrepreneurial terms” (1998, 92).

The findings of this thesis support this claim empirically. It is clear that whilst the private sector ‘say what business thinks and what business would like’, they believe that it is not their job to implement or deliver policies designed to market the city and stimulate economic growth. Equally, whilst it has been demonstrated that local authorities often actively seek private sector involvement, and are willing to be influenced by the local business community, they are reluctant to devolve

responsibility for marketing the city into arenas that would facilitate greater private sector control. Therefore, whilst it has been demonstrated in both Newcastle and Leeds that the process of governance involves many different actors and agencies, it is the local authority that is ultimately responsible for coordinating, framing and delivering entrepreneurial policy.

Secondly, it is clear from the evidence presented that the shift to entrepreneurialism is more complicated than it has often been portrayed in the literature. Chapter Six details how in Newcastle, the local political process has been moulded by its economic dependence on declining sectors. The 'cataclysmic' collapse of the coalmining, shipbuilding and heavy engineering sectors galvanised local public and private sectors into forging economic development partnerships. The severity of economic decline demanded a level of entrepreneurial activity that was not matched in other parts of the country until much later. Its early shift to entrepreneurialism can therefore be characterised as largely a response to economic restructuring.

In contrast, the Leeds' economy has performed comparatively well historically. It has not experienced 'any of the horrific glitches or cataclysmic events' (Director, LDA, LCC) that have affected other provincial cities in the UK, and so local actors and agencies have not experienced the same overwhelming need to coalesce in pursuit of transforming economic development strategies. However, the processes of economic restructuring cannot be dismissed altogether in Leeds. The LCCI and the city's business leaders were stimulated into action by the onset of (inter)national economic recession. Fearing that the city's economic standing would suffer, they



were keen to attract the attention of national decision makers in the financial services sector in an attempt to boost the economic fortunes of their own emerging sector. The shift to entrepreneurialism in Leeds was therefore moulded by economic restructuring processes, and how these distilled locally. However, the processes of change were soon dominated by responses to central-local relations. Chapter Seven highlights how the City Council were encouraged to adopt a more proactive approach to local economic development by the imposition of the LDC by central government, whilst Jon Trickett was motivated by the need to respond to central government dictat. In order to become an MP, he needed to attract the attention of central government, and so, in collaboration with the LCCI and the Council, Trickett created the flagship Leeds Initiative partnership and embarked upon a high-profile marketing and economic development campaign for the city.

In all therefore, the shift to entrepreneurialism in Newcastle was stimulated by economic restructuring processes and could be said to have occurred as early as the 1950s and 60s. The equivalent shift in Leeds was influenced to a much greater degree by political restructuring processes and occurred in the 1990s. The picture that emerges from each city therefore does not parallel the oft-cited, characteristic shift to entrepreneurialism in the 1980s, suggesting that the shift to entrepreneurialism is not as straightforward as it has often been portrayed in the literature.

The evidence presented here supports the arguments presented in Chapters One, Two and Three regarding the need for an holistic interpretation of both local and extra-

local processes, and how these mediate contingently. For example, we have seen how in Newcastle and Leeds, both local economic and political conditions and broader processes of macro-economic restructuring and central government policy have been implicated in the locally distinctive shift to entrepreneurialism. Whilst recognising that these shifts are locally distinctive, both cities have of course 'taken a broadly similar direction' (Harvey, 1989, 5). Harvey (1989) cites a number of factors as to why this might be the case. These include the globalisation of capital, deindustrialisation, (inter)national recession, the 'rising tide of neoconservatism' (ibid., 1989, 5) and the prioritisation of market forces, the hollowing out of the nation-state, and the increased salience of the actions of the local state and locally dominant individuals, organisations and sectors.

Within the literature, one strong theme argues that the shift to entrepreneurialism is intimately connected with the collapse of postwar Fordism, the subsequent transitory phase in the organisation of capitalism, and the associated search for new types of capital accumulation. In this sense, there is a danger that commentators may ascribe too much importance to wider structural imperatives. Equally of course, within the governance literature, there are tendencies to reify local agency. These;

"bottom-up analyses tend to assign causal power to local political networks; and thereby suggest, unintentionally perhaps, that spatial variations in urban fortunes are merely a by-product of the geography of charismatic city leadership" (Jessop et al, 1998, 6).



The case studies have therefore demonstrated empirically that governance analysis needs to be broadened to encompass the contingent interaction of both local and extra-local forces. The evidence also suggests that there has not been a straightforward shift from managerialism to entrepreneurialism; from a form of politics concerned with 'broad-based welfare and social policies' (Hubbard and Hall, 1998, 13) to a form that prioritises economic growth and development. For example, the adoption of 'entrepreneurial-like' strategies in Newcastle as early as the 1950s and 60s, alongside 'a strong social welfare component, managed by the public sector' (Wilkinson, 1992, 178), suggests that we are right to question the assumed axiomatic truth that local governance prior to the 1970s was exclusively characterised by managerial politics. This would support Hall and Hubbard's claim that 'city governments, to a lesser or greater extent, have always pursued entrepreneurial strategies and played a crucial role in local economic development' (1996, 155).

As discussed in Chapter One, the literature lacks 'consideration of the extent to which urban governments can pursue both objectives in tandem or whether both modes can coexist' (Hubbard and Hall, 1998, 14; Hall and Hubbard, 1996). From the Newcastle evidence at least, it would appear that urban governments can indeed pursue 'an amalgam of managerial (socially progressive) and entrepreneurial (growth-centred) policies' (Hubbard and Hall, 1998, 14). This has not however, been the case in Leeds, and so in reaching this conclusion, we must not mask the variable nature of urban economic and political trajectories and the variable nature of the shift to entrepreneurialism. Overall therefore, the empirical findings suggest that we

should indeed be acknowledging a 'new relationship between entrepreneurialism and managerialism' (Wilkinson, 1992, 210).

Thirdly, reinforcing this point further, there has been a growing recognition within both cities that the entrepreneurial strategies pursued have not addressed the underlying social problems facing the city or the lives of those living in the city. In consequence, the governing 'regimes' in Newcastle and Leeds have undergone a transition away from an economically-driven agenda towards one more wholly concerned with social welfare, social equity and growth management. Both cities have therefore demonstrated a renewed concern for a form of politics that is based on income redistribution. This may suggest perhaps that Newcastle and Leeds are entering another phase of governance, a period of 'after-entrepreneurialism' perhaps in which governing bodies try and seek a balance between those policies designed to foster local economic competitiveness and those designed to redistribute economic wealth. This may also reflect the ongoing search for a 'local institutional fix' to continuing crises, given that;

"Local authorities appear to be increasingly required to engage in a process of near permanent institutional and organisational innovation in order to maintain the possibility (however remote) of sustained economic growth"  
(Jessop, 1998, 92-93).



These findings again reinforce claims made by Hubbard and Hall, that there has not been a 'wholesale abandonment of managerial policies' (1998, 14), and that there are indeed important continuities in the evolution of governance as well as change.

Fourthly, as the policy emphasis has changed, both cities have experienced the evolution of local politics from a form that parallels corporate or entrepreneurial regime politics, to one that is more socially inclusive and far less growth-orientated. For example, we have seen how in Newcastle, in response to heightened intra-regional competition, Council leaders have become increasingly concerned about maintaining the city's role as regional capital. As a result, rather than continue to focus efforts on attracting new investment, they have stressed the importance of serving the needs of the economic activity that supports Newcastle's regional role. Consequently, there has been something of a redirection away from the entrepreneurial agenda that has for so long dominated the city and its 'regime', away from an explicit focus on growth towards one more concerned with sustaining and maintaining existing economic activity. Chapter Six concluded therefore that the current form of Newcastle politics more closely resembles that of a caretaker, maintenance, or organic regime; regime types which typically seek to sustain the status quo.

In a manner similar to this, senior Council members and representatives from local academic, community and voluntary sectors, became increasingly disillusioned with the 'Corporate City' agenda that had dominated local politics in Leeds for seven years. The 'Corporate City' strategies came under extensive attack as they were

blamed for actually enhancing social polarisation and marginalisation across the city. Leeds City Council therefore initiated a change in agenda, from an economically-driven approach to one that was more concerned with redistributing economic wealth and tackling issues of social welfare. However, strong pressure from the local business community has meant that the governing 'regime' are left trying to formulate an agenda that is an amalgamation of both economic and social issues. The form of politics in Leeds has therefore evolved from one that paralleled a pro-growth corporate regime or resembled a UK variant of a growth coalition, to one that is wholly more socially inclusive and incorporates elements of a socially progressive regime.

Finally, this thesis set out to specify the character and form of local governance arrangements that had developed in support of place promotion. Whilst recognising the importance of specifying particular configurations of governance adequately and accurately, it sought to do this in a way that at least recognised the debates that were emerging at the time; debates regarding the shift away from the categorisation of regime types, towards a concern with specifying and understanding the practices, mechanisms and processes contributing to regime formation, maintenance and decline. In so doing, the use of conceptual models has not been dogmatic. As Chapters Six and Seven illustrate, if *all* the defining criteria of a particular typology have not been present, the conceptualisation as a whole has not been rejected outright, rather elements of the conceptualisation have been used to guide the analysis. For example, during the 'Corporate City' years, the governing 'regime' in Leeds did not resemble a US-style growth coalition in all respects, but some characteristics did



parallel the US experience, and may even suggest the emergence of a UK variant of the growth coalition. It is therefore important to recognise that the form of urban politics is often more varied than a single model will allow;

“What is thus evident about the changing nature of urban politics in the entrepreneurial era is that although the private sector is becoming more and more involved in the evolution and implementation of policy, the type of partnerships which underpin entrepreneurial strategies are more varied than the original US thesis of the ‘growth coalition’ suggested” (Hubbard and Hall, 1998, 11).

Furthermore, owing to the proliferation of these typologies, several different models can be used to describe a similar form of urban politics. For example, growth coalitions, and pro-growth, corporate and entrepreneurial regimes all describe a form of urban politics in which the pursuit of economic growth is prioritised over other more social concerns. Analyses of urban politics therefore need to look beyond policy outcomes and examine the complexities of governance. As Jessop et al highlight;

“The limitations of regime approaches emerge clearly in their several attempts to ‘develop’ local political analysis through proliferating case studies and through the purely taxonomic ‘adjustment’ of regime typologies” (1998, 6).

In consequence, whichever model one chooses to use, it is considerably less important than the accurate specification of the processes, strategies, actors and institutions that produce and define the historically and spatially contingent phenomena that is 'local governance'. It is this which is the object of investigation, rather than the search for a distinctive model of urban politics. Models of urban politics help guide the analysis, but they do not, in themselves, facilitate a rigorous examination of the complexities of structures, strategies and relations that produce particular forms of governance in particular places. In recognition of this fact, Ward (1996) warns us of the dangers of adopting a blinkered approach to the use and application of urban political typologies, and argues that while;

“the construction of typologies deepens the understanding of the breadth of possible policy alternatives, they do not, in themselves, say anything about the material processes that underpin regime formation” (Ward, 1996, 434).

In order to avoid the 'purely taxonomic' (Jessop et al, 1998) use of typologies, it is the actual strategies, structures and relations that drive the analysis in Chapters Six and Seven, and not the particular conceptualisations of urban politics in themselves. In this way, both the usefulness and limits of a variety of conceptualisations, and individual aspects of conceptualisations have helped guide the analysis to identify, describe and explain the emergence of particular forms of governance in particular contexts. Both case studies have highlighted how the exploration and specification of governance is not dependent on the use of these models. Rather, the accurate specification of governance depends upon the identification of the types of processes



summarised above. It is vital to specify who, what, why and when in relation to the types of policies pursued and the governance structures supporting them. Only in this way, can the role place promotion plays in specifying contemporary governance be identified and determined.

Chapter Three discussed how the specification of who does what, when and how is often neglected or masked behind larger claims. In consequence, Chapter Three concluded that in order to explain the restructuring of local governance, we must first and foremost adequately identify and describe the processes underpinning this restructuring. This thesis has therefore uncovered the processes 'beneath' the overarching trajectories of entrepreneurialism and governance, and has demonstrated renewed commitment to the accurate specification of the processes, strategies, actors and institutions that produce and define contingent forms of governance in particular places. The examination of these processes has revealed that the shift to entrepreneurialism in particular places is more complicated than it has often been portrayed in the literature. Furthermore, it has demonstrated that models of urban politics do not adequately capture the complexity of this shift.

## **8.2 Recommendations for further research**

Several avenues of investigation are revealed that would be of great interest to pursue. I will briefly review some of them here. This thesis has examined the shift to entrepreneurialism using one of its integral features, the practice of place promotion, in other words, place promotion has been the vehicle of examination. In order to examine the shift to entrepreneurialism more comprehensively, further research

could be conducted using a different vehicle of examination. For example, within local economic development, further research could perhaps specify the form of local governance arrangements that have developed around particular physical redevelopment schemes, information and technology transfer schemes, or the enhancement of skills and training. An alternative approach might also involve the examination of a characteristic feature of the managerialist phase of local government (the provision of a particular social service) to establish the extent to which its structures and strategies have altered over recent years. As outlined in Chapter One, place promotion is just one of 'the myriad ways in which new modes of governance are implicated in the economic, social and cultural transformation of Western cities' (Hubbard and Hall, 1998, 3). Over the last twenty years, many different policy areas have been implicated in the restructuring of local government, and partnerships have proliferated around all manner of policies, both within and beyond local economic development. The type of examination presented here could therefore be extended to incorporate these other policy fields. In this way, the extent to which local government retains a prominent role in other policy areas could be investigated.

Equally, this type of analysis could be extended to incorporate other locations. This would facilitate greater insight into the distinctive nature of the shift to entrepreneurialism in particular places, and could highlight the extent to which other cities have also shifted away from economically-driven agendas to ones that are more socially-orientated. The overall findings and conclusions of this thesis have derived from a national survey and the more detailed analysis of two provincial cities



in the north of England. Whilst the survey provides a national context within which to locate the case study findings, growth trajectories are of course more varied than the experiences of just these two cities. Firmer conclusions could be made therefore regarding the nature and extent of the shift to entrepreneurialism, and the nature and form of governance if comparative research was conducted in more locations.

For example, further analysis might reveal the existence of more 'growth-coalition-like models' (Harding, 1991, 301), thereby supporting the notion of a UK variant of the growth coalition. Indeed, if research was conducted in several different locations, conclusions could be made as to whether there was any differentiation in entrepreneurialism and governance between the types of, and locations of cities. For example, between those who possess an important regional role, and those who do not, between those that have enjoyed relative economic success, and those that have not, and between those located in more northern locations, and those located further south. Research could also be conducted in smaller settlements. Valler et al (forthcoming) for example, have recently examined the politics of local business representation in three disadvantaged English towns. Analysis such as this could determine whether these smaller sized settlements are experiencing similar types of restructuring processes to the larger cities.

Finally, whilst this thesis has explored and specified the form of local governance that has developed in support of place promotion, it has not assessed the impact of these forms of governance, either on the effectiveness of the policy itself, or on the locality. Again, Valler et al have recently highlighted how the relative efficacy of

new governance arrangements remains 'empirically limited and theoretically underdeveloped' (forthcoming, 1). An avenue of further investigation would therefore be to assess the impact of these new governance and policy arrangements.



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# APPENDIX ONE



**SECTION A - INTRODUCTION**

**A1** Name of Authority: .....

**A2** Name of department: .....

**A3** Name of respondent: .....

**A4** Job title: .....

**A5**

**(a)** 'Place promotion' is used here to mean the deliberate use of marketing in the attraction of inward investment and/or the development of new place images. According to this definition, would you say that your authority currently undertakes place promotional activities?

Yes  *Go to (b)*                      No  *Go to A7*

**(b)** Please indicate the level of responsibility your department has for the development and implementation of these activities?

Sole  *Go to A6*      Partial/shared  *Go to (c)*      None  *Go to (d)*

**(c)** Which department(s) share responsibility for these activities with you?

.....  
..... *Go to A6*

**(d)** Which department(s) have responsibility for these activities?

.....  
.....

***If applicable, please could you pass this questionnaire onto the aforementioned department***

**A6** In what year were promotional activities first undertaken?

..... *Go to A9*

**A7**

**(a)** According to this definition, is your authority currently developing place promotional activities, either in your department or elsewhere within the authority?

Yes  *Go to (b)*                      No  *Go to A8*

**(b)** Which department(s) are responsible for the development and implementation of these activities?

.....  
.....

***If applicable, please could you pass this questionnaire onto the aforementioned department***

**(c)** When will these activities be implemented?

..... *Go to A10*





**A11**

- (a) How much is your total departmental economic development budget?.....
- (b) If it can be assessed, how much of this is spent on direct marketing activities (or equivalent policy area listed in your budget)? *(for example, the design and production of media advertising in newspapers, magazines, commercial journals, promotional videos, fact packs, brochures, exhibitions and presentations, staff time involved in answering inward investment enquiries and the collation and preparation of information) .....*
- (c) Please can you send your annual financial statement in your return.

**SECTION B - PLACE PROMOTION, POLICY MAKING AND IMPLEMENTATION**

**B1** What are the main aims of the promotional activity conducted by your department?

.....

.....

.....

.....

**B2** What main factors stimulated the development of place promotional activities?

.....

.....

.....

.....

**B3** What forms of promotion does your department use to advertise the locality? (\*delete as applicable)

- |   |  |
|---|--|
| <input type="checkbox"/> Newspaper advertising                          | <input type="checkbox"/> Posters/Billboards*               |
| <input type="checkbox"/> Commercial journals                            | <input type="checkbox"/> Relocation consultants/magazines* |
| <input type="checkbox"/> Brochures                                      | <input type="checkbox"/> 'Fact Packs'                      |
| <input type="checkbox"/> Promotional videos                             | <input type="checkbox"/> Slogan advertising                |
| <input type="checkbox"/> Exhibitions/Presentations*                     | <input type="checkbox"/> Staging events                    |
| <input type="checkbox"/> On-line services ( <i>Internet/database*</i> ) | <input type="checkbox"/> Television/Radio*                 |
| <input type="checkbox"/> Other - please specify:                        |  |

.....

.....

**B4 Does your department carry out any of the following promotional activities?**

- (a) business location service for inward investors (\* delete as applicable)**
- sites/premises\* enquiry service
  - liaising with developers/planners\*
  - liaising with central/European government\*
  - liaising with local TEC
  - arranging location visits for inward investors
  - other - please specify:


.....

.....

- (b) promotional exhibitions**
- to domestic audiences
  - to European audiences
  - to global audiences - please specify:


.....

.....

- other - please specify:

--

.....

.....

**B5 (a) Does your department pursue promotional activities which attempt to alter/reconstruct the image of the local area?**

Yes  *Go to (b)*                      No  *Go to B6*

**(b) Please could you briefly describe the particular images you are trying to dispel and the images you are trying to promote?.....**

.....

.....

.....

**B6 (a) Over the last 5 years, has place promotion become more, or less important as an activity within; your department: .....**

**your authority: .....**

**(b) Please explain why you think these changes have occurred: .....**

.....

.....

.....

.....

.....

.....

.....



**SECTION C - INSTITUTIONAL RELATIONS**

**C1** Beyond the local authority, are there any other agencies/organisations which are directly involved in the development and implementation of local place promotional activities?

Yes  *Go to C2*                      No  *Go to end of questionnaire*

**C2**

(a) Is there any other organisation devoted entirely:

	Yes	No
- to promoting your locality	<input type="checkbox"/>	<input type="checkbox"/>
- to attracting inward investment	<input type="checkbox"/>	<input type="checkbox"/>
- to providing a business location service	<input type="checkbox"/>	<input type="checkbox"/>

(b) If yes to the above, please could you provide brief details (*for example, name, type of organisation, year established, when became involved in place promotion*):

.....

.....

.....

.....

.....

**C3** Please could you provide brief details on any public-private partnerships that are involved in the promotion of your locality (*for example, name, type of organisation, year established, when became involved in place promotion*): .....

.....

.....

.....

.....

.....

*The following tables examine the nature and extent of linkages between the various organisations involved in the promotion of your locality. Please indicate which letters apply to which organisations. Multiple responses possible. For example:*

Organisation	Level of involvement	Name of institution/organisation
1	A/E	Organisation V
2	B	Organisation X
3	D/E	Organisation Y/Organisation Z



**C4 (a)** Are any of the following **private sector** bodies directly involved in the development and implementation of local place promotional activities? Please could you provide their names and indicate their level of involvement. *Please indicate which letters apply to which organisations. Multiple responses possible.*

- A - Plays a leading role in the development and implementation of local place promotional activities**
- B - Has continuous, direct involvement in the development and implementation of local place promotional activities**
- C - Has an on-going consultative role in the development and implementation of local place promotional activities**
- D - Has a specific consultative role in local place promotional activities**
- E - Participates in a 'promotional' public-private forum**

Private sector organisation	Level of involvement	Name of institution/organisation
Chambers of Commerce		
Business Link		
Local CBI		
Advertising agency		
Design consultant		
Manufacturing sector firms		
Service sector firms		
Primary sector firms		
Local/National media		
Utilities		

**(b)** Please specify any other private sector organisations involved, and any other forms of involvement:

.....  
 .....

**(c)** Has this pattern of involvement changed over the last 5 years? ..... If yes, please outline the most important developments, and when they occurred: .....

.....  
 .....  
 .....



**C5 (a)** Are any of the following **public sector** bodies directly involved in the development and implementation of local place promotional activities? Please could you provide their names and indicate their level of involvement. *Please indicate which letters apply to which organisations. Multiple responses possible.*

- A - Plays a leading role in the development and implementation of local place promotional activities**
- B - Has continuous, direct involvement in the development and implementation of local place promotional activities**
- C - Has an on-going consultative role in the development and implementation of local place promotional activities**
- D - Has a specific consultative role in local place promotional activities**
- E - Participates in a 'promotional' public-private forum**

Public sector organisation	Level of involvement	Name of institution/organisation
Other local authorities/ departments		
Public-private partnerships		
Local development agency		
Regional Development Organisation		
National development agency		
Invest in Britain bureau		
Government Regional Office		
UDC		
TEC		
Higher education		

**(b)** Please specify any other public sector organisations involved, and any other forms of involvement:

.....  
 .....

**(c)** Has this pattern of involvement changed over the last 5 years? ..... If yes, please outline the most important developments, and when they occurred: .....

.....  
 .....



**C6**

**(a)** Are there any voluntary or community groups involved in the development and implementation of local place promotional activities?

Yes  *Go to (b)*                      No  *Go to C7*

**(b)** If yes, please provide brief details (*for example, name, type of organisation, year established, when became involved in place promotion*): .....

.....  
.....  
.....

**C7** Which organisation or group of organisations, if any, are responsible for the overall leadership of the development and implementation of local place promotional activities?

.....  
.....  
.....

**END OF QUESTIONNAIRE**

**I intend to follow up this postal questionnaire with face-to-face interviews in order to gain more detailed insight into the practical, institutional and political policy processes of place promotion within particular localities. Would you be willing to be interviewed at a time convenient to you (the interview would last about one hour)?**

Yes                       No

=====

**THANK YOU VERY MUCH FOR COMPLETING THIS QUESTIONNAIRE  
YOUR HELP IS VERY MUCH APPRECIATED**

**Please return it in the SAE provided.**

**It would also be most helpful if, in your return, you could enclose a copy of the promotional material given to prospective inward investors, together with recent figures on inward investments (if available), your current financial statement and your current economic development strategy/statement.**

=====