Alternative approaches to local and regional development

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Introduction

Traditionally, and certainly until the 1980s, regional policy was understood in terms that started from the identification of ‘distressed’ or otherwise economically disadvantaged regions, and local economic development was similarly framed within a discourse of economic decline or decay. Policy tended to focus on the attempt to attract new industries, even to encourage relocation from more prosperous to less prosperous regions. Since the mid-1990s, however, emphasis has been placed on self-help, looking for ways in which regions might be able to generate growth and prosperity through the initiative of locally based actors, businesses and public agencies. Similarly, a more positive interpretation of the potential role of cities has become noticeable as a policy driver in recent years (Cochrane 2007).

In this context, over the last couple of decades, local and regional development has increasingly been framed in terms of ‘competitiveness’, in what has persuasively been described as the ‘new conventional wisdom’ (Buck et al. 2005). This ‘new conventional wisdom’ is globally fostered through organisations such as the OECD and the World Bank and is seen as suitable for application in the countries of the global South as much as those of the global North (see e.g. Charbit et al. 2005, Hall and Pfeiffer 2000). From the perspective of the World Bank, it is regional uneven development that fosters growth – and they offer a policy approach in which what is described as ‘unbalanced growth’ is somehow coupled with ‘inclusive development’ (World Bank 2008).

Successful cities and regions are understood to be those which are competitive, in the sense that they are able to respond effectively to the opportunities generated by the workings of the global economy. Competitive places are generally said to have ‘entrepreneurial’ political leadership, as well as a flexible and educated or creative labour force, able to support the requirements of a (new) knowledge economy. This vision of development somehow manages to incorporate a belief in the ability of government and partnership agencies to shape development while at the same time leaving them with little policy option. They are required to find some way of fitting in with the inexorable requirements of global markets.

Within this understanding of the problem, instead of being victims of wider structural forces, regions and city-regions become more or less active participants in shaping their
futures. Within what is seen to be an increasingly globalised world, they are given the responsibility of carving out their own economic and social spaces. And all this seems to have been reinforced by the shift of public policy emphasis to city-regions (see e.g. Charbit et al. 2005, Harrison 2007, Ward and Jonas 2004).

Moving beyond competitiveness

However, competitiveness is ultimately an unconvincing way of capturing the process by which different forms of local and regional development are generated. At best the labelling of places as ‘competitive’ is a retrospective one – in other words, instead of explaining what is happening, it starts from outcomes and labels ‘successful’ places ‘competitive’. Because they are successful, the argument runs, they must have been competitive. In other words, the ‘new conventional wisdom’ identified by Buck et al. (2005) must, as they note, be seen as a political or ideological project, as much as a realistic assessment of development processes (see also Bristow 2005, this volume).

Even within a competitiveness paradigm there has been some significant variation, so that, for example, Florida (2002) called on rather a different vision identifying the context within which he argued creative industries might be expected to flourish. His celebration of a creative class even appeared to open up the possibility of progressive engagement by suggesting that bohemianism was an attractive feature in encouraging development. In practice, however, Florida’s approach generated its own still sharper emphasis on competitiveness, ranking cities by the extent to which they exhibited the features supposedly needed for success. It became another template apparently capable of global application in a world of fast policy transfer, with Florida himself marketed as a guru whose ideas were eagerly consumed and propagated through city networks (see Peck (2005, 2010) for a critique).

The ‘smart growth’ movement is another US export that has found proponents in Europe and elsewhere, with its emphasis on compact development, green space and the use of market mechanisms as drivers of change. It promises a means of squaring the circle of sustainability and economic growth while in practice being fundamentally incorporated into the competitiveness agenda. It has become a selling point for those metropolitan regions taking it up as a planning model (see e.g. Krueger and Gibbs 2008). Keil powerfully describes the way in which sustainability has been mobilised as a political strategy, ‘as one of the possible routes for neoliberal renewal of the capitalist accumulation process’, enabling ‘prosperous development with rather than against “nature”’ (Keil 2007: 46). Sustainability is re-imagined as providing the necessary underpinning for successful ‘market-based’ capitalist development (see also Krueger and Savage 2007, While et al. 2004b).

Similar points could be made about a range of policy approaches that seem to offer ways of meeting the challenges of neoliberalism in different contexts. The shift in the political rhetoric of the World Bank and other global agencies, for example, that has seen the problem of the global ‘slums’ re-imagined, in terms that emphasise their entrepreneurial potential and refer to the possibility of ‘empowering’ their residents, is quite remarkable (see Cities Alliance 1999, Robinson 2010). However, here, too, it is impossible to miss the extent to which this remains a policy of adaptation or a repositioning within a competitive environment – the tools may be different, but the broad framework of assumptions remains that of the ‘new conventional wisdom’.

In their review of the international experience, reviewing a set of case studies from North America and Western Europe, Savitch and Kantor (2002) suggest that even in terms of the global market-place, those localities
where a more social-democratic and less neo-liberal agenda has been pursued tend to have better outcomes for local populations. So, there may be scope for some variation at the edges but there seems little seriously to challenge the main economic and political drivers. In the following sections, therefore, an attempt will be made to consider some of the strategies that seek more directly and explicitly to challenge the dominant model.

**Developing alternative models I – the New Urban Left**

The competitiveness logic has taken such a hold on contemporary policy discourse that it is sometimes hard to remember the relatively recent history of radical initiatives which quite explicitly sought to develop alternative approaches. It has almost become a forgotten history, and certainly one on which no public policy professional with an interest in promotion is likely to draw explicitly (although see Peck (2011) for a recent discussion). This section focuses on the specific experience of the UK, but it is worth noting that similar issues were being raised by urban social movements in other European countries and other cities across the world (see e.g. Castells 1978, Fisher and Kling 1993).

The first half of the 1980s was the time of the ‘New Urban Left’ or the ‘New Municipal socialism’ in the UK, with its promise of different approaches to economic development (see e.g. Boddy and Fudge 1984, Cochrane 1986, 1988, Gyford 1985, Lansley et al. 1989). Several councils set up enterprise boards (most notably London and the West Midlands), while others created larger employment or economic development departments (most notably in Sheffield).

The arguments underpinning these developments were clear: if local government continued to restrict itself to operating as provider of social services, picking up the pieces of economic decline and unemployment, then it would never be able to meet the needs of local residents. Instead it was important to move actively into trying to manage or shape the local economy, generating welfare through such intervention and not just acting as a ‘safety net’. The Enterprise Boards (and particularly the Greater London Enterprise Board) saw themselves as having the task of influencing economic change through the negotiation of planning agreements with enterprises (including a range of worker cooperatives) in which it invested or otherwise supported. The Greater London Council (GLC) developed a series of major plans and strategies for the London economy – most notably in the form of the London Industrial Strategy, but also in strategies for the labour market and the finance sector (GLC 1985, GLC 1986a, 1986b). In Sheffield similar initiatives were developed with the aim of working with businesses and trade unions to develop employment that would guarantee security for city residents and encourage investment in training. A plan was developed for the reclaiming and reuse of the Lower Don Valley, previously a major centre of large-scale steel production and heavy engineering (see e.g. Blunkett and Green (1983) and Lawless and Ramsden (1990) for discussions of Sheffield’s approach to public policy).

The emphasis of all these initiatives was on the possibility of longer term investment that would enable older industrial communities to survive, through a process of repositioning, rather than a simple (and ultimately hopeless) defence of existing industry. It was argued that the ‘New Right’ (or neo-liberal) policies of Thatcherism led to closure of industry and the destruction of communities, without offering any prospect of revival. Aram Eisenschitz and Jamie Gough (1996) have forcibly argued that while these initiatives (which they label neo-Keynesian local economic development policies) might have mitigated the effects of neo-liberalism, they also made it easier for the ends of neo-liberalism to be achieved, because of the way in which
they encouraged flexibility, sponsoring the creation of new ‘competitive’ enterprises and fostering training programmes that fitted workers for the new regime.

But this was not how it was understood at the time. The local authorities taking the lead in developing the new economic policies became the focus of government attention, which led to the abolition of the metropolitan counties (such as GLC and West Midlands). As a result the enterprise boards that survived became more narrowly focused and began to redefine themselves as regional investment banks working closely with other financial institutions (see e.g. Cochrane and Clarke 1990). As Robin Murray noted, what the supporters of the New Urban Left saw as ‘liberated economic zones have had their frontiers pushed back, their conduct questioned, and their lack of popular support exposed’ (Murray 1987: 47).

The economic initiatives of the New Urban Left were not only rooted in a particular political moment – the new dominance of Thatcherism, the failure of the Labour Party leadership in the face of economic crisis and political challenge, community and trade union resistance to cuts – but also in a strong municipal tradition: this was a movement that saw the capturing of the local state and its mobilisation to achieve radical ends as opening up new opportunities (see Boddy and Fudge 1986). With the partial exception of London under the mayoralty of Ken Livingstone in the early years of the twenty-first century, little remains of this vision, as the Labour Party has not only lost its hegemony in urban local government, but also any interest in pursuing a radical localist agenda.

Developing alternative models II
– the politics of localisation

But this does not mean that there are no alternatives to the new conventional wisdom emerging in more informal – yet potentially powerful – ways. If the New Urban Left still saw its role as challenging forms of capitalist development, some of these approaches seem to owe more to an understanding of the world which emphasise the possibility of building non-capitalist practices even within a broadly capitalist economy. Although they do not explicitly draw on the work of J.K. Gibson-Graham (1996), the underlying assumptions about the possibilities associated with the existence of multiple economic spaces are similar.

At their most generalised these approaches come together in the identification of the social economy as somehow distinct from the formal economy, or – at any rate – the commodified economy, the space of the market. In a sense the social economy is defined by what it is not (that is, not traded in the market or provided by the state) but it seems to carry a greater promise – of community action, collective working, self-help, charitable activity, conviviality. In some versions, it is identified as the ‘third sector’ to distinguish it from the private and public sectors. Jamie Gough and Aram Eisenschitz (2006) describe it as ‘associationalism’.

Ash Amin, Angus Cameron and Ray Hudson (2002) identify two justifications for involvement in the social economy which are relevant in this context. The first suggests that it is in the social economy where community building and the development of social capital takes place and the second that it is within the social economy and through engagement with it, particularly at local level, that social justice from below might be delivered through forms of empowerment (Amin et al. 2002: 7). Amin et al. (2002) are generally sceptical of the grander claims made for the social economy in tackling social exclusion. In particular, they note that (with a few exceptions) little direct employment is created through such initiatives, although more indirect help is provided (e.g. through training programmes). Success, they note, is the exception rather than the expectation (Amin et al. 2002: 116).
Alongside this broad discovery of and engagement with the social economy, a series of movements have developed in recent years which have opened up new ways of thinking about local economies and their linkages, emphasising and celebrating localness and the features associated with it. They have drawn attention to the benefits of building trust and confidence at community level and have deliberately focused on the small scale and local as offering a way forward. Some have even called for a process of ‘relocalisation’ (Hopkins 2008). The important point here is that these are social movements, not government initiatives. They have tended to combine a commitment to self-help with a strong desire to identify alternatives to dominant economic practices.

Perhaps the best known of these in the UK are LETS (Local Exchange Trading Schemes), but similar or related initiatives are to be found in other countries, including Argentina, France, Germany, Italy, Holland, Belgium, Canada, Australia, the US, Hungary and New Zealand (see Aldridge and Patterson 2002, North 2005, 2006, 2008, Williams et al. 2003: 157–158). These schemes basically involve the creation of local associations whose members are prepared to exchange goods and services with each other in return for payment in a locally based currency. According to one survey conducted at the end of the 1990s, the average membership of LETS in the UK was just over 71 members and the average turnover was the equivalent of £4,664 (Williams et al. 2003: 158). This suggests that their economic impact is likely to be relatively small, but Williams et al. (2003) conclude that modest impact can be identified, particularly in giving some people a base on which to build in developing more secure employment but – more important – in providing additional work for some of those in more precarious forms of employment or self-employment. From this perspective, they can be seen as a form of collective self-help, not a potential alternative to what is provided through the formal economy but nevertheless good at providing alternative forms of livelihood (Williams et al. 2003: 152).

The extent to which LETS can be maintained over time or generalised more widely remains questionable, however, precisely because of their localisation within quite specific networks of trust and reciprocity. They tend to rely on what Roger Lee (1996) has called moral geographies of localism. In some cases, too, as Williams et al. (2003) note, the very success of LETS in opening up opportunities for members may undermine their grander ambitions, because they may be able more fully to move into commercial exploitation of the goods and services they offer. LETS are particularly attractive for those who are self-employed in managing their working lives, but the balance between working in the social economy and the formal economy may change over time as (or if) their livelihoods become more secure.

However, the underlying principles of LETS also point to more radical (non- or anti-capitalist) possibilities. As Peter North argues, one of the justifications for the schemes is that:

Users of local currencies, irrespective of their values, will find they are structured into localized relations as the economic signals produced by a local currency steer rational economic agents towards more readily available locally or ethically produced goods and services, organic or environmentally benign food and the like, that has been produced under a local surveillance that ensures only sustainable practices are used. Structuration occurs as users find that while there will always be people willing to spend local currencies with them, to pass these local units on they will need to develop a local supply chain that meets their needs and which also accepts the local currency. They will have to pay close attention to the needs of and
the quality of their relationships with these other local traders, as there are few pressures to compel anyone to accept relatively unlimited local currencies from someone who is not seen as a ‘good community member’ (perhaps as they are perceived to be polluting, exploiting others or unfriendly)… it is argued, local currencies actively create local-scale, humane economies by rewarding those who build these localized networks.

(North 2005: 225–226)

In this context, they can be seen as offering the possibility of genuine political action, and many of the members identify political commitment as a reason for involvement (Williams et al. 2003: 158). The core promise is that (localised) trust can be translated into action. The building of relatively discrete local economies is seen as a means of challenging the power of global economic processes, through practices of localisation. From this perspective, local currencies can be seen as working to localise social relations, containing markets by limiting their spatial extent.

Here, the overlap with the transition towns movement (which now involves communities in England, Scotland, Wales, Ireland New Zealand, US, Australia, Italy, Chile, Germany, Canada, Finland, Japan and Holland) highlights the extent to which a wider vision of local and regional development may be possible. The transition towns movement was born out of the belief that globally the moment of peak oil production was approaching or had already been reached. The implication of this is that the time has come for people collectively to plan for the lives that they would have to lead without cheap oil. Although intertwined with concerns about climate change, the main driver is rather a different one – not focused on the attempt to reduce carbon emissions to maintain existing economic and social relations, but rather looking for ways of changing those relations to build an improved life in a low-oil, low-carbon economy. It is argued that what is needed is a vision focused on the local and the small scale as a means of enabling people to work together and live well together. Building resilience means rebuilding trust through local social relations and local economies. The politics of the movement is one that eschews any top-down campaigning or political structures, instead favouring a network approach, and celebrating the ‘viral spread’ of the idea community by community, ‘town’ by ‘town’ (Hopkins 2008).

A narrow focus on the local, however, even in the context of these wider ambitions, still raises questions about what is possible and what the constraints set by the wider political, social and economic context might be. In the context of their review of activity in the social economy, based on a series of local case studies, Amin et al. (2002) point out that the more successful initiatives are those that access resources beyond the local. In the Tower Hamlets (London) case they note that ‘what is interesting is that while all the projects…are ‘local’ in that they serve the needs of specific areas within the borough, they rely on inputs from activists, networks, and other resources from outside the immediate area’ (Amin et al. 2002: 113) They talk about the importance of ‘non local localness’, of initiatives that are ‘place based but not place bound’ (Amin et al. 2002: 115).

This suggests that scaling up is important not just so that lessons can be learned for wider implementation, but also to ensure that place-based initiatives may be able to flourish. Thad Williamson, David Imbrosco and Gar Alperowitz (2002) take a similarly strong line in the US context, actively seeking to build forms of local dependency writings (see Cox 1997). They outline and explore a whole series of specific initiatives, drawing on federal, state and local government, as well as community-based and third sector agencies, to develop what they describe as a new agenda aimed at delivering what they
call a ‘place respecting political-economy in the face of the triple threat of sprawl, internal capital mobility, and globalization’ (Williamson et al. 2002: 310). Like Amin et al. (2002) they stress that it is only by calling on resources from a range of agencies, formally identified with a range of government levels and spatial scales, that it is possible to deliver ‘community centred, place stabilizing policies’ (Williamson et al. 2002: 310). In other words, for them, even the building of such places requires a set of policy interventions that are not simply local – community-based self-help may be necessary, but it is not sufficient.

Doreen Massey’s consideration of a global politics of place takes the argument further. She points to the significance of the agreement negotiated while Ken Livingstone was mayor of London which brought Venezuelan oil to London, while transport planning expertise was made available to Caracas as a good example of how such a politics might develop in a reciprocal way (Massey 2007, 2010). In practice, of course, the scheme was brought to an end with Livingstone’s defeat in the 2008 mayoral elections, but the principle that the politics of local and regional development are more than local is one that remains important.

**Possibilities and constraints**

It sometimes appears as if the possibilities faced by regions and localities are highly restricted – either they learn to play the competitiveness game within a globalised (neo-liberal) economy or they are doomed to decline. However, it is apparent that not all of those being positioned in this way are prepared to accept such a role. There continues to be substantial variation between places and ‘success’ may be defined in a range of different ways. Andy Pike, Andrés Rodríguez-Pose and John Tomaney explore what some of these different ways of understanding success might be – moving beyond narrow economic criteria to consider other forms of well-being – and suggest that policymakers should aspire to delivering ‘holistic, progressive and sustainable local and regional development’ (Pike et al. 2007: 1262).

There is also accumulating evidence that community-based initiatives can be successful, not only in resisting change being imposed by the drive of the property development industry and government policy commitments to ‘urban renaissance’, which generally imply gentrification and the reshaping of existing communities. Libby Porter and Kate Shaw (2009) bring together a series of case studies of community initiative and community action oriented towards economic development and regeneration (often in resistance to or engagement with state policies oriented towards renaissance and gentrification) from a range of cities across the world, which highlight both the scope within which action is possible and some of the limits placed on it. They question approaches which suggest that urban regeneration in practice is simply an expression of neo-liberal power, highlighting the scope for local action, while acknowledging the limits placed on it. It is only by focusing on the scope for action and initiative in particular places and in particular contexts that judgements about what is possible can be made.

The extent to which local initiative can more fundamentally challenge the direction of change remains open to question, however. As we have seen, some (such as those associated with transition towns) believe it is only local action linked through networks that can challenge the direction of change associated with global capitalism; others, however, emphasise the need to work across levels, to construct a politics that is global and local, regional and national, reaching out to draw in other economic and political actors, at the same time as also being drawn into their spheres of influence. And, of course, there remain those who are sceptical about the overall potential of local and regional
action, if it is not set within some wider programme or agenda for change – part of a wider movement, which goes beyond viral connections and networks.

References

Global Context, Minnesota: University of Minnesota Press.


Further reading

Amin, A., Cameron, A. and Hudson, R. (2002) Placing the Social Economy, London: Routledge. (Critically reviews claims that the social economy offers new and more empowering ways of delivering development.)


