

Devolution in the UK: Defining the Challenges

Economy, Regeneration, Inequality

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MAKING DEVOLUTION WORK, MBS

The Economic Problem for the Regions

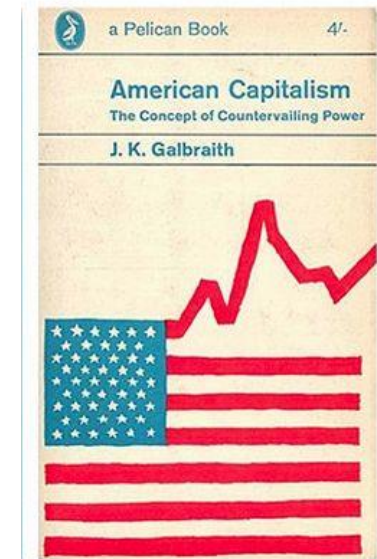
Post-war settlement upset by non-Western competition:
economic dominance eroded

Free movement of capital:

- National capital controls (1970s)
- Big Bang bank deregulation & Glass-Steagall repeal (1980s/1990s)
- China opens for investment (1991)
- Single European Market (1992)

Free movement of labour (EU)

Fundamentally re-wrote relationship between capital and labour



The Economic Problem for the Regions

A class of people that is fundamentally *economically obsolete* – in Western Europe and under current economic paradigm, concentrated in the post-industrial regions, which are now ‘outside the policy tent’

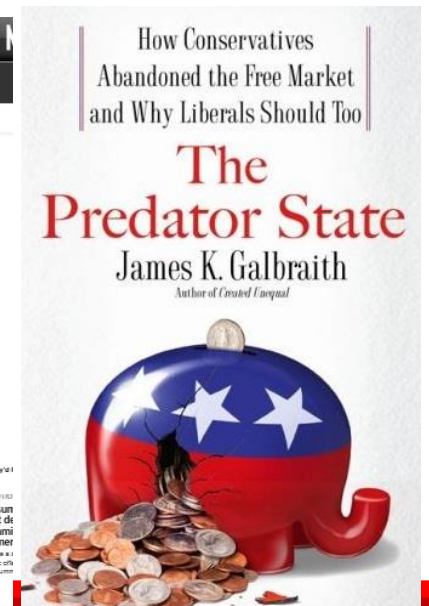


At one end of the spectrum are the terrorist gangs within our borders, and the terrorist states which finance and arm them. At the other are the hard left operating inside our system, conspiring to use union power and the apparatus of local government to break, defy and subvert the law.

(Margaret Thatcher)

izquotes.com

Screenshot of the Sun+ website. The header includes the Sun+ logo, a 'JOIN' button, and a 'WELCOME BACK' section with fields for 'Email address' and 'password'. Below the header, the 'FEATURES' section highlights an article titled 'Help us stop £1.5bn benefits scroungers' with a photo of a family sitting on a sofa. The article text reads: 'We live nicely on benefits' ... Kerr couple Jennie and Chris show off their fortune - and say they'll Sun Live. Social media sharing icons for Facebook, Twitter, LinkedIn, and Email are visible. A 'PROMOTED' section on the right says 'Awesum Great de the fami summer'.



The Economic Problem for Devolution

All of this *is* related to the spatial scale at which decisions are taken

Hence changing that scale has the potential to alter fundamental economic conditions in poorer places...

But simply moving economic policy (very partially) closer to the people is wholly insufficient

Paradigm shift is also required: but probably still not enough

Scotland & Wales: Story so far

Almost zero evidence of radical, combative, equitable, honest or sustainable economic policymaking. BAU.



The Scottish Government
Riaghaltas na h-Alba

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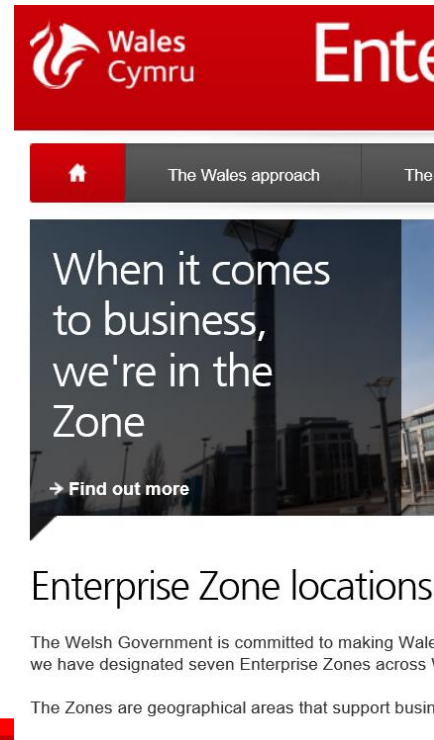
Oil and Gas Summit

01/02/2015 00:01
Scotland Business and Industry Economy

Joint meeting with oil and gas industry leaders.

The oil and gas industry will continue to be an enormous asset to Scotland and it urgently needs action on its tax regime in order to protect jobs and investment, Minister Nicola Sturgeon has said.

Speaking ahead of the Oil and Gas Summit in Aberdeen where the Scottish Government, UK Government, industry leaders and trade unions, the First Minister said:



Wales Cymru Enterprise

The Wales approach

When it comes to business, we're in the Zone

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Enterprise Zone locations

The Welsh Government is committed to making Wales a more attractive place to do business. We have designated seven Enterprise Zones across Wales to support business growth.

The Zones are geographical areas that support business growth.



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Wales economy: Carwyn Jones's foreign investment and trade call

By Daniel Davies
BBC Wales news website political reporter

24 September 2012 | Wales politics

Putting Wales on the world map is vital if the nation is to compete in the world economy, says First Minister Carwyn Jones.

Mr Jones spoke as he met business leaders and trade unions in Cardiff.

He said attracting foreign investment and encouraging international trade was the way forward for Wales.

Lord Heseltine, who is leading a review into whether government departments are helping the economy grow, attended the meeting.

In his first press briefing following the summer recess, Mr Jones said: "The figures for foreign direct investment are improving. They improved in 2011 from 2010."

Story so far

Economic policy post-devolution (inc. London) remains neo-liberal, largely a-spatial, individually-oriented. i.e. Thatcherite. Really seems to be TINA

Place-based policies demoted to 'regeneration': divorced from economic policy, ameliorative & faffing with physical infrastructure to very limited effect

Deviation from UK-National approach minimal.

Why?

Barriers (1) Structures

Key economic levers – cost of capital, exchange rate, labour market structures: & critically **economic regulation** remain at UK level (to benefit of SE)

Meanwhile radical public sector intervention – procurement, capital ownership, local orientations – forbidden or complicated by ‘competitive’ EU Directives & policies

& meanwhile UK & EU drip the methadone: benefits, pensions, ERDF, CAP...

Barriers (2) Incentives

Devo has interacted with UK party politics to lessen space for innovative economic policy – even (especially?) in Scotland

Has also invented a new layer of rent-seeking, centralising & centralised bureaucrats with nothing to gain from risk taking and all to gain from *status quo*

Perversely, 'legitimacy' of Cardiff Bay & Holyrood probably *weakened* voices & importance Local Govt & community

Regional Government: *Top* of region or *bottom* of neoliberal state?

Conclusions

Devolution in UK is misnamed: so far has been regionalisation

Unclear whether capacity or appetite exists in empowered regions to innovate & challenge – especially where Devo or £ is in gift of London (M4, City Deals, Mayors...). EU probably makes this worse.

At end of the day local people still do not control local resources... **and this is the key issue**

Calvin Jones

Paper at:

<http://1drv.ms/1R3TTrj>

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Thanks for
listening 😊

