

Cambridge University Press

978-0-521-11339-7 - Spatial Policy Problems of the British Economy

Edited by Michael Chisholm and Gerald Manners

Excerpt

[More information](#)

# 1. Geographical space: a new dimension of public concern and policy

MICHAEL CHISHOLM AND GERALD MANNERS

---

The last decade has witnessed a growing public interest in the geography of economic and social change. The emotions aroused by the prospective impact and cost of the London motorway box, the vigour with which Scottish and Welsh interests canvassed for an aluminium smelter and the conflicting interests exposed by the Roskill Commission's search for a site suitable as an international airport are common currency amongst informed opinion today. The issues may at first sight appear diverse. Yet underlying the continuing debate on what should be done to counter the persistently high levels of unemployment in the less prosperous parts of the country and the much publicised 'drift to the south', and surrounding the many arguments over shifts in local or sub-regional patterns of land use together with the frequently associated issues of environmental quality, there is a single unifying theme. This is the uncertainties, for individuals and corporate groups, inherent in making decisions concerning the spatial allocation of resources and activities. This new focus of interest and debate, which has given a renewed importance to the study and interpretation of geographical space, stems from the convergence of four developments in particular.

## **Social versus spatial inequalities**

Great advances have been made in Britain during the present century in the attempt to equalise opportunities and conditions between different socio-economic classes. Poverty and inequality still exist, to a degree that varies according to the definitions employed. But the undoubted achievements of the welfare state in demolishing the principal bastions of inequality have exposed more vividly than ever before other causes for equalitarian public concern, amongst which are several characterised by their spatial as much as by their social nature.

Inter-regionally, there has emerged a continuing imbalance between the economic and social opportunities available in the southern and midland

Cambridge University Press

978-0-521-11339-7 - Spatial Policy Problems of the British Economy

Edited by Michael Chisholm and Gerald Manners

Excerpt

[More information](#)

## 2 MICHAEL CHISHOLM AND GERALD MANNERS

zones of Britain on the one hand and the less prosperous counties of northern England, Scotland and Wales on the other. For thirty-five years, attempts have been made by governments to check the out-migration, to provide new sources of employment and to improve the long-term economic prospects of the older, coalfield-based regions of Britain. In these areas, structural economic changes have occurred – and continue – on a scale and at a rate which would inevitably result in widespread social distress were they to be left solely to the mechanisms of the market. In response, trading estates and advanced factories have been used to attract private manufacturing enterprise; subsidies have been offered to support the old and to encourage the new industries located there; subventions have been given to employers through such measures as the Regional Employment Premium (Department of Economic Affairs, 1967; First Secretary of State, 1967); and the transfer of Civil Service jobs has yet further diversified their economic structure. These measures have all sought as an immediate objective to reduce the level of unemployment – the most blatant symptom of the less prosperous regions' ills – and to provide a better economic future for the people living there. The economic problems of these areas have been reflected in a (public and private) failure adequately to renew their built environment. The result, as the Hunt Committee (Secretary of State for Economic Affairs, 1969) stressed, has been the creation of a parallel and distinctive geography of amenity, taking amenity in the widest sense. In education, health, housing and cultural facilities, the less prosperous parts of Britain enter the nineteen-seventies with a relative disability which is a reflection of, and is mirrored in, the quality of life and the nature of individual opportunity there. The more prosperous south and midlands of Britain are certainly not without their problem localities. Nevertheless, their comparative advantages, attractiveness and success are all too apparent in terms of such indices as the range of employment opportunities and income growth, the large proportion of growth industries, high activity rates and net in-migration, and the superior range of communication facilities and generally more attractive urban environment to be found there. These characteristics are firmly imprinted upon the public mind.

Intra-regionally, also, differences in prosperity have come to be accentuated through time. Within the less prosperous regions, cities such as Newcastle and Cardiff, Liverpool, Leeds and Glasgow have been able to embark upon major schemes of urban redevelopment which, in time, will considerably enhance their reputations as provincial centres and improve the quality of their citizens' lives. Agglomeration economies, together with deliberate government policies, have ensured that the range and stability

Cambridge University Press

978-0-521-11339-7 - Spatial Policy Problems of the British Economy

Edited by Michael Chisholm and Gerald Manners

Excerpt

[More information](#)*Geographical space* 3

of their economic opportunities have increased. This in turn has its social implications. In contrast, although they have not been without small-scale private and somewhat larger public investment, it is likely that the villages and small towns of (for example) the Durham and Glamorgan coalfields, of the Lancashire and Yorkshire textile communities and of many parts of the central valley of Scotland will have to accept a gradual disappearance of their local economic base and to live with their Victorian urban legacy and dwindling social assets for many years to come. Sometimes, the realities of the situation are publicly faced. Durham County Council has bravely listed its category 'D' villages, which are due to be erased from the landscape. Elsewhere, such boldness has been lacking.

Simultaneously, intra-regional contrasts of wealth and opportunity have been growing within the more prosperous midlands and the south. In addition to the long-standing rural-urban differential in both economic opportunity and life style, contrasts between the housing standards, educational facilities and social provisions in certain central parts of the conurbations and central cities on the one hand and their suburbs on the other have become increasingly vivid. As Pahl points out in Chapter 5, the typical low-paid worker in the nineteen-seventies is much more likely to be employed in an urban service job than in manufacturing or primary industry. The situation has been complicated and given an emotional dimension by the arrival of coloured immigrants in the central areas of cities and the emergence of racially segregated quarters. These spatial contrasts are prospectively so threatening to the future social stability of the city that they have generated a public response in the form of accelerated urban renewal programmes, and additional funds for 'educationally deprived' areas within large urban areas.

The growing public awareness of areas of relative deprivation – an appreciation that the dilemma of the 'two nations' has shifted from being a class to being to an important degree a spatial problem, and a recognition that zones of urban blight are as much a technological and urban planning dilemma as they are a social and racial problem – has been accompanied by a much less acrimonious debate than the one that preceded the major welfare legislation of Victorian and Edwardian times. In the last resort, pleas for greater economic and social equality as between *places* are somewhat less convincing than appeals for greater economic and social equality as between *men*. Nevertheless, it has been remarkably widely agreed that some solutions to the problems must be sought through public action – although the precise nature of the programmes to be adopted has naturally been the subject of considerable and sometimes heated debate. The

Cambridge University Press

978-0-521-11339-7 - Spatial Policy Problems of the British Economy

Edited by Michael Chisholm and Gerald Manners

Excerpt

[More information](#)

#### 4 MICHAEL CHISHOLM AND GERALD MANNERS

uncertainties facing the policy-makers are clear. Should the emphasis of public policy fall upon getting more jobs into the less prosperous parts of the country, or upon encouraging intra- and inter-regional population mobility? Should the problems of the inner cities be solved primarily through programmes of rehabilitation *in situ*, or should a greater emphasis be placed upon the encouragement of the selective movement of relatively deprived communities into strategically placed reception localities in and beyond the suburbs? To the extent that the arguments rest upon such complex matters as the mobility of industry, the nature and magnitude of external economies, the economics of urban renewal and the sociology of population mobility, they have been removed from the arenas of the most acrimonious party political argument. Increasingly, cost effectiveness studies have been pursued to offer improved guidelines for public policy; ways of checking the mounting expense of regional development policies is a case in point. Such studies do not remove the problems from the public eye or ensure equity. Nor do they remove completely the need for political judgement in establishing the priorities for government action, in formulating the assumptions underlying any analysis, or in weighing the more theoretical solutions against the range of practical possibilities. However, they do place a new importance upon attempts to improve the quality of spatial (economic and social) analysis.

#### **The widened role of government**

The long-term historical tendency has been for central and local government together to spend an increasing share of the Gross National Product. Before World War I, the proportion was under 15 per cent; it had more than doubled to 30 per cent by 1938, had risen to 40 per cent by the mid-nineteen-sixties (Chisholm, 1970, 196) and in the last full year of the recent Labour Administration to about half the national income. The Conservative government elected in 1970 is pledged to reduce public spending relative to the growing wealth of the country, but it will clearly have to take quite drastic action even to hold the proportion constant, let alone reduce it. However successful government may be in reversing the long-term trend, it is nevertheless generally accepted in political circles that public decisions and expenditure will continue to play a major role in the evolution of economic and social affairs in the country. In turn this means that the government will continue to possess a very considerable leverage upon the location of economic activities.

At the core of public intervention in the evolution of the country's

Cambridge University Press

978-0-521-11339-7 - Spatial Policy Problems of the British Economy

Edited by Michael Chisholm and Gerald Manners

Excerpt

[More information](#)*Geographical space* 5

spatial (economic and social) systems is a closely inter-related group of decisions affecting transport facilities and land use which it is impossible for a modern government to avoid. The public ownership of the railways apart, it is clearly the responsibility of government to supervise the evolution of both inter-regional and intra-regional transport facilities in general and roads in particular. Roads afford not only the primary means of spatial interaction, but they also condition the framework within which economic and social life evolves. Whilst it is perfectly clear that in the past decisions on road investments have only occasionally been seen in this light, and that only in the late nineteen-sixties did the Ministry of Transport (now part of the Department of the Environment) begin thinking of the country's future road network in system terms (Ministry of Transport, 1969), it is being increasingly recognised that the inter-city motorway programme will be one of the more influential forces shaping the economic geography of the country in the nineteen-seventies and nineteen-eighties. And the approach prospectively to be adopted towards the geographical priorities of urban motorway construction will rank among the more important determinants of city form and urban life style of our children.

The implications of major transport improvements for the pattern of sub-regional development have only in recent years been more fully appreciated. The construction of a motorway between two towns, for example, results in much more than simply the expedition of traffic between them; it has wide-ranging implications for their economic and social life – altering the meaning of distance and encouraging an upward movement in the levels and intensity of interaction between them – as well as modifying the relative economic and social prospects of the communities which it by-passes without affording easy access. Although the full impact of major new estuarine road crossings, such as those recently built to span the Forth and the Severn, is even now not fully quantified, there can be little doubt concerning the revolution which is engendered in the spatial relationships of the communities on both sides (Manners, 1966). The economic development implications of such investments must therefore be recognised and taken into account in programmes of regional and sub-regional growth (Central Unit for Environmental Planning, 1969).

Other elements in the country's communications system – airports, seaports, railways and telecommunication facilities – have in their several ways equally far-reaching spatial implications. There can be little doubt that, even though the mechanisms of public responsibility can vary from time to time and from place to place, the provision of such facilities is ultimately the inescapable responsibility of government. The implications

Cambridge University Press

978-0-521-11339-7 - Spatial Policy Problems of the British Economy

Edited by Michael Chisholm and Gerald Manners

Excerpt

[More information](#)

## 6 MICHAEL CHISHOLM AND GERALD MANNERS

of such infrastructural investments for the geography of the country's economic life – the fact that they not only help to mould the future pattern of space relationships, but that they must serve the existing one efficiently – demand that the government's role in the provision and supervision of transport is associated with a further set of responsibilities relating to the use of land.

It was as long ago as 1903 that the first legislation was passed to assert a public interest in the evolution of urban land uses. Since then, public involvement in the allocation of land to new uses has increased considerably, both in terms of its more widespread application, and in the geographical scale to which it has applied. The county and county borough plans prepared under the 1947 Town and Country Planning Act; the designation of new towns, expanded towns and then more recently new cities with a planned population of 250,000; the publication of sub-regional and regional studies and strategies in the nineteen-sixties; and the development of metropolitan transport and land-use expertise and plans have all expressed the need for enlarging the spatial scale of the public role in the allocation of land uses. Indeed, the prospective magnitude of population increase and urban expansion has been judged to warrant both large injections of central government funds and initiatives into regions blessed with outstanding assets for accelerated growth and population absorption, and the careful supervision of the considerable changes which will be necessary in the use of land there. Humberside, Tayside and Severnside were each examined in this context by the Central Unit for Environmental Planning or the Scottish Development Department between 1966 and 1971.

The precise means of public intervention in the processes of land-use change are, of course, the subject of a continuing and vigorous controversy. The many arguments which surrounded the creation and then the more recent abolition of the Land Commission are a case in point. Disagreements are inevitable in judging the point at which the benefits of controls are outweighed by the costs of development delays and other frictions in the working of the economy. However, there would appear to be fairly widespread agreement that the government does have an inescapable commitment to such policy objectives as the prevention of incompatible land uses developing adjacent to each other; the careful valuation of those matters, such as amenity and environmental quality, which the market is unable to measure and is frequently inclined to discount; and the considerable economies which can be derived from efficient transport investments. As a consequence, it simply cannot avoid the supervision of the broad uses to which land is put.

Cambridge University Press

978-0-521-11339-7 - Spatial Policy Problems of the British Economy

Edited by Michael Chisholm and Gerald Manners

Excerpt

[More information](#)*Geographical space* 7

Another area in which public activities inevitably influence the economic and social geography of the country stems from the large and, in recent years increasing, number of people employed in public administration. In 1969, they totalled over 1.4 million, or 6.2 per cent of the country's workforce. Once the sole prerogative of inner London, the location of the central government's civil servants has been considered since 1963 as far from immutable; in the five years to 1969, some 14,000 jobs had been moved away from London to provincial centres. The Post Office, the Inland Revenue and Customs and Excise have been outstandingly 'mobile', the first transferring three of its major sections to Chesterfield, Durham and Glasgow. By 1969, the dispersal of yet a further 26,000 London jobs was under active consideration. Whilst the centrality of London within the national communications system affords it undoubted advantages for a wide range of administrative functions, lower office costs and reduced rates of labour turn-over in the decentralised locations have meant that the need fully to justify any requirements for additional central London office space for government has become more widely accepted in recent years.

Besides its influence over the geography of civil servants, the central government is also inescapably involved in shaping the locational pattern of a wide range of employments in the advanced research and higher educational sectors of the economy, the emerging quaternary sector. The location and expansion of government research establishments, universities and polytechnics are clearly subject to powerful public control and in recent years these institutions have come to be regarded as an important component in inter-regional policies. It is not only local opinion in Teesside, for example, which is prepared to argue that the long-term ambitions of that burgeoning industrial complex make very little sense without at least the establishment of a local polytechnic, and possibly a number of appropriate research establishments as well. Quite apart from the service which such establishments might render local industry, and the innovative enterprises which they might spawn, their (multiplied) employment effects are in themselves capable of making a significant impact upon a region. A university for 4,000 students will provide jobs for approximately 400 teaching staff; these will be assisted by at least an equal number of administrators, library staff, porters, cleaners and others; within the local economy, such a number of people would be serviced by perhaps a further 1,000 employees in schools, hospitals, local authority services, etc.; and the students, too, despite their relatively low purchasing power per head, could well generate locally about 1,000 jobs in shops, public transport, entertainment, the local constabulary and the like. In sum, 4,000 students could well

Cambridge University Press

978-0-521-11339-7 - Spatial Policy Problems of the British Economy

Edited by Michael Chisholm and Gerald Manners

Excerpt

[More information](#)

## 8 MICHAEL CHISHOLM AND GERALD MANNERS

come to be associated with a related population of at least 6,000. In the absence of sub-regional input-output coefficients, the figures in this example are necessarily crude. But the order of magnitude cannot seriously be doubted and underlines the importance which is rightly attached to government policy as it affects the size of universities and other institutions of higher education, especially in the Development Areas.

A further inescapable source of public employment derives from the activities of local authorities. Both the structure of local government and the decisions of local boards – such as hospital management committees – influence not only the patterns of intra-regional service provision but also the geography of employment. Some services, of course, have to be provided in response to the distribution of population; schools and sanitary services are two examples. But other elements in local administration, more especially the higher order services which require a larger population threshold, offer a range of spatial options. The pattern of local government in Britain that will follow from the most recent White Papers on the subject (Secretary of State for the Environment, 1971; Scottish Development Department, 1971; Welsh Office, 1971) will considerably affect the intra-regional geography of public employment. While there will be a marked centralisation of jobs in fewer but larger centres of population, the impact will be smaller than implied by the discarded proposals of Lord Redcliffe-Maud (Royal Commission on Local Government in England, 1969).

Alongside these inescapable commitments of government to shape the economic geography of the country stands the highly ambivalent attitude of government to the nationalised industries. The growing size and importance of public enterprise is inescapable. In the 1965–70 National Plan the nationalised industries (including steel) were to have accounted on average for over 20 per cent of the country's annual investment. But the relationship of government to the behaviour of these industries remains, in the last resort, essentially empirical. It is true that the 1967 White Paper on the *Nationalised Industries* (Ministry of Technology, 1967) spells out more clearly than ever before their economic and financial objectives. This document requires that test rates of discount be used in investment studies and it enjoins the industries not only to cover their accounting costs but to price their goods and services in such a way as to reflect their long-run marginal costs. These are principles which would not embarrass the accountants of a large corporation in the private sector. Simultaneously, however, provision was made for nationalised firms to act against their commercial interests and to be reimbursed from the public purse for doing



Cambridge University Press

978-0-521-11339-7 - Spatial Policy Problems of the British Economy

Edited by Michael Chisholm and Gerald Manners

Excerpt

[More information](#)*Geographical space* 9

so. It is all too clear that direct political intervention can influence the investment priorities and decisions of nationalised industries in a way that does not have an exact counterpart in the private sector of the economy. Where a public industry is serving an expanding market, the impact of government intervention in its investment decisions – and hence in the geography of its employment and development – tends to be relatively small. The case of the electricity generating industry, which has been required to burn coal in more power stations than it would have chosen to otherwise and so has stabilised to a small degree the size and location of mining employment, is noted by Manners in Chapter 6. But where the market, and more especially the employment opportunities, of a public industry are tending rapidly to contract, either nationally or regionally, not only is the style of political intervention more varied but that intervention is much more persistent and vigorous.

The local and regional importance of political intervention in the decision-making processes of the nationalised industries cannot be overstressed. In restraining the British Airport Authority from locating the Third London Airport at Stansted in 1968, the government took note of the number of jobs which would be created within the perimeter of the facility itself, the attraction of industry and the multiplication of these substantial effects through the sub-regional population, as well as the expected transformation of the associated economy. The magnitude of these development implications, and their apparent conflict with the existing strategic proposals for the evolution of land use in the north-east sector of the Outer Metropolitan Area, prompted the government to take the decision out of the hands of the nationalised industry concerned and to offer it to the wider embrace of the Roskill Commission (Commission on the Third London Airport, 1969 and 1970). When the then Minister of Power granted the Central Electricity Generating Board permission to construct a nuclear power station at Hartlepool, he was undoubtedly aware that the decision implied a reduction in the prospective market for coal in the mid-nineteen-seventies by some 3 million tons per year, and thereby jeopardised the jobs of perhaps 2,000 Durham miners. In contrast, by insisting that British Rail should retain passenger services along some of its less travelled routes, Parliament has in effect expressed concern for regional and sub-regional well-being in some of the less densely settled parts of the country, and implicitly made assumptions about at least one of the ways of allocating resources to improve welfare.

Such government intervention in the locational behaviour of the nationalised industries is not inevitable. But it would be most unlikely for it

Cambridge University Press

978-0-521-11339-7 - Spatial Policy Problems of the British Economy

Edited by Michael Chisholm and Gerald Manners

Excerpt

[More information](#)

## 10 MICHAEL CHISHOLM AND GERALD MANNERS

not to occur, given the persistent government involvement in the location decisions of a significant section of private enterprise in recent years. Examples of the latter are provided by the long-standing policies for the distribution of manufacturing and service industry, policies which have sought to reduce inter-regional and even intra-regional differences in the levels of community welfare. Thus, for example, the inducement of the motor assembly industry to move away from the West Midlands and London into Lancashire, South Wales and Scotland; the support of new aluminium smelters in Wales, Scotland and North-East England; the decision to make heavy investments in the infra-structure of Teesside in order to encourage new private enterprise in the region (Secretary of State for Industry, 1963); and the restraints imposed upon office construction in the south-east of England are all part of a calculated public response to a set of regional economic and social problems. They also reflect a particular interpretation of how these problems might be ameliorated.

The deliberate intervention of the government in the spatial allocation of economic activities is the subject of a proliferating literature (Manners, 1972; McCrone, 1969; Brown, 1969). Less fully explored, however, are the spatial implications of policies whose primary aim is non-spatial in character. The Transport Act of 1969, for example, whilst seeking to provide a more logical base for the operation of the national transport system, in fact appears likely to impose a burden upon the rural areas of the country; it certainly embodied a commitment to the maintenance of central government subsidies of the public transport system of Greater London. (This subsidy was, however, removed in 1971.) Again, although the 1967 White Paper on *Fuel Policy* (Ministry of Power, 1967) was primarily designed to balance individual decisions in the market against such national considerations as 'security of supply, the efficient use of resources, the balance of payments and the economic, social and human consequences of changes in the [energy] supply pattern', the details of the policy turned upon the effects of a rapid run-down of the country's coal industry in the higher cost coalfields. The decision to continue with the Concorde programme implies a continuing high level of employment for the people of the Bristol region and a level of prosperity there which might not otherwise have been so easily assured.

Agricultural subsidies have significantly influenced the geography of British agriculture in the past, just as the adoption of import levies on agricultural imports (the practice of the European Economic Community) will undoubtedly influence it in the future; their precise effects upon the patterns of farming in this country, however, are not always easy to