"Things we lost in the fire"
Remembering the past and future of European regional policy in the UK

Olivier Sykes
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- Introduction
- Regional Policy
- EU regional policy within the ‘European Project’
- The British Contribution
- UK’s experience of Cohesion Policy
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Place-based Policy

• The central question which underpins all choices about place-based (Garcilazo, 2011) regional and regeneration policy is whether and how public action should address economic and social changes which have varied effects on different places and communities.

• Should we - “Bring the people to the work. Or the work to the people”? 
Regional Policy – the basic idea...

• “The people to the work, or the work to the people?”

• What is the aim of EU regional policy?
EU regional policy within the ‘European Project’
EU Cohesion Policy

• The EU’s regional and development, or Cohesion Policy, reflects the work to the people logic in seeking to put into practice the idea of solidarity between the peoples of Europe mentioned in the preamble to the Treaty on European Union.

• It helps a fundamental Treaty objective: the strengthening of the EU’s economic and social and territorial cohesion by reducing the development disparities between its regions.

• It also impacts on the competitiveness of regions and living conditions of their inhabitants, mainly by co-financing multi-annual development programmes.
Territorial Cohesion

“The concept of territorial cohesion extends beyond the notion of economic and social cohesion by both adding to this and reinforcing it. In policy terms, the objective is to help achieve a more balanced development by reducing existing disparities, avoiding territorial imbalances and by making both sectoral policies which have a spatial impact and regional policy more coherent. The concern is also to improve territorial integration and encourage cooperation between regions.”

(European Commission, 2004)

(added emphases)
“A central aim of the EU, as set out in the Treaty (Article 2) is ‘to promote economic and social progress and a high level of employment and to achieve balanced and sustainable development, in particular through the creation of an area without internal frontiers, through the strengthening of economic and social cohesion and through the establishment of economic and monetary union...’. This implies that people should not be disadvantaged by wherever they happen to live or work in the Union. Territorial cohesion has therefore been included in the draft Constitution (Article 3), to complement the Union objectives on economic and social cohesion. Its importance is also acknowledged in Article 16 (Principles) in the Treaty which recognises that citizens should have access to essential services, basic infrastructure and knowledge by highlighting the significance of services of general economic interest for promoting social and territorial cohesion.”

(European Commission, 2004)
Territorial Cohesion and the Lisbon Treaty of 2007

With the entry into force of the Lisbon Treaty in 2009, territorial cohesion was explicitly added to the goals of economic and social cohesion, though it was already an implicit objective of policy. Concluding the debate launched by the Green paper on territorial cohesion, the Fifth Cohesion Report summarised the changes introduced by the increased emphasis on territorial cohesion as reinforcing (1) the importance of access to services, (2) sustainable development, (3) functional geographies and (4) territorial analysis. Since 2010, the European Commission has taken action to address all four of these issues.

(1) Access to services

Both the Europe 2020 and the Budget for 2014–2020 include specific action to improve digital and physical access to services. The Digital Agenda for Europe is aimed at ensuring that everyone in the EU has access to a fast broadband connection by 2020 and that one in two EU residents uses e-Government services by 2015.

Between 2014 and 2020, the Connecting Europe Facility will invest EUR 32 billion in transport infrastructure, EUR 9 billion in energy infrastructure and EUR 9 billion in broadband and digital services. This can help, for example, to reduce driving times to the nearest hospital, which may be located on the other side of a national border; increase the availability and reliability of energy networks and improve access to online services.

(2) Sustainable development

Sustainable growth is at the core of Europe 2020 and Cohesion Policy. In the 2014–2020 period, at least 20% of the ERDF in more developed regions and 6% in less developed regions has to be invested in measures which improve energy efficiency and expand renewable energy supply.

(3) Functional geographies

Functional geography captures the spatial extent of a policy issue, for example, managing a river basin or a labour market area. Using functional geography can enhance the efficiency of public policies, even though it often calls for more coordination across administrative or political boundaries.

In the 2014–2020 period, a new measure has been introduced to facilitate the use of functional geography: integrated territorial investment, which is intended to make it easier to implement an integrated strategy in a specific area, such as a metropolitan area or a cross-border area.

To obtain a better understanding of the functional geography dimension, the Commission has developed a number of new harmonised territorial definitions:

- Together with the OECD, it has created a new harmonised definition of a city and its commuting area, which shows that the latter, especially in large cities, often cross NUTS 2 boundaries and even national borders.
- Combining the approach used for the urban-rural regional typology developed in 2010 and the new city definition, it has also defined a new local typology, the degree of urbanisation, which distinguishes rural areas, towns and suburbs, and cities. This allows for a better monitoring and understanding of the different policy issues facing all types of area, rural as well as urban.

To give these local and regional typologies more stability and visibility, the Commission intends to include them in an annex to the NUTS regulation.

(4) Territorial analysis

A better understanding of different geographical areas across Europe can help to identify and select the right policy responses and to assess the impact of EU policies with a territorial dimension, as outlined in the Territorial Agenda and the Committee of the Regions.

Since 2010, the Commission has significantly improved the amount of sub-national data available from official statistics through Eurostat and from other sources with the help of the Joint Research Centre, Copernicus, the European Space Agency, ESPON, the European Environmental Agency, the World Bank, the OECD and external contractors. This has led to better data on a wide range of issues including poverty, well-being, health, air quality, innovation, access to public transport and the structure of settlements, but more remains to be done to complete the picture and provide more detail.

To support the assessment of territorial impacts, the European Commission has invested in better modelling capacity, and projections at sub-national level across the EU can now be generated by a new regional economic model RHOMOLO and a land use model LUISA, while projections of population and education levels have also been improved and updated.

1 See also Commission Staff Working Document SWD(2013) 3 final
<table>
<thead>
<tr>
<th>TC ‘storyline’ (Waterhout, 2007) / Dimension</th>
<th>Orientation</th>
<th>Sustainability &amp; ‘Europe 2020’ Elements</th>
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<tbody>
<tr>
<td>Europe in Balance – addressing regional disparities, securing universal access to services of general interest, and, promoting a ‘polycentric’ pattern of development in Europe</td>
<td>Substantive</td>
<td>Society / Inclusive Growth</td>
</tr>
<tr>
<td>Coherent European Policy – securing effective horizontal coordination of EU policies so that these do not generate contradictory territorial impacts ‘on the ground’</td>
<td>Procedural / TIA</td>
<td>Integration of SD Elements</td>
</tr>
<tr>
<td>Competitive Europe – focussing on competitiveness in the global context by fostering the diverse territorial potential/capital of places in Europe so that they can ‘make the most’ of their intrinsic attributes, creating life-chances for their citizens and contributing to overall European competitiveness</td>
<td>Substantive</td>
<td>Economy / Smart Growth</td>
</tr>
<tr>
<td>Clean and Green Europe – relating to sustainable development and management of the natural environment including climate change, environmental protection and sustainable energy production</td>
<td>Substantive</td>
<td>Environment / Sustainable Growth</td>
</tr>
</tbody>
</table>
Balance

- Regional GDP per head from the 6th. Cohesion Report (2014)
The celebrated ‘blue banana’ (not straight banana!) identified by the ‘Brunet’ report in 1989

Notions of a ‘core’ and ‘periphery’ in Europe
'Balance'

FIGURE A10
The "20-40-50 Pentagon," Just One Global Economic Integration Zone in the EU...

Source: Schön (2000)
See Chapter 4

© BBR 2000
An alternative to the Blue Banana and ‘Pentagon’... The Bunch of Grapes!!
EU regional policy within the ‘European Project’

• Structural and Investment Funds (ESIF) disbursed under the EU’s Cohesion Policy currently account for approximately 40-45% of the EU budget and fund area based, sector based, and human capital oriented investment.

• There are mixed views about their effectiveness but there is evidence that disparities in revenue and employment were declining in the EU before the 2008 financial crisis.

• There is evidence of convergence again now (2014 – 2015).
EU regional policy within the ‘European Project’

• The EU structural funds reflect the ‘social wing’ of the EU project and ‘European model of society’ (Faludi, 2007).

• They have often come under pressure from the more economically liberal EU member states (also usually the wealthier ones) who wish to minimise their own contributions to the EU budget:

  – “The UK in particular [has] sought an EU Cohesion Policy that would simply be a safety net for the poorest regions”. (Hague, 2016)

• Critics argue ‘place-based’ regional policy and regeneration does not really work and simply diverts scarce resources from places where they could be spent with more impact
EU regional policy within the ‘European Project’

• The territorial narrative and resources of EU structural funds have countered spatialized market fatalism applied to places and communities.

• Though in the post-2008 context they too have increasingly had to justify themselves in terms of their contribution to growth agendas.

• Some commentators feel that they have been ‘captured’ by the competitiveness agenda (Hague, 2016). Yet...
EU regional policy within the ‘European Project’

• Following the global financial and economic crisis of the late 2000s, public investment in the Member States “most affected...would have fallen by an additional 50%” without the support of EU Cohesion Policy” (European Commission 2014: 2).

• Ironically, even some Eurosceptics may see the benefit of such investment, which in bringing greater opportunities to people *in situ* - where they are, can help to moderate and stabilise migration flows towards the more economically developed EU member states (cf. Poland’s growth).
From British to European Regional Policy – a much appreciated ‘secret’ contribution to the European project
From British to European Regional Policy

- From the 1930s onwards Britain pursued a form of regional policy to try and provide opportunity and more equal levels of economic development between her regions (McCrone, 1969)

- The debate and policy has taken different forms and waxed and wanted - Barlow Report -> Northern Powerhouse.

- Policy has typically sought to address the structural industrial and employment issues facing regions which became heavily industrialised from the 19th century onwards – often, though not exclusively, in the north and west of the UK.
The first country to industrialise, Britain was also the first to de-industrialise when its heavy industries – coal, steel, shipbuilding and the like – collapsed in the inter-war depression.

Although it was too little too late, the Special Areas Act of 1934 saw the birth of the world’s first regional policy, which was designed to mitigate the socio-economic crisis of the depressed areas – the areas where the heavy industries were all clustered.

(Morgan, 2017)
From British to European Regional Policy

• By the 1970s, notably following the oil crisis of 1973, many of these regions and their communities were facing the full effects of economic restructuring.

• Often manifested in rising levels of unemployment and the physical change and frequent dereliction/pollution of landscapes and the living environment for local communities.

• Many areas of the UK continued to face such challenges into the Thatcher era of the 1980s and beyond.
From British to European Regional Policy (Upload)

• Other major European countries such as France and West Germany were still enjoying relative prosperity in the 1970s with lower levels of unemployment and higher levels of GDP per capita compared with the UK.

• This was the context in which the UK joined the European Economic Community (EEC) in 1973.

• An EEC regional policy had been in discussion but the UK, working with Ireland and Italy, provided an impetus for the creation of the European Regional Development Fund (ERDF) in the mid-1970s).
From British to European Regional Policy (Upload)

• Britain joins EEC on 1 January 1973 – with a five year transition period...

• Paris Summit 1972 – final communiqué stressed that:
  – “regional policy should in future be given a new and higher in the total strategy of the Community as it moved towards fuller economic and monetary union” (Lee, 1979, 107)

• A Commissioner was to be appointed and:
  – “set up a Regional Development Fund... to deal with both problems of rural poverty and also problems of declining industry and problems of industrial underemployment”

(Trade and Industry sub-Committee, Brussels, February 1973 cited in Lee, 1979)
George Thomson Appointed first Commissioner for Regional Policy in 1973

• Made a “moral, environmental and economic case for a Community regional policy” and analysed regional imbalances in Europe (Lee, 1979, 107)

• Found issues in agriculturally dominated areas (Ireland and the Italian Mezzogiorno) and those of industrial change and structural underemployment (UK and parts of Belgium); including the problem of outward migration
• Set out some core guidelines for the Common Regional Policy (CRP):

1 – CRP not be a substitute for, but a complement to, national regional policies. Though anticipated that the CRP would grow in importance.

2 – There should be a policy to address over-concentration of economic activity in certain areas and reduce congestion

3- The Community should try to “dovetail all of its common policies and instruments to achieve regional objectives “ (Lee, 1979, 109)

4 – The ERDF needed to be big enough to address the target of the Paris Summit and be employed to bring about “self-sustaining growth in the less developed and declining regions” (Lee, 1979, 109)
The Common Regional Policy

• But the Thomson Report was also criticised (lack of a solution on the size of the ERDF and how it was to be distributed)

• Debates about the size of the ERDF between countries likely to contribute, or receive most (should funds be concentrated on most deprived areas? Or more evenly distributed?)

• ERDF finally set-up in 1975. Only representing 4% of Community Budget in 1976.

• Areas assisted through national regional policy were eligible, with a focus on priority areas and a need for a regional development programme to be in place
From British to European Regional Policy (Upload)

• The UK thus made a distinctive contribution to the evolution of the European project through a form of “upload” Europeanisation based on domestic context and interests – regional economic structure; CAP contribution...

• ‘Merci monsieur les anglais!’ (Husson, 2002).

• It was particularly significant given that the UK, was facing dramatic economic change sooner than countries like France and Germany; was relatively poorer; had higher levels of unemployment; and, more social unrest (Couch et Al., 2011)
Figure 10.1. Zones aided by member states of the EEC
(Source: EEC Periodical 1975)
From European to British Regional Policy

• But it was not just the material effects on the ground of economic change that made the support provided by European regional policy so significant.

• The broad ‘social democratic consensus’ of the post-war years had given way to the rise of neoliberal influence on the state and public policy:
  - If post-war regional policy was undermined by economic decline, the post-war political settlement on which it was predicated was overthrown by Thatcherism, which changed the rules of the territorial game because regional policy shifted away from redistributing investment between regions to promoting growth within regions, a form of regional autarky that exists to this day. (Morgan, 2017)

• The national government’s general scepticism towards public action led to the local government being marginalised in the urban regeneration process particularly in the 1980s.
Domestically, urban policy was increasingly dominated by Central Government initiatives allied with an increased role for the private sector (Parkinson, 1989).

In some circles of government there was even talk of “managed decline” for certain major urban areas such as Liverpool (Guardian Newspaper, 2011; Liverpool Echo, 2015).
They should build a fence around (Liverpool) and charge admission. For sadly, it has become a showcase of everything that has gone wrong in Britain’s major cities.

(Daily Mirror, 11 October 1982, cited in Lane, 1997, p. xiii)
High Park Street, Liverpool 8: 1982
The doctrine of ‘managed decline’ would have been unacceptable to post-war British governments of any political hue prior to the neoliberal ascendancy of the 1970s and 1980s.

Crucially it remained unacceptable to a number of key actors both in the UK and at the highest levels within the European institutions.

With a resonance which echoes down to the aftermath of the 2016 EU referendum, those Conservatives who advocated more attention and resources for place-based regeneration – notably Michael Heseltine
Merseyside Development Corporation and the Liverpool International Garden Festival
The 1988 Reform

European regional policy really came of age in 1988, when the European Commission (EC) introduced four key principles for regional intervention, namely:

- **concentration** – to focus resources on key objectives
- **multi-annual programmes** – to introduce longer term planning
- **partnership** – to involve regional and local authorities
- **additionality** – to make sure EU money was additional to (and not a substitute for) member state money

Source: Morgan, K. (2017)
[https://blogs.cardiff.ac.uk/brexit/2017/04/26/re-inventing-regional-policy-for-post-brexit-britain/](https://blogs.cardiff.ac.uk/brexit/2017/04/26/re-inventing-regional-policy-for-post-brexit-britain/)
EU funding programmes supported communities devastated economically and socially by the state’s campaign against certain industrial sectors and communities (e.g. initiatives such as ‘RECHAR’ which provided EU support to communities affected by pit closures).

In the 1990s the shocking truth was revealed that some areas of the UK such as Merseyside and South Yorkshire were now eligible for the highest level of European regional policy support (called ‘Objective 1’). Though there were sometimes difficulties in securing UK funding to ‘match’ this.
http://www.euandmerseyside.org
Outputs of Objective 1 Funding

- Any number of projects:
  - John Lennon Airport (£23 Million to increase terminal capacity)
  - Merseytram (£20 million for scheme) (UK funding failure)
  - Bootle Town Centre (£2.75 million towards £5 million facelift)
  - North Huyton New Deal for Communities ‘Road to Work’ programme (£480,000 EU grant towards £900,000 project)
  - South Liverpool Parkway Station (£6 million towards £16 million transport interchange for South Liverpool)
  - Merseyside Social Inclusion Observatory (MSIO) (£834,000 project 50% funded by EU grant)
  - St. George’s Hall, Liverpool, (£3million towards £18 million restoration; Kings Dock Arena £50 million
  - Capital of Culture in 2008 (£2.5M); 5 New stations (£9M)

- Effects on governance and civic confidence.
- Image restoration
European Regional Policy and Britain -2000s

• After 1997 and into the 2000s, EU structural funding priorities and programmes dovetailed well with national priorities (‘urban renaissance’, social inclusion and neighbourhood renewal agendas.)

• Against a backdrop of generally rising prosperity EU structural funds played a significant role in fostering faster growth in some previously ‘lagging’ areas such as Merseyside, South Yorkshire and the Highlands and Islands.

• The entry of less prosperous nations into the EU in the mid-2000s had a ‘statistical effect’.

• As the average level of GDP per head level in the EU, UK regions which had previously been amongst the poorest in the EU seem relatively more prosperous ‘overnight’.
Beyond material effects

• Beyond the redistribution of resources to less prosperous areas, the EU structural funds also had significant symbolic and political value to some places and the opportunities they have opened-up for empowerment of local decision-makers and communities.

• In a traditionally highly centralised state such as the UK, the ability for cities and regions to engage in ‘three way’ negotiation with central government and the EU commission has given new leverage for place-based development to local politicians and communities.
Beyond material effects

• The renaissance of cities such as Liverpool cannot be attributed solely to EU programmes. But the idea that major regional cities can be described as international centres or ‘European Cultural Capitals’ (Garcia et Al., 2010) is in no small due part to the role EU-support has played in on to reimagining and reimagining such places.

• Access to EU funding and the ‘European stage’ enabled some cities and communities to regain the sense of worth and dignity which was stripped from them in the national context in the latter decades of the 20th. century - for example, through media and political stereotyping about certain places being welfare dependant failures inhabited by benefit scroungers (Boland, 2008).
Changed perceptions?

The View of Europe from Liverpool

Baltic, Riga, Moscow, Warsaw, Holland, Belgium, North Sea, Hull, The Pennines, Blackpool, Austria
Influence on Thinking about Place Based Policy
Territory and the Referendum
Territory and the Referendum

• The EU referendum held in the UK in 2016 and its outcomes are often seen as being marked by a strong territorial dimension

• Interestingly in a political context where spatial, or territorial issues often struggle to get on the agenda, the ‘territorial’ narrative around so-called “Brexit” has been very dominant

• The referendum result is often attributed to a revolt of the ‘left-behind people’ in ‘left-behind places’

• Places like Sunderland in the North East of England and Stoke on Trent have become emblematic of this. There is a spatial imaginary (domestically) of so-called “Brexit” which chimes with many concerns of EU Territorial Cohesion
Brexitting yourself in the Foot?

The Leave camp has signalled that it is going to talk about immigration for the remainder of the referendum campaign. This is not surprising: Brexeters have struggled to counter the pro-Remain economic analysis from heavyweight institutions – the OECD, the Treasury, the Bank of England and the IMF, to name a few. A relentless focus on immigration keeps the public eye on the common (but erroneous) assumption that immigration depresses wages and piles pressure on public services. It also injects a pinch of identity and class politics into the campaign. Leave have portrayed Brexiners as rich Londoners who are out of touch – hence pro-Brex employment minister Priti Patel’s comment that “It’s shameful that those leading the pro-EU campaign fail to care for those who do not have their advantages. Their narrow self-interest fails to pay due regard to the interests of the wider public.” In case you need reminding, David Cameron and George Osborne are both from wealthy London or Home Counties-based families and both went to expensive private schools in the London area (as did Boris Johnson and Nigel Farage.)

Leaves's anti-elite message resonates most strongly in regions outside of London, whose economies have been struggling since the 2008 crash. But the irony is that it is these regions, not London and its rich commuter belt, that have most to lose from leaving the EU.
McCann (2016)

1. *European market demand – long term local economic viability*

- Post-Brexit impacts → most UK regions are 50% - 100% more dependent on EU markets than London
- EU regional market dependence in manufacturing and services is closely correlated – excluding London
- Perception disconnection: Most pro-Brexit regions are relatively the major economic beneficiaries of EU membership → contrary to ‘metropolitan elites’ arguments
- More than 90% of the UK’s 37 NUTS2 regions have become *more* dependent on EU markets since the Millennium
- London has become *less* dependent on the EU
- Two thirds of UK regions have become *less* dependent on London markets since the Millennium – and all UK regions are more dependent on EU markets than on London

See also: https://www.liverpool.ac.uk/heseltine-institute/heseltine-conference/
“Brexit” and the Archipelago

Dorling and Thomas (2004)
The overall result

Leave polled the most strongly in 270 counting areas, with Remain coming first in 129.

Key:
- Majority leave
- Majority remain
- Tie
- Undeclared
• “Foot shooting”?
Figure 1: Combined ERDF and ESF allocations by region (€ million)

Source: SPERI (British Political Economy Brief No. 24)

http://gw4.ac.uk/re-inventing-regional-policy-for-post-brexit-britain/
Table 1:  
Top 10 UK cities most reliant on EU markets (2014)*

<table>
<thead>
<tr>
<th>Rank</th>
<th>City</th>
<th>Share of exports to the EU (%)</th>
<th>Share of exports to the US (%)</th>
<th>Share of exports to China (%)</th>
<th>Value of total exports per job (£)</th>
<th>Referendum</th>
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<tbody>
<tr>
<td>1</td>
<td>Exeter</td>
<td>70</td>
<td>7</td>
<td>2</td>
<td>5,940</td>
<td>Remain (55.28%)</td>
</tr>
<tr>
<td>2</td>
<td>Plymouth</td>
<td>68</td>
<td>8</td>
<td>2</td>
<td>17,320</td>
<td>Leave (59.94%)</td>
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<tr>
<td>3</td>
<td>Bristol</td>
<td>66</td>
<td>8</td>
<td>2</td>
<td>11,390</td>
<td>Remain (62%)</td>
</tr>
<tr>
<td>4</td>
<td>Mansfield</td>
<td>63</td>
<td>8</td>
<td>4</td>
<td>7,910</td>
<td>Leave (70.83%)</td>
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<tr>
<td>5</td>
<td>Cardiff</td>
<td>61</td>
<td>17</td>
<td>1</td>
<td>9,420</td>
<td>Remain (60%)</td>
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<td>Aberdeen</td>
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<td>7</td>
<td>Swansea</td>
<td>60</td>
<td>15</td>
<td>2</td>
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<td>8</td>
<td>Nottingham</td>
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<td>5</td>
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<td>1</td>
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<td>Warrington</td>
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<td>12</td>
<td>3</td>
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<td></td>
<td>Britain national average</td>
<td>48</td>
<td>15</td>
<td>5</td>
<td>15,690</td>
<td></td>
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</tbody>
</table>

*Out of 62 cities across the UK – data for Belfast is unavailable

An alternative reading of the territoriality of the EU Referendum Vote

- Contrary to popular belief, 52% of people who voted Leave in the EU referendum lived in the southern half of England, and 59% were in the middle classes, while the proportion of Leave voters in the lowest two social classes was just 24%. Almost all other European countries tax more effectively, spend more on health, and do not tolerate our degree of economic inequality. To distract us from these national failings, we have been encouraged to blame immigration and the EU. That lie will now be exposed.

http://www.dannydorling.org/?p=5568
Middle classes (not working class) voted for Brexit, argues Danny Dorling - BBC Newsnight
Are we overemphasising the importance of place?
It’s NOT the economy, stupid: Brexit as a story of personal values

The story of the referendum is usually told through geography: areas that had been left behind by globalisation voted to Leave. But this tells us only so much, writes Eric Kaufmann. Knowing where Leave voters live does not, in itself, explain why individuals chose to vote a certain way. Here, he demonstrates the importance of invisible differences between groups, and argues that it was primarily values that motivated voters, not economic inequality.

Britain’s choice to vote Leave, we are told, is a protest by those left behind by modernisation and globalisation. London versus the regions, poor versus rich. Nothing could be further from the truth. Brexit voters, like Trump supporters, are motivated by identity, not economics. Age, education, national identity and ethnicity are more important than income or occupation. But to get to the rub of the Leave-Remain divide, we need to go even deeper, to the level of attitudes and personality.
Or is it? - Liverpool

- A gradual but sustained transformation of the city’s fortunes and a new governance framework has emerged since the major crises of the 1980s
- This has been driven by national regeneration programmes and also crucially by European Regional policy
- The need for partnership working associated with two rounds of EU Objective 1 funding (1994-1999 and 2000-2006) helped create a new agenda and governing style for the city and region
- Objective One funding provided significant resources for numerous projects and helped to reinvigorate the sub-regional property market, particularly in and around Liverpool city centre.
- European Capital of Culture (2008). Was seen as a major success and a chance to celebrate and emphasise the regeneration of the previous decades. A kind of “cherry on the cake”. But also with some real benefits
Liverpool City Region

Liverpool City Region: The 2014-2020 European Programme 2014-2020

Introduction
Prepared in line with the new 2014-2020 European Structural and Rural Development Programmes, this document sets out the priorities for the Liverpool City Region. It outlines the reasons for the strategic focus on industrial and economic growth, as well as the key themes that are relevant for the Liverpool City Region. The document also identifies the key challenges and opportunities that are facing the region and sets out the strategic framework for the Liverpool City Region.

EU Context for the new ERDF, ESF, and Rural Development Programmes
The 2014-2020 EU Programmes will operate in a different economic context and, as the draft regulations make clear, there will be a much greater focus on EU-level priorities such as competitiveness, low carbon and innovation. A total of 11 thematic objectives have been defined across the three funds. LCR will be a transition region and ERDF requirements will allocate at least 60% to 70% of the funds to the UK's Strategic Thematic Objectives:

- Innovation & Growth
- Environment
- Social Inclusion
- Jobs

UK Context
The UK Government has recently set out its preferred model for a single national EU Growth Programme, covering ERDF, ESF, and Rural Development for the whole of England. LCRs have also been asked to take on the strategic and coordination role in developing and delivering the new programmes, bringing local and EU partners together. The emphasis on economic growth and innovation is a significant feature of the new programme.

Over the coming months, LCRs will set out their priorities for the new programmes, bringing local partners together. The document sets out the priorities for the Liverpool City Region, which have been developed in consultation with local stakeholders.

LIVERPOOL CITY REGION EMERGING EARLY PRIORITIES
For the Liverpool City Region, priorities have been identified that reflect the strategic focus on economic growth and innovation. These include:

- Integration of urban transport, including cycling and walking, low carbon travel, smart information
- Development of the city region's transport network, including the development of new infrastructure and the promotion of sustainable transport options

The table below gives an overview of these eight themes and will be updated regularly to reflect the evolving priorities for the Liverpool City Region.

Recommendations
The Liverpool City Region is well-placed to take advantage of the new EU Programmes. The priorities identified in this document reflect the strategic focus on economic growth and innovation. The recommendations set out in the document will be updated regularly to reflect the evolving priorities for the Liverpool City Region.

A city of contrasting social conditions

Liverpool has a larger proportion of neighbourhoods in the highest deprivation percentiles than other Core Cities

Figure 2.1 shows that Liverpool has a significantly higher proportion of its LSOAs in the higher deprivation deciles than any other core city.
A tale of two city regions?

• The wider Liverpool city region also remains a place of contrast and social and spatial disparities, with private sector led regeneration initiatives sitting adjacent to areas of significant and persistent multiple deprivation.

<table>
<thead>
<tr>
<th>District</th>
<th>Leave</th>
<th>Remain</th>
</tr>
</thead>
<tbody>
<tr>
<td>St Helens</td>
<td>58%</td>
<td>42%</td>
</tr>
<tr>
<td>Halton</td>
<td>57.4%</td>
<td>42.6%</td>
</tr>
<tr>
<td>Warrington</td>
<td>54.3%</td>
<td>55.7%</td>
</tr>
<tr>
<td>Knowsley</td>
<td>51.6%</td>
<td>48.4%</td>
</tr>
<tr>
<td>Cheshire West and Chester</td>
<td>50.7%</td>
<td>49.3%</td>
</tr>
<tr>
<td>Wirral</td>
<td>48.3%</td>
<td>51.7%</td>
</tr>
<tr>
<td>Sefton</td>
<td>48.1%</td>
<td>51.9%</td>
</tr>
<tr>
<td>Liverpool</td>
<td>41.8%</td>
<td>58.2%</td>
</tr>
</tbody>
</table>
More Euro money for our region

£212m on way before 2013

V.

Multi-level Relationships

Swedish church to close

THF future of Liverpool’s Scandinavian seamen’s church was in doubt today after Swedish leaders decided to leave the city.

The Church of Sweden is switching the focus of its international work to South East Asia and the Americas. It plans to close the Park Lane church by the end of 2008. It is not yet known what will happen to the grade II listed building, but it could be sold off. That would mean the end of 125 years’ worship on the site for Liverpool’s Scandinavian and Nordic communities. It would also be able to buy the building.

BBC NEWS ENGLAND

Liverpool and Sheffield win EU funding challenge

SWEDE SORROW: The Scandinavian church on Park Lane

Lawyers brought action arguing the reduction of 65% funding was disproportionate to other areas.

The judge in the case - heard in Leeds last week - quashed the funding decision and ordered the government to reconsider.
Paddy Shennan: Liverpool kept its head - now WE need independence

The Far Right will be jubilant. Racists will be dancing in the street. The intolerant will be intolerable.

TWO of your recent correspondents this week, while conceding that Liverpool, and by implication the wider Merseyside area, have benefited from the support and funding that has come from the EU, then try to diminish this support by contending it was our money in the first place.

To whatever extent this argument is true, it must not be forgotten that this vital support was delivered at a time during the 1980s and 90s when it is a matter of record that our Tory government was more interested in the “managed decline” of Merseyside.

It is only because of the enlightened approach taken by EU leaders that we were best-placed to take full advantage of being European Capital of Culture and all that has flowed from that.

Similarly Ireland, another economy that was previously struggling, has also benefited from the EU’s enlightened approach and financial support.

Yet future economic and political success in Ireland is in danger of becoming another casualty of the disastrous Brexit decision, just like the rest of us.

Diehards are shown up for what they really are.

The ridiculous idea that, because Liverpool voted narrowly to stay means the whole country was wrong and that everywhere else should stay because Liverpool voted to stay.

There was a very high turnout of 72% in what was a simple yes/no vote and the result was final. Even the Liverpool vote is very misleading.

There were 10 large areas of the UK that voted, eight of which voted to leave, including the North West, of which Liverpool, of course, is a part. Only Scotland}

nothing to the losing strawclutching stay-in-the-EU bullies. S Howard, Liverpool 13
Aftermath
What happens now...?

- The UK is diverse and impacts are likely to be felt differently/disproportionately in/on different places
- How can we anticipate and plan to, where necessary, mitigate impacts of the UK leaving the EU on different places?
- So-called “Brexit” is almost by definition nationalist in its spatial imaginary and scope (cf. National Industrial Strategy)
- What will replace Cohesion Policy investments? Not just in material terms? But in terms of governance capacity and autonomy?
The (really) Big Question

“From a regional policy perspective, Brexit raises an issue that dwarfs all others and it is this: will London provide the same level of support after 2020 that is currently on offer from Brussels? All the assisted areas in the UK need to concert their efforts to demand a regional policy that is at least as generous as current levels of support.

What worries people in the poorer areas of the UK is that Brussels and London have radically different attitudes to regional policy – a commitment to “cohesion policy” is inscribed in the DNA of Brussels, but Conservative governments are more inclined to balance the budget and shrink the state through “a third parliament of austerity” as the Institute for Fiscal Studies put it recently”

(Morgan, 2017)
Proposals

- Establish a new *UK Regional Development Fund* to take over the responsibilities of the EU Structural Funds

- Set the new Fund’s budget at a level that not only compensates for the loss of EU funding (£1.5bn a year) but also provides additional resources to match the scale of the challenge

- Structure the new Fund in ways that deliver support more efficiently, more flexibly and with more local authority control

- Allocate the new Fund in fair and transparent ways that give priority to the development needs of less prosperous regions and local economies

- Reform the rules on financial support to companies to enable the delivery of more effective support in the places that need it most

- Exploit the opportunity provided by this major revision of regional policy to align a wider range of public spending with the priority of local and regional economic development
There are however significant pitfalls to be avoided.

First, it would be wrong for the Treasury to **pocket the money** that would have been handed over to Brussels and returned as regional aid. Using these funds to reduce the budget deficit would be short-sighted and counter-productive. The 2016 *Autumn Statement* includes a budget line for “assumed domestic spending in lieu of EU transfers” worth £13bn in 2019-20, £13.4bn in 2021-21 and £13.9bn in 2021-22. The point is that there is plenty of money potentially available for regional policy.

Second, it would be wrong to assume that **industrial strategy** is a substitute for regional policy. An industrial strategy is welcome and should be of benefit to older industrial areas, where much of what remains of UK manufacturing is still located. But industrial strategy is about promoting growth in all parts of the country, not just the most disadvantaged places. Indeed, the UK government’s emphasis on R&D and housing development suggests that the South East of England could actually be the main beneficiary.

Third, it would be wrong to assume that **devolution**, to the Scottish and Welsh Governments and to local areas in England, is an alternative to regional policy. Devolution is about where decisions are taken, whereas regional policy is about the tools and funding streams decision-makers have at their disposal. The existing devolution deals in England, for example, have included only modest additional resources, not enough indeed to offset the big cuts in mainstream funding.

A successful regional policy that promotes growth and jobs in older industrial Britain would also be of benefit to London and the South East. Growth in older industrial Britain would take pressure off London and its surrounding area. It would help slow population growth in the South, ease congestion and stop adding to an already overheated housing market. It would also help break the spiral whereby ever-increasing growth in and around London generates an ever-increasing demand for spending on new infrastructure.
PROPOSAL 2
Allocate funding to match the scale of the task

The resources devoted to the new *UK Regional Development Fund* should reflect the scale of the task.

To match the EU funding previously due to come to the UK, the new Fund’s initial budget would need to be **at least £1.5bn a year**. This would guarantee continuity and ensure that UK regions receive at a minimum all the funding they had been scheduled to receive through to the end of 2020.

There is no reason however why the new Fund’s budget should remain tied to EU formulas. The UK suffers from large and widening disparities in prosperity. Brexit and the re-focussing of government policy on the ‘places and people left behind’ provide the opportunity for a **step-change in spending** on regional development, allowing substantial **additional activity and impact**.

In the longer term, the scale of funding might be linked to the on-going scale of UK regional disparities.

The new Fund can be financed in its entirety from the savings to the Treasury arising from withdrawal from the EU.

Like the EU funds, the new *UK Regional Development Fund* should operate on the basis of **multiannual financial allocations**, which create certainty, foster stability and allow the proper planning of ambitious projects.
Many Issues Rolled into One

There is also the opportunity to tailor a new UK Regional Development Fund more closely to domestic priorities. That might mean, in particular, ensuring that regional development and industrial strategy work in harmony.

An integral part of the management of the new Fund should be effective local control. Local authorities are most closely attuned to local needs and should take the key decisions about spending priorities. The Westminster Government should look for ways to generate results and outcomes but leave the ‘how’ and ‘who’ to local authorities and their partners. In Scotland and Wales, where there is the intervening layer of the devolved administrations, local authorities need to be fully integrated into the Fund’s management. In England, where Local Enterprise Partnerships presently manage EU funds, there is currently a lack of local democratic accountability. There should be a new emphasis on decision-making by local authorities.

Above all else, what is important is that there is strong discrimination in favour of the less prosperous parts of the country, including older industrial Britain.

Getting the post-Brexit rules right is the first step. What the Westminster Government and the devolved administrations then need to do is ensure that funding streams are in place to take advantage of the rules and deliver the financial support that is needed.

Within reasonable limits, the UK should be able to support firms in its own regions with its own money.
An Integrated Approach

Confining regional development to a ‘siloh’ lessens its effectiveness. For too long, regional policy has been treated as the responsibility of a couple of Westminster departments and their opposite numbers in Edinburgh and Cardiff. This has led to unacceptable outcomes. It has meant for example that per capita spending on transport in London and the South East has stayed far ahead of the level in other regions, and that promotion of the UK’s science base has ended up favouring places like Oxford, Cambridge and London.

The whole of government needs to take responsibility for regional development. This means subjecting a wide range public spending to scrutiny in terms of its impact on local and regional growth. It is perverse, for example, to subject local authorities in older industrial Britain to the largest cuts in central government funding or to allocate large sums from the Local Growth Fund to parts of England where the economy is already strong.

Aligning a wider range of public spending with post-Brexit regional policy would deliver a quantitative and qualitative boost to its effectiveness.
An Integrated Approach

Beyond conventional regional policy …sharing the burden of development

Expecting a single policy – regional policy – to shoulder the burden of regional development has been the biggest failing of spatial policy since the 1930s. To remedy the problem, it should be incumbent on every institution – be it public, private or third sector – to demonstrate what contribution it is making to social and economic wellbeing in its locality.

Morgan (2017)
"New investment by housing associations across the country to build and improve social housing was supported by more than GBP 1.3 billion of long-term European Investment Bank loans agreed in 2016. This included first time lending to housing associations in southern England and Northern Ireland, as well as through the Housing Finance Corporation. The EIB is currently finalising new support for social housing in Scotland and London."

In February 2017 the Northern Powerhouse Investment Fund (NPIF), was launched with the aim of “boosting the North of England’s economy and helping the region’s businesses realise their growth potential”. Of the £400m being made available £184 million was provided by the European Investment Bank (EIB, 2017).

Et après ?
Les enjeux du Brexit pour la Bretagne


Quels sont les enjeux du Brexit pour la Bretagne ? Le CESER s’est attaché à apporter des éléments de réponse à cette question à partir d’une analyse de la diversité et de la richesse des relations existant entre la Bretagne et le Royaume-Uni. Le CESER a ainsi tenté d’objectiver les conséquences économiques, sociales, environnementales et territoriales du Brexit qui pourraient être importantes pour la Bretagne.

| Des enjeux systémiques et transversaux |

Les réseaux de ruptures liés au Brexit sont complexes à anticiper et dépendent essentiellement du résultat du processus de négociation qui sera engagé entre le Royaume-Uni et l’Union européenne. L’hypothèse d’un “soft brexit” aurait des conséquences plus limitées pour la Bretagne qu’un “hard brexit” susceptible d’entraîner des changements profonds.

Un enjeu majeur : la parté monétaire

Bien qu’indirect, l’évolution de la parté monétaire est la conséquence la plus immédiate identifiée suite à l’annonce du Brexit : la livre a chuté d’environ 15 % face à l’euro, avec des conséquences sur de nombreux secteurs : tourisme, transport transmanche, échanges commerciaux avec le Royaume-Uni ou encore les résidents britanniques installés en Bretagne.

Des changements réglementaires à terme ?

Les changements réglementaires qu’un Brexit dur pourrait engendrer auraient des conséquences majeures avec un établissement d’entraves à la liberté de circulation des biens, des services, des personnes et des capitaux.

EPRC at Strathclyde
Région Hauts-de-France

your closest point of entry to the European Union

To grow your business in the EU, head for Hauts-de-France. We’re both a gateway and strategic crossroads where you can stay on top of opportunities and markets in Europe, all within easy reach of the UK.

Discover James Anderson's story
French descend on London in bid to 'seduce' 250 British firms with post-Brexit future on continent

French politicians and business leaders hosted an event in central London on Friday in an attempt to "seduce" British businesses into relocating to northern France.

Hundreds of regional politicians and business leaders from the Hauts-de-France region entertained representatives from more than 250 businesses operating in the UK.

The event, named "Link Lille," was organised by the Grand Lille Committee, a consortium in the region's capital city which hopes to attract British commerce across the Channel after Brexit.

This newspaper has also obtained a list of the British businesses invited, which included senior figures from the aviation, financial services, travel and retail industries.
Conclusion

• The UK was instrumental in the foundation of the EU’s Cohesion Policy (“upload” Europeanisation)
• European regional policy has had significant and varied impacts across the UK’s territories – transformational in some places
• So-called “Brexit” is almost by definition ‘nationalist’ in its spatial imagination and scope
• But the UK is diverse and impacts are likely to be felt differently/disproportionately in/on different places
• How can we anticipate and plan to, where necessary, mitigate impacts of the UK leaving the EU on different places?
• Many of the issues of place based and regional policy might be accurately described as “enduring”.
An Enduring Challenge

There is no indication that the tendencies towards disparities of regional growth or the forces behind them have slackened or are likely to do so. . . . If regional disparities very substantially stronger than we have experienced since the war are to be avoided some sort of regional policy is certainly necessary. . . . The need for regional policy is not simply a regrettable aspect of a temporary economic sickness — a view that the British have been disposed to take of their economic problems for at least fifty years. It is a normal part of the life of any economic community that likes (or even tolerates) change but has the humanity to recognise that the economy was made for man and not man for the economy.\(^1\)

Conclusions

• **What will replace** the impact/influence of Cohesion Policy investments – not just in material terms?

• **Opportunity costs** of diverting resources and attention (e.g. Parliamentary time) from authentic national policy challenges may be high - and impact disproportionality on those places and communities who can least afford to bear them.

• **Monitoring the distributional effects** on people and places. A task for researchers in the socio-spatial disciplines over the coming years.
Some Publications and Links

See also:

Industrial Communities Alliance (2017)
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