

Preface to paperback edition

It is two years since the hardback of *Cities and Regions in Crisis* appeared and so much has happened in the sphere of local and regional economic development to support my blend of critical governance studies, crisis and contradiction theory, and case studies drawn from 25 years of research. The pertinence of my argument has been neatly summarised by Steven Griggs in *Local Government Studies*. For Griggs, I told a story of the crisis of British crisis-management, positing that policy failure has become the norm in advanced capitalism, with government interventions doing little more than moving the ‘problem around’ in an effort to displace and defer political opposition. As the state has absorbed market failures, I concluded that it has effectively morphed into an ‘impedimenta state’, or a capitalist state weighed down by the disorienting legacies of earlier interventions in local and regional economic development. Indeed, the best we, and policymakers, could hope for, is to generate a series of temporary and temporal crisis spaces, which can only stall crises for limited moments, as the accumulation of unsolved contradictions mounts up to impedimenta proportions. Drawing on case studies of cities in the North and East Midlands, I identified a litany of strategies of displacement and deferral, which have punctuated the restructuring of the local British state, from devolving problems down to communities, to strategies of depoliticisation, agentification and local privatisation, and on to competition between authorities and fragmented scales of governance. More importantly, feeding back into conceptual debates on neoliberalism and state spatial restructuring, I sought to demonstrate that these are not disconnected processes of state restructuring and policy formation. Rather, they are differentiated outcomes of ideologically infused political decision-making that cannot be separated from the inherent crisis tendencies of capital accumulation, state formation, and state intervention.

As noted by Griggs, in presenting the reader with an ambitious critique of the messy continuities, twists and turns, and persistent unevenness of sub-national economic development in England since the 1980s, my narrative merits a further hearing in this paperback edition, as we arguably move towards post-Brexit and post-COVID futures – a world in which my arguments hold an increasing amount of water and increasingly vocal calls are being made for a new economic, political and social settlement that goes beyond the critical failures of business as usual state intervention. Brexit featured in the hardback edition, of course, drawing on the example of Stoke-on-Trent.

COVID is a new and serious phenomenon affecting contemporary capitalism, deeply geographical in its emergence and ongoing development.

At the time of writing, there is a coronavirus global pandemic (COVID-19, Coronavirus) outbreak. As of 1st December 2020, there have been over 1.4 million confirmed worldwide deaths and over 60 million confirmed cases. The pandemic has resulted in mobility restrictions and nationwide and local ‘lockdowns’ to slow down the rates of infection and ease the pressure on national health and other services. The lockdown has created the conditions for a world-wide recession by exposing the fragility of the neoliberal economic social contract and the many imbalances in contemporary society and space. With productivity slowing and large groups of individuals on either short-term contracts and/or unable to work from home, millions have been forced out of work and onto a series of welfare benefits such as (in the UK) Universal Credit. In the early months of lockdown, for instance, the UK unemployment count has rapidly increased with over 2.5 million new benefit claims and predictions of 8 million (25+ per cent of the workforce) jobs being at risk. This has impacted disproportionately on civil society, heavily reinforcing existing patterns of labour market inequality and precarity. Weak labour markets dependent on low-skills and localities of poverty within the areas of multiple deprivation have taken the brunt of intense economic restructuring. In the West Midlands, for instance, for the private sector, this would equate to 26,000 firms and 375,000 jobs. Moreover, COVID related death rates in the most deprived areas are more than double those of the less deprived and the socioeconomic gap in COVID mortality is bigger than the general mortality gap.

The political economic geography of crisis metamorphosis and recovery is critical to the subject matter of this book, with predictions of economic contraction being at least 20 per cent for the UK economy, compared to an OECD average of nearly 10 per cent, with time-periods being modelled and supply-chain critical sectors (such as advanced manufacturing) being hit hardest. The UK Government stepped in to rescue the economy with an unprecedented intervention financial package to support jobs, incomes, and businesses, acting in nothing short of a wartime ‘do whatever it takes’ measure by the Conservatives. The stimulus package, which included a Job Retention Scheme for ‘furloughing’ 8 million jobs (covering one-third for all private sector employees) and a massive ‘bounce back’ loan guarantee scheme for businesses, collectively costing over £250bn (20 per cent of GDP) far exceeding the scale of the rescue measures taken in the wake of the 2008 financial crash. There is limited provision for contingent workers identified by zero-hour or seasonal work.

Local authorities have been asked by the government to ‘make things happen’ to prevent societal collapse, particularly for older and disabled people at risk. The Local Resilience Forums (LRFs), created under civil contingency

planning legislation, were activated and deployed at local authority spatial scales in England and the city-region scale in Wales alongside regional Corporate Joint Committees (CJCs) to provide the conditions for multi-agency strategic and operational responses. Gaps immediately emerged between the metagovernance rhetoric of planning and the continued march of austerity and its impact on the local state. A study undertaken by the Special Interest Group of Municipal Authorities (SIGOMA) for instance estimated, for England's 343 local authorities, a financial shortfall of £8bn for 2020 – caused by increased emergency expenditure (food packages, social care etc.) not covered by central government and lost revenues from business rates, council tax, and commercial activity.

In the case of Greater Manchester, government intervention initially covered only 12 per cent of the forecast financial impact of COVID. This produced a shortfall of £541m, putting Manchester City Council on the brink of ruin. With civil society actors claiming locality experiences of nothing like this since the 1930s, wider claims of the fracturing and even collapse of central-local relations in the wake of this crisis have been made. This reached a head in October 2020 with a stand-off between Andy Burnham (Labour Metro Mayor of the Greater Manchester Combined Authority) and central government over the levels of support package for their local tiered lockdowns. This has turned a broader searchlight on the hidden cracks in the UK's over-centralised, piecemeal, and increasingly polycentric devolution settlement revealed in *City and Regions in Crisis*. Fifty-four backbench MPs subsequently formed a Northern Research Group (NRG) to demand a clear exit strategy from COVID restrictions, as well as a clear economic recovery framework for the northern region. This, in turn, led to 'devolution disaster' comments made in a meeting with them by PM Boris Johnson, with further central-local 'muscular devolution' tensions occurring around the Internal Market Bill in November.

The COVID crisis exemplifies the need to seriously engage with the shortcomings of the UK's current growth model and broader conceptions of social reproduction and social regulation enabled through economic development. The book notes that the state is forced to reconcile an ongoing tension between the neoliberal necessity to maintain the expansion of surplus value, the accumulation strategy of the economy at large, with the need to sustain social harmony and its own legitimation during the crisis. In the context of COVID, this is most prescient in the context of care, healthcare being obvious, but also broader notions of social care (including childcare, disability care, care for the elderly and so on). Many currently working from home have discovered this for themselves; without the support of nurseries, schools and home caring services, their ability to complete a day's labour has become increasingly difficult. Added to this has been an awareness of which industries really matter

in a crisis by what is comprehended as ‘key work/worker’; those who have had to keep going despite obvious risk, represent the parts of economy and society that cannot be allowed to stop in order to not only maintain the current economy, but the fabric of society itself. There are also parts of the economy and society that simply cannot afford to stop or cannot work remotely from home. This is either due to the nature of their employment, particularly those self-employed, or the nature of the work they do, which has meant COVID has increased their precarity.

The need for and belief in solutions to the antecedents of the contemporary crisis, however, has not been reflected in the policy choices of the last decade. Whereby, the focus shifted towards the maintenance and recovery of the neoliberal accumulation strategy, for the UK state, following the 2008 Global Financial Crisis. This coincided with an ideological attack upon the functioning of the state (especially the local state) via austerity, as outlined in the book. ‘Austerity localism’, which I identify throughout this book, plus the devolution of risk and responsibility away from the state to protect both state and market from undue demands on their resources, defines this retrenchment of the local state and has greatly undermined the capacity of institutions and actors therein. This means austerity, combined with multiple waves of market-making privatisation, in the years prior to the COVID crisis has routinely stripped sectors (particularly those around health, social care, worker support, police and local authorities themselves) of their capacity to act with, or without, the current crisis, whilst focusing spending on other sectors of the economy. Yet, it is these underfunded parts of the economy, the state and more broadly civil society that are now most crucial to dealing with the crisis.

Summarising these manifold economic and social concerns across the UK, the COVID pandemic has caught the United Kingdom woefully underprepared and exposed vividly its (often devolved) crises and contradictions. The present crisis has revealed the distressed state of our local economies, particularly in ‘left behind places’, and the brittle condition of the local public sector following decades of underinvestment and disrespect. At the same time, this dual public health and economic emergency has underscored the centrality of locality and community to our everyday lives. As we ready ourselves to rebuild and reconstruct within the shattered post-COVID landscape, we must strive to make the economic recovery the starting point for economic reform and a new birth of community in this country. The redistributive switching of the UK state under austerity has also, although in a deeply contradictory sense, sought to empower the ‘local’ via devolution to city-regions. This has been a very specific form of ‘empowerment’, which the book argues should be viewed as a broader metagovernance state strategy, which is spatially selective and seeks to only give agency to certain strategically significant actors. As I have demonstrated in this book, this economy-first narrative with an emphasis on agglom-

erative growth (often measured in terms of GVA uplift) has been written through the process of building city-regions. This agenda has focused upon high-end growth, whilst simultaneously ignoring the foundational aspects of the economy on which it is built. Moreover, non-economic agency is distanced through the creation of institutions such as LEPs, alongside devolution, city, and growth deals. Civil society is increasingly placed on the outside, whereby actors have to repeatably contest (with some albeit limited success) the prevailing direction of city-region building.

The cumulative consequences of the above have, of course, resulted in an unbalanced form of economy being developed. Indeed, government policy since 2019 has acknowledged this and suggestions have been made for ‘levelling up’ – a shorthand for the squashing of regional inequalities through moving around government investment, although nobody knows what levelling up actually means. To close the regional productivity gap, the government’s current solution is based on creating functional economic areas led by ‘metro-mayors’ and connecting these together through infrastructure projects. Early indications from recent Budgets are that levelling up is focusing on physical infrastructure projects, free ports, transport initiatives, and devolution deals etc., based on stimulating the growth of large cities, on the understanding that trickle-down occurs to surrounding areas.

Cities and Regions in Crisis argues that tackling the problems of left behind places requires the energy and passion of the people who live there, and that is going to work much better if the project is led by the city-region, town and its people, rather than by central government diktat and political fiat. In short, the paralleled or entwined processes of austerity and city-region devolution have disempowered, depoliticised and weakened the structures of social reproduction in favour of a neoliberal growth model. This means that during the COVID crisis itself, the state is and has been less well equipped to deal with the strains that are being placed upon it. This could have catastrophic effects in the short- to medium-term, with regards to how the crisis will develop, but it also grants an opportunity to think through what next and what sort of economy should be built post-the-crisis.

There is much to learn from infrastructural growth models predicated on the ‘foundational economy’ and the socially responsible supply of basic goods and services for citizens. This reconsiders the socioeconomic foundation of the city-regional economy and offers a more constitutional model of economic development based on promoting place-based social innovation. This in turn reformulates the local state’s everyday (goods and services consumed by all) and future assets (such as 5G-era digital infrastructures) into circuits to capture community wealth and build local strategic capacity. This is not about ‘levelling up’ but rethinking how we approach the wellbeing of our citizens and our cities and shift to patterns of sustainable consumption, while refashioning

centre-local relations and reversing the direction of travel of some 40 years of failed regional economic development. An English Devolution and Local Recovery White Paper is promised during 2021 to reconcile these tensions. We live in hope.