

# **A JUST TRANSITION IN BRITAIN: NAVIGATING ‘ACTUALLY EXISTING REGIONALISMS’**

**By Matthew Hull**



**GREEN EUROPEAN FOUNDATION**



**How should the UK's 'regions' figure in theory and practice of a just transition? Matthew Hull surveys two decades of regional development, from New Labour's 'new regionalism' to Metro Mayors and devolved government in Wales. Detailing how 'actually existing' institutions have accommodated ecological objectives over time, he contrasts a history of weakness with an emerging political potential, and an opportunity for the climate movement in the UK. The regionalist genie may be out of the bottle, and centralising governments may struggle to put it back in.**

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# INTRODUCTION

It is widely considered that since 2016, British politics has undergone a significant process of reorganisation. The narrow vote to leave the European Union on 23<sup>rd</sup> June that year, surprising many commentators, was widely interpreted as a revolt by provincial hinterlands against a British political establishment dominated by metropolitan centres.

The sense that long-standing political assumptions were being disturbed was underscored in the 2019 general election, when numerous constituencies in Northern England and Wales with strong Labour traditions (popularly dubbed the 'Red Wall') returned Conservative MPs.

This apparent shift in political and electoral geography, with formerly Labour voting parts of 'post-industrial' areas of the UK voting Conservative, has since become a potent idea in British politics. A renewed interest in regional inequalities has emerged, and with it a body of popular critical commentary analysing the roots of those inequalities to explain changing political allegiances across the country.

Theorising the 'region' – and especially the English regions – as part of a systematic political programme to address spatial inequalities has thus become an urgent task, both for the Conservative Party and its opponents.

The Conservative government faces an uphill struggle to consolidate its new electoral coalition, satisfying its new voters in the 'Red Wall' and turning them into a bedrock of loyal support. Early signs are that these voters' expectations of the Conservative government are low.<sup>1</sup>

'Establishment' Conservative writers have emphasised ostensible moral, cultural, educational and skills gaps between the UK's metropolitan centre and 'left-behind' regional peripheries.<sup>2</sup> In their understanding, a patronising political and policymaking class gathered in Whitehall has refused regions both resources and attention to which they are rightfully entitled. The revolt of the English and Welsh regions through the Brexit vote is understood as a *cri de coeur* protesting a disdainful metropolitan elite. The nebulous but appealing concept of 'levelling up' answers this call with potent but ill-defined promises to equip and empower long forgotten areas.<sup>3</sup>

The Left too has been compelled by its defeat in 2019 to revisit the UK's 'regional question', explain the causes of the Tory shift in the 'Red Wall' and develop a programmatic response. Progressive commentators have pointed to numerous factors driving regional inequalities: de-industrialisation, the shrinking of trade unions, and the desertion of regions by the young have all been adduced. Others identify a persistent imbalance in flows of capital and labour, leading to an extractive relationship between London and the South East, and the rest of the

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1 Sarygulov A., 'Immediate public expectations of and priorities for the Conservative government'. Bright Blue, 8 January 2020; <https://www.brightblue.org.uk/portfolio/expectations-of-the-government>

2 For examples of this, see Westlake S., 'Hunting for Hinzelmännchen, or helping towns without magical thinking', 19 December 2019, <https://stianstian.medium.com/hunting-for-hinzelmännchen-or-helping-towns-without-magical-thinking-8a013fb750a5>, Skelton D., 'Little Platoons: How A Revived One Nation Can Empower England's Forgotten Towns and Redraw the Political Map', London, Biteback, 2019, p. 249, and O'Brien N., 'So you want to level up? In what way? And how will you do it?', Conservative Home, 27 January 2020, <https://conservativehome.com/2020/01/27/neil-obrien>.

3 Tomaney J. and Pike A. (2020), 'Levelling Up?', *The Political Quarterly*, Vol. 91, No. 1.

UK. Some go back even further, arguing that the imperial origins of British capitalism have saddled it with an irrational centralising state and a dependency on finance capital to the detriment of the regions.<sup>4</sup> These analyses hint at more substantial, structural and even revolutionary solutions.

Much ink has been spilled in trying to define and explain the ‘regional problematic’ in British politics. Surprisingly few popular critical analyses, however, have addressed the role that changing state structures, bodies, and agencies governing the regions have played in shaping the regional inequalities we want to solve. This gap is especially striking, since successive governments over three decades have made and remade the institutions of regional governance, often with the express intention of addressing the very regional inequalities we now contemplate. How the development of the regional state institutions has shaped the present regional discourse should inform our assessment of the potential of those institutions to deliver progress.

Answering these questions is especially important for movements and activists pushing for a just transition. As a broad family of concepts and plans, the just transition refers to the shift to a ecologically sustainable economy and society that meets criteria for equity and fairness. Historically, the just transition concept emerged from work done by international trade union bodies to centre the impact of transitional policies on workers in the practice of multilateral frameworks such as the United Nations Framework Convention on Climate Change (UNFCCC).<sup>5</sup> In the period that followed, activists and scholars have developed the just transition concept, exploring the implications of transitional policies for equity and fairness on different sectors, regions and nations.

For as long as the vocabulary of just transition has existed, it has attended to regional inequality and ‘spatial justice’.<sup>6</sup> This arises from the common-sense observation that regions whose economies are especially reliant on fossil-fuelled industries, and whose opportunities for economic diversification are limited, will be particularly vulnerable during any transition. There are additional technical and political cases for ‘place-based’ solutions as part of a just transition: without comprehensively applying the skills, resources and creativity of each region, a just transition may become impracticable; without ‘spatial justice’ and equity between regions, the case for a just transition may fall flat in the political arena.<sup>7</sup>

This essay will explore the changing nature of regional governance in Britain, with a focus on England and Wales, and the opportunities and constraints this implies for a just transition. I will survey the course of UK government policies towards regions in England and Wales since 1997, looking at their economic and political heritage and paying special attention to their relationship with political ecology. Tracing the contours of the offices, bodies and strategies, I will suggest that constraints on regional and devolved government in the UK present both opportunities and risks to plans for a just transition.

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4 For examples of this, see Ramsay A., ‘Trying to milk a vulture: if we want economic justice we need a democratic revolution’, *OpenDemocracy* (2018) <https://neweconomics.opendemocracy.net/trying-milk-vulture-want-economic-justice-need-democratic-revolution>, and Koram K., ‘Uncommon Wealth: Britain and the aftermath of empire’, Hachette (2022). For a critical outline of the background to this debate, see Meiksins Wood, E. ‘The Pristine Culture of Capitalism’, Verso (1992).

5 Nieto, J. ‘Just transition in the climate agenda: from origins to practical implementation’ in Holemans, D. (ed.), ‘A European Just Transition for a Better World’, Green House (2022) p. 9-11

6 Gueye, M. K. Just Transition, IPPR Progressive Review (IPPR 28(4))

7 Ibid.

I will consider three short contemporary case studies – the Tees Valley Combined Authority under Ben Houchen, the Greater Manchester Combined Authority under Andy Burnham, and the Welsh Government Labour administration. Taking Martin Jänicke’s concept of ‘strategic capacity’, I will argue that the institutional setup of regional governance in the UK presents serious structural impediments to delivering a just transition.

Finally, I will consider the implications of this for political movements for environmental justice in the UK. The heightening contradiction between what people want from regional governance, and what regional governance is set up to deliver, could mean that a just transition has the political potential to harness regionalist aspirations to the cause of climate justice.

## **NEW LABOUR AND THE NEW REGIONALISM**

New Labour came to power in 1997 bearing a mandate to ‘modernise’ the British state and promising some of the most fundamental changes to state structures seen for decades. From the beginning, the ‘region’ occupied a position of special importance to the social and economic strategies of Blair and Brown governments.

Labour was heavily influenced by a body of thought holding that the structures of the state had to be rewired to keep Britain ‘competitive’ in a globalising world. This way of thinking held that the breakdown of mass markets and Fordist production in the 1970s compelled policymakers to adopt new strategies for economic development. In increasingly globalising markets and in the face of mobile capital flows, firms would thrive in Britain only if they could achieve the necessary ‘flexible specialisations’ in order to remain internationally competitive. This in turn required firms to take advantage of the growing importance of knowledge, skills and networks in order to succeed in increasingly knowledge-based economies like the UK. The most competitive firms would recognise, it was argued, the importance of ‘clustering’ together to share knowledge and build networks on a local or regional level.<sup>8</sup>

These insights led New Labour to prioritise the ‘region’ as a site of economic dynamism, endogenous growth and especially innovation. This body of literature, which became known as the ‘New Regionalism’, understood regions as ‘functional economic geographies’ which were uniquely appropriate for policymakers to intervene and influence economic progress. The state had neither the requisite local knowledge, agility, nor sophistication to undertake the ‘decisive planning’ roles it had held in Fordist political economy; no longer did the state have the power to play its customary ‘homeostatic’ role, regulating capital flows in order to maintain full employment. On this analysis, the proper site of macroeconomic regulation was at a supra-national level (the European Union), while the true agents of microeconomic dynamism were non-governmental actors in the regions. The state had apparently been ‘hollowed out’ by globalisation.<sup>9</sup>

In an influential essay for *New Left Review*, Jürgen Habermas described this tendency as a ‘defensive’ Third Way politics grounded in fatalism and the denial that anything could be

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8 Webb D. and Collis C. ‘Regional Development Agencies and the ‘New Regionalism’ in England’ *Regional Studies* 39(4) (2000) p. 860-1.

9 Amin A. and Tomaney J. (1995), ‘The regional dilemma in neo-liberal Europe’, *European Urban and Regional Studies* 2 (1995) p. 171-88

done about the destructive impacts of globalisation on post-industrial economies.<sup>10</sup> As Tony Blair tellingly put it to the Labour Party's 2005 Conference, it was no more use to debate the merits of globalisation than it was to debate "whether Autumn follows Summer". It was 'survival of the fittest', and the best a government could hope to do was make its post-industrial regions as fit as possible for global competition.

The bodies created for this purpose were Regional Development Agencies (RDAs). As bodies with responsibility for strategy, not delivery, their role was to support the process of 'spatial clustering' that ostensibly gave the most dynamic firms their competitive edge. Crucially the RDAs were tasked with helping to sustain and promote the so-called 'untraded interdependencies' that notionally underpinned dynamism in knowledge-driven economies: trust, reciprocity, knowledge-sharing and even such nebulous concepts as entrepreneurial confidence.<sup>11</sup> Hence, in a 1994 pamphlet, New Labour-friendly thinktank Demos' opined that "the most appropriate unit for competitiveness policy is neither the nation nor the company nor even a traditional industrial sector but a network".<sup>12</sup>

RDA corporate plans were expected to set out Regional Economic Strategies, which would be produced in consultation with Regional Assemblies appointed by Whitehall from a combination of local business leaders and local authority councillors. In 2005, they were given responsibility for Business Link business support services, directing inwards investment, and business-university collaboration projects.<sup>13</sup> As bodies expressing the Government's 'supply-side' orientation, they were seemingly gathering increasing power in the overall scheme of economic strategy in England.

At the same time, however, the RDAs' ability to pursue genuinely distinctive regional economic strategies was being curtailed. The Treasury in particular asserted new powers to intervene in RDA operations: ahead of the 2005 Comprehensive Spending Review, RDAs were required to justify their activities with reference both to their own Regional Economic Strategies and new Public Services Agreements (PSAs) intended to bring about greater fiscal discipline.

RDAs were becoming increasingly accountable to central institutions in Whitehall, to the detriment of the role as directors of regional development. Their funding and long-term future was more and more contingent on their ability to prove they were slotting seamlessly into national strategies, in the eyes of the Treasury especially.

There was already widespread scepticism across various government departments as to the relevance and effectiveness of RDAs' work. Increasing scrutiny and reporting on RDA activity only served to increase scepticism: a Department for Business, Enterprise and Regulatory Reform (DBERR) report concluded in 2006 that "overall contribution of RDAs to regional economic performance and their influence on the macro-economy requires further quantification and is hard to assess at this stage".<sup>14</sup> RDAs' putative role in 'steering' regional economic development depended on being able to secure the cooperation of a vast array of government departments and other public bodies, whose budgets far outstripped their own, meaning that a lack of trust in their effectiveness could be fatal for their ability to function.

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10 Habermas J., 'The European nation-state and the pressures of globalisation', *New Left Review* 235, p. 46-59.(1999)

11 Webb D. and Collis C. (2000) p. 860.

12 Jones M., 'New Institutional Spaces', Jessica Kingsley, London (1999) p. 271.

13 Pearce G. and Ayres S., 'Governance in the English Regions: The Role of the Regional Development Agencies', *Urban Studies* (2009) p. 541.

14 England's Regional Development Agencies (2006).

The result is that RDAs, led by Whitehall departments, were increasingly concerned with producing what Bristow terms 'identikit' regional competitiveness strategies as part of a wider national strategy to facilitate capital accumulation, rather than genuinely 'place-sensitive' alternatives.<sup>15</sup> English regions were treated primarily as 'containers' in which national policy could be delivered.

## **'SUSTAINABLE DEVELOPMENT' AND ECOLOGICAL MODERNISATION**

The presence of an overpowerful Treasury, a centralised state, and the supremacy of national strategy over regional strategies, combined with another feature of New Labour's regional strategy: a focus on economic growth. As we will see, this constrained moves towards a more 'pro-ecological' and 'pro-social' economic development in England's regions.

The dominant discourse surrounding ecological policy in New Labour circles was that of 'Sustainable Development'. The United Nations 'Agenda 21' had already supplied a broad framework for principles of Sustainable Development to be incorporated into policymaking cutting across different areas.<sup>16</sup> Most visibly in the UK context, the Blair government introduced a Sustainable Development Strategy in 1999 intended to embed pro-ecological objectives into UK policy practice.

Scholars have noted that Sustainable Development bears close conceptual similarities to the principles of the 'New Regionalism' that were the ideological motors of New Labour's economic development policy.<sup>17</sup> Each reflect the assumption described above, that in the wake of globalisation the nation-state is no longer competent to steer economic development and governance must be shifted up to the supra-national level and *down* to the regional level. It was suggested that Sustainable Development reflected in part a recognition and acceptance of this tendency by environmentalists.<sup>18</sup>

It should be noted here that New Labour's Sustainable Development Strategy was an explicitly pro-growth document. It embedded four objectives: social progress meeting everyone's needs; protection of the environment; prudent use of natural resources; and high and stable levels of economic growth.<sup>19</sup> Additionally, we can see that the 'pro-growth' objectives in regional policy crowded out its social and ecological counterparts.

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15 Bristow G., 'Everyone's a 'winner': problematising the discourse of regional competitiveness', *Journal of Economic Geography* 5 (2005) p. 285-304.

16 UN Conference on Environment and Development, 'Agenda 21' (1992). For its European Union analogue, see European Union, 'Fifth Environmental Action Plan' (1993).

17 Gibbs D. 'Ecological modernisation, regional economic development and regional development agencies', *Geoforum* 31 (2000) p. 11.

18 Jessop B., 'The regulation approach, governance and post-fordism: alternative perspectives on economic and political change?', *Economy and Society* 24 (1995) p. 307-333 and Dryzek J., 'The Politics of the Earth: Environmental Discourses', OUP, Oxford (1997).

19 Department of the Environment, Transport and the Regions, 'A Better Quality of Life: A Strategy for Sustainable Development for the UK' (1999) cited in Gibbs (2000) p. 10.



Before the 1999 Strategy was published, the Government's RDAs White Paper had included Sustainable Development as one of five statutory objectives, saying they "will integrate environmental, economic and social objectives".<sup>20</sup> The Bill that emerged, however, watered this down by stating that these objectives would be taken into account "where appropriate".<sup>21</sup>

The supremacy of the economic, pro-growth tendencies within RDAs can also be discerned in the Government's approach to questions of social inclusion. In a 1994 Fabian Society pamphlet, Gordon Brown had outlined that to New Labour, fighting social exclusion could only be achieved through economic inclusion, defined primarily as full participation in the labour market.<sup>22</sup> By this reasoning, the policies that would foster knowledge, skills, and entrepreneurial confidence at a regional level in the new economy would also tackle social dislocation.

As a result, social inclusion targets remained essentially economic in nature. The dominance of the centralised state reduced RDAs' commitment to Sustainable Development on a regional level to the largely symbolic.

## **COALITION GOVERNMENT: LEPS AND 'CITY DEALS'**

The structural constraints on regional and 'place-based' policy development that we have described not only persisted into the Coalition and Conservative governments, but arguably intensified.

The Coalition's approach to regional and local development can be analysed with reference to two policy thrusts: one of 'localisation' represented by the closure of RDAs and the creation of Local Economic Partnerships (LEPs); and another of 'City Deals' represented by the creation of 'Metro Mayors' heading up Combined Authorities.

LEPs emerged from a localist critique of existing regional structures including RDAs, judging them to be unresponsive to local needs and too distant from local actors like businesses and public service providers. Similarly, it was argued that RDAs were not sufficiently mapped onto 'functional economic geographies' but had instead been designed to correspond to pre-existing English regional divisions and to achieve maximal levels of EU Structural Funding. On these grounds, it was argued that RDAs were unable to do the supply-side, pro-business work for which they had been intended.<sup>23</sup>

From the start, however, LEPs represented an even deeper retreat from earlier hopes for genuinely 'place-based' economic strategy. LEPs' powers were greatly reduced: Business Link services were removed entirely and responsibility for inward investment, sector-wide policies,

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20 Department of the Environment, Transport and the Regions, 'Rebuilding Partnerships for Prosperity: Sustainable Growth, Competitiveness and Employment in the English Regions' (1997) in Gibbs D. 'Ecological modernisation, regional economic development and regional development agencies', *Geoforum* 31 (2000) p. 37.

21 Ibid. p. 44.

22 Brown, G., 'Fair is Efficient – A Socialist Agenda for Fairness', Fabian pamphlet 563, Fabian Society (1994)

23 Peck F., Connolly S., Durnin J., and Jackson K., 'Prospects for 'place-based' industrial policy in England: The role of Local Enterprise Partnerships', *Local Economy* 28 (2013) p. 829-30.

‘cluster’ policy and European policy were brought under direct central government control. On a national scale the total funding available for economic development was reduced, but arguably more consequential were changes to the way that funding could be accessed.<sup>24</sup> LEPs were increasingly required to submit competitive bids to Whitehall-coordinated schemes in order to ‘unlock’ funding (such as the Growth Fund or Enterprise Zone status).<sup>25</sup> The competitive bid model of funding had two important consequences: bids occupied crucial administrative capacity that might otherwise have been dedicated to delivery work and prevented long-term forward planning; bid programmes enabled Whitehall to set the parameters and objectives for LEPs’ strategic programmes, or they risk missing out on tranches of funding altogether.

As we shall see, this phenomenon – the growing ‘conditionality’ of funding to LEPs – extended throughout Coalition dealings with local authorities and risked the development of a ‘patronage-based’ relationship between centre and regions.<sup>26</sup>

Perhaps most strikingly, despite the bold promises of devolution in the Localism Act 2010, LEPs remained distant and unaccountable to elected local authorities. As campaigners have pointed out, LEPs are little known and extremely secretive. LEP boards contain few local authority councillors, most of whom are spread thinly and outnumbered by representatives of business. It was not until a critical National Audit Office report in 2019 that LEPs began publishing information about salaries paid and projects funded, echoing earlier complaints about the opacity of RDAs.<sup>27</sup>

An implication is that LEPs overlook or simply neglect social and ecological objectives, prioritising a narrow conception of development: economic growth. For example, as councillor and campaigner Jamie Osborn has observed, LEPs have often been the driving force behind new road-building projects with ecologically disastrous consequences.<sup>28</sup>

The centralisation of funding streams and lines of accountability, in conjunction with a deficit in local democratic accountability, put LEPs largely at the service of growth-focused national governmental goals to the detriment of social and ecological wellbeing.

The Coalition’s other, more high-profile innovation – ‘City Deals’ and ‘Metro Mayors’ – represents yet another extension of these same flaws.

George Osborne’s flagship policy, the creation of ‘Metro Mayors’ would it was argued stimulate more decisive regional planning on everything from transport to housing.<sup>29</sup> At its heart was the principle of ‘agglomeration’: the idea that cities contain a high density of consequential skills, firms, universities and other vital elements of a ‘dynamic’ economy,

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24 Bentley G. and Pugalys L., ‘New directions in economic development: Localist policy discourses and the Localism Act’, *Local Economy* 28 (2013) p. 257-274

25 Peck F., Connolly S., Durnin J., and Jackson K. (2013) p. 831.

26 Warner S., Richards D., Coyle D. and Smith M. J., ‘English Devolution and the Covid-19 Pandemic: Governing Dilemmas in the Shadow of the Treasury’, *Political Quarterly* 92 (2021) p. 834.

27 Osborn, J., ‘These secretive organisations need overhauling to enable our post-Covid recovery’, *Bright Green*, 29 April 2020, <https://bright-green.org/2020/04/29/these-secretive-organisations-need-overhauling-to-enable-post-covid-recovery>.

28 Ibid.

29 Giovannini A., ‘The 2021 Metro Mayors Elections: Localism Rebooted?’, *Political Quarterly* 92 (2021) p.474.

and that city-regions are therefore the real dynamos of economic growth.<sup>30</sup> The array of powers handed to new Metro Mayors and their Combined Authorities were substantial, and the Mayors themselves were intended to be more prominent in the public imagination and therefore to drive greater democratic engagement.<sup>31</sup>

Below the surface, however, the tidal pull of centralisation was at work. This can be seen by looking at the funding and accountability structures to which Combined Authorities are subject, and the political context in which they were created – that of fiscal austerity.

From the outset, Combined Authorities and the Metro Mayors heading them up were the product of negotiations between central government (especially George Osborne's Treasury) and collections of local authorities that were seeking to 'combine' in order to accumulate new powers and funding under a Metro Mayor. These 'City Deals' as they became known were hailed by Osborne and supporters as a means of achieving greater harmony across different levels of government: instead of Treasury and local authority priorities clashing, competing, or simply working at cross-purposes, the strategic objectives of centre and region would be reconciled through a more cooperative process.<sup>32</sup>

This narrative however significantly distorts reality and fails to account for the enormous power imbalance existing between Treasury and local authorities. Ministers could pick and choose which local authority configurations they wished to deal with, and could refuse to negotiate with those they deemed unsuitable. The case of South Yorkshire is a clear example: while most authorities in what would become the Sheffield City Region wished for a 'One Yorkshire' regional solution, the Government along with Sheffield City Council desired a smaller, city-focused metropolitan solution and was able to push it through.<sup>33</sup>

The imbalance between Treasury and local authorities was greatly exacerbated by one of the definitive public policy shifts during the 2010s: fiscal austerity. As local authorities had their central government funding cut, many were forced to seek extraordinary sources of additional funding. The additional resources made available through the creation of Combined Authorities stood as one such funding source. Far from being neutral negotiations or simply opportunities for enhanced power, then, 'City Deals' begin to look like 'offers you can't refuse' – a sort of blackmail under intense fiscal pressure.

Local authorities that took up the Metro Mayor offer would be able to compensate for funding slashed under Coalition budgets, but at a price of greater 'conditionality' and reduced independence. This can be seen clearly in the case of Greater Manchester (GMCA), in many ways the poster child for the Osborne model of devolution ('Devo Manc').<sup>34</sup> Renewal of GMCA funding from central government is subject to regular, five-yearly evaluations; performance monitoring and cost-benefit analysis are to be performed against national strategic objectives. The Treasury retains substantial 'powers of intervention' that can be activated in the event that guidelines for good fiscal practice set out in *Managing Public Money* are contravened.

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30 Warner et al. (2021) p. 324. The agglomeration principle is notably included in the Treasury Green Book rules on infrastructure investment.

31 Giovannini (2021) p. 477.

32 Warner et al. (2021) p. 322.

33 See, e.g., <https://oneyorkshire.org>.

34 It is notable that George Osborne's constituency of Tatton in Cheshire is centred on affluent satellite towns within the orbit of metropolitan Greater Manchester.

These all represent a marked increase in the power of Whitehall to shape regional level spending decisions, by comparison with pre-2010 local authority funding arrangements. Combined Authority policy and internal monitoring and evaluation processes have been conditioned by the urgent need to satisfy central authorities and guarantee future funding and prestige.<sup>35</sup>

The absence of fiscal autonomy in many ways expresses the precarity of the Combined Authorities as institutions, and serves to reinscribe the dominance of the Treasury over both fiscal management and regional development strategies. Both LEPs and Combined Authorities, then, are best understood as not as ways of devolving power to regions and localities, but instead ways of consolidating the power of ministers to implement national strategies in a regional space. What the GMCA Mayor Andy Burnham has termed “begging-bowl devolution” has undoubtedly served to impose national growth-focused objectives to the exclusion of social and ecological goals.<sup>36</sup>

## **A TALE OF TWO CITY-REGIONS: TEES VALLEY AND GREATER MANCHESTER**

To see the specific impacts of these general trends, and how they break down differently in varying political and geographical contexts, we can compare the developing situation in two Metro Mayoralties: Tees Valley (TVCA) and Greater Manchester (GMCA). These case studies may also hint at some of the implications of English devolution for the potential of a just transition.

In Tees Valley, Mayor Ben Houchen won a narrow victory in 2017 before achieving a landslide re-election in 2021. As a Conservative Mayor in a metropolitan area with a strong Labour-voting tradition, Houchen is in many ways the ne plus ultra of Tory ‘Red Wall’ victories; following the 2019 general election his first victory has been popularly reappraised as the “first Blue brick in the Red Wall”. That his 2021 re-election took place on the same day his party won a by-election landslide in the post-industrial Teesside constituency of Hartlepool illustrates this further.<sup>37</sup>

Consequently, the Conservative government at Westminster has a strong interest in ensuring Houchen’s visible success as the archetypical Red Wall Tory. As Giovannini has argued, this has created a unique ‘opportunity structure’ (in this context, the means and rules conditioning an official’s strategies and behaviours) that Houchen has been able to leverage to advance his own prospects. Houchen has pursued a mutual benefits-based, consensus-building approach; he has aimed to be a success story showing that existing Conservative strategies for growth and accumulation on a national level can be reconciled with the interests of regions.<sup>38</sup>

Houchen’s tenure has had a strongly ‘performative’ and ‘symbolic’ quality, based on communicating place belonging and local pride. This has involved a great deal of ‘place-marketing’ towards prospective inwards investors; but its primary audience is evidently the

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35 Warner S., Richards D., Coyle D. and Smith M. J. (2021) p. 323.

36 Ibid. p. 327.

37 Giovannini (2021) p. 482.

38 Ibid. p. 482ff.

voters of Teesside themselves. As one of Houchen's 2021 election slogans implied, his aim is to "put Tees Valley on the map" and restore a sense of importance to the national political economy that many in a former industrial powerhouse feel has been lost.<sup>39</sup> Notably, a big part of Houchen's performance has leaned on the idea that 'green jobs' will be the source of Tees Valley's hoped-for re-industrialisation.<sup>40</sup>

This performativity and symbolism are mostly not matched by initiatives with genuine potential.<sup>41</sup> This is especially true for 'green' projects. TVCA's decision to bring Durham Tees Valley Airport (now TVIA) into a form of 'public ownership' for example, was hailed as expressing a willingness to intervene decisively to support local economies.<sup>42</sup> As activists have argued, however, the form of public-private mixed ownership that was actually chosen by TVCA insulates the initiative from full public scrutiny.<sup>43</sup> Local democratic power to further shape and determine the fate of the project is therefore strictly limited, contrary to the participation principles that undergird democratic arguments for a just transition. Targets for international passenger numbers are considered unrealistic and TVIA is set to miss them by a wide margin, while the desired status as a budget airline hub has not been attained. Moreover, these conventional measures of progress overestimate the contribution of airports to local employment and remains dogmatically committed to notions of regional competitiveness in a globalised economy. In turn, this demonstrates the purchase that regional airports and other flagship infrastructural projects have on the British political mindset, even in the face of evidence that such projects export more demand than they import.<sup>44</sup>

Nonetheless, the 'opportunity structure' provided by a Conservative government intent on sustaining a self-serving 'Red Wall' electoral narrative has enabled Houchen to present himself as a capable "facilitator of government agendas, but with a strong tie to local interests". In this way, he has increased his own popularity and worked to vindicate the Government's model of giving its "national accumulation strategy" a visible and popular 'spatial' expression.<sup>45</sup>

If the 'conditionality' of his position has empowered Houchen as a facilitator and negotiator for Tees Valley, it has presented quite different 'opportunity structures' for GMCA's Andy Burnham. The GMCA has the most expansive powers by far of all the Combined Authorities, but as a Labour Party-dominated Northern metropolitan zone it has played a far more 'oppositional' role in its relationship to Whitehall. Andy Burnham's tenure has arguably been no less 'performative' or 'symbolic' than Ben Houchen's TVCA, but rather with a focus on convening local leaders in opposition to a 'London and South East'-obsessed political elite, demanding more powers, and putting 'place' first.<sup>46</sup>

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39 Ibid. p. 483.

40 Houchen, B., 'My advice to the Prime Minister. Go green for more jobs in the Red Wall – and double down on levelling up.', Conservative Home, 19 November 2020, <https://conservativehome.com/2020/11/19/ben-houchen-a-green-industrial-revolution-is-among-many-things-a-victory-for-the-north>.

41 Wild claims about the power of 'freeports' abound, where they have an almost magical quality. See Tomaney J. and Pike A., 'Levelling Up?', *The Political Quarterly*, Vol. 91, No. 1, p. 45.

42 Renaming the airport 'Tees Valley International Airport' after a public poll was a canny means of involving local residents in the project and communicating a feeling of ownership, if only superficially.

43 Alston, S., 'Ben Houchen is able to claim green credentials because the left offered no alternative', *Bright Green*, 25 May 2021, <https://bright-green.org/2021/05/22/ben-houchen-is-able-to-claim-green-credentials-because-the-left-offered-no-alternative>

44 Magowan R., 'Aviation and the just transition', in Holemans, D. (ed.), 'A European Just Transition for a Better World', *Green House* (2022)

45 Giovannini (2021) p. 483.

46 Ibid. p. 484.

Perhaps because demanding greater powers for the GMCA has been a central part of Burnham's performance, GMCA regional development initiatives appear to go further than TVCA counterparts in matching the rhetoric of regional empowerment with action. Efforts to re-regulate Greater Manchester's bus network after decades of fragmentation, and bring about a more London-style consistent pricing system by capping fares at £2, seem to express desires to re-municipalise local transport to pursue social and ecological benefits. Stretching and testing the limits of the Metro Mayor model is electorally advantageous for a Labour politician whose identity is grounded in championing 'place' *against* the ruling party, not in concert with it.

Nevertheless, as we have discussed the limits on Metro Mayors are real and enduring. In late 2020, Andy Burnham used his prominence as a Northern mayor to demand greater emergency funding after Greater Manchester was placed under regional Covid-linked restrictions. This achieved some short-term concessions and briefly had Burnham acting as a sort of stand-in 'voice of the North'. But the Government was able to respond by prescribing rules from the centre and forestalling any embarrassing public negotiations in future.<sup>47</sup> The 'opportunity structure' faced by Metro Mayors remains defined by their precarity and lack of fiscal independence.

## A 'WELSH MODEL'?

The limitations inherent in English devolution – expressed by RDAs and intensifying throughout the austerity programmes of Coalition and Conservative governments – prompt us to contemplate alternative devolution models in the contemporary British state. One possible alternative that may enhance opportunities for pursuing a pro-social and pro-ecological policies can be identified in the Welsh government under recent Labour administration.

Rhys Jones has argued that Welsh development policy since 2012 has been able to follow a more genuinely 'place-based' course and prioritise social and ecological objectives by adopting a 'Spatial Justice' approach.<sup>48</sup> The orthodoxies of both Whitehall and EU development funding, it is argued, restricted Welsh economic development policies by prioritising growth-focused measures of success and seeking to satisfy funding requirements, neglecting the specific needs of communities across Wales. Worse still, Jones suggests, there is a sense that "emphasising past failure in expectation of future funds" had ingrained in officials and policymakers a sense of dependency that failed to capture the aspirations of people in Wales for their society.<sup>49</sup>

By contrast, Jones argues, the Wellbeing of Future Generations Act 2015 seeks to ensure that "present problems become inspiration for future action".<sup>50</sup> The title of the Welsh Government

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47 Warner et al. (2021) p. 327

48 Jones R., Goodwin-Hawkins B. and Woods M., 'From Territorial Cohesion to Regional Spatial Justice: The Well-being of Future Generations Act in Wales', *International Journal of Urban and Regional Research* 44 (2020)

49 Quoting Jones et al. (2020)

50 Ibid.

White Paper, *The Wales We Want by 2050*, seems to corroborate his assertion by its emphasis on the future.<sup>51</sup> Indeed, the Act was initially conceived as the Sustainable Development Bill before being reimagined as legislation in the interests of ‘Future Generations’ and their ‘Wellbeing’. The Act that resulted is permeated by the unmistakable desire to create a Wales in which young people will stay and thrive, and not be drawn away by the gravitational pull of English metropolises like London and Birmingham.

In the first instance, Public Services Boards (PSBs) were created to produce local wellbeing assessments and subsequently set local objectives towards (Welsh) national wellbeing goals. An initial tranche of local wellbeing assessments under the Act yielded a diversity of objectives: Torfaen’s PSB in the industrial South East emphasised chronic health problems and intergenerational poverty; the Gwynedd and Anglesey PSB highlighted the need to ensure the availability of affordable housing and protection for the Welsh language.<sup>52</sup> This diversity and sensitivity to place is echoed in the various statistical indicators used under the Act to measure progress against wellbeing goals: Statistics Wales must track 46 different indicators relating to factors such as the gender pay gap, job satisfaction, and access to public services.

In this way, factors in the development of a ‘good life’ that extend far beyond previously ubiquitous measures such as GDP are being measured and targeted. At once, this demonstrates potential to transcend both growth-focused measures of progress and blunt national-level objectives that ignore ‘place-based’ needs.<sup>53</sup>

It is clear the Wellbeing of Future Generations Act by itself does not hold the key to dissolving social inequalities, many of which are deeply rooted in the very social and economic order of Wales as well as its UK context.

We might add that while the concept of a just transition is embedded throughout Welsh government policy documents such as the 2021-25 Net Zero Wales Carbon Budget, it is lighter on practical initiatives. The Act may prove important in shaping Wales’ economic development, but it is clearly not individually sufficient. Tougher challenges still, such as managing the transition of the steel industry in South Wales, will test both the Welsh Government’s commitment to a just transition as well as the limitations of the current devolution settlement.

Nevertheless, it is possible to discern ways in which the Act mitigates or avoids some of the recurring faults of local and regional economic strategies deployed in English regions. The Welsh Government’s ability to set and measure against a wide range of social, ecological and wellbeing targets expresses its independence from the growth-focused (UK) national concerns of the Treasury that, as we have seen, have constrained so many other efforts to do likewise. The way social, ecological and wellbeing progress is being incorporated into an increasingly progressive framework, sensitive to specificities of place, is cause for hope.

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51 Welsh Government, ‘Written Statement - The Future Generations Bill – the Wales we Want by 2050’ (2014), <https://gov.wales/written-statement-future-generations-bill-wales-we-want-2050>

52 Torfaen PSB, ‘Torfaen draft well-being plan’ (2017) and Anglesey PSB, ‘Anglesey well-being plan’ (2017).

53 Jones et al. (2020) p. 906-8.

## ‘REGIONAL STRATEGIC CAPACITY’ FOR A JUST TRANSITION

We have already begun to explore the various factors conditioning the ability of regions to develop regional development strategies – and restraining their ability to strive towards social and ecological goals. Using Martin Jänicke’s concept of ‘strategic capacity’, we can compare the experiences of English regions with those of Wales and explore the impact of different institutional arrangements and ‘opportunity structures’ on delivering a regional just transition.

‘Strategic capacity’ can be summarised as a framework for analysing “the necessary structural conditions for a successful environmental policy”.<sup>54</sup> Jänicke breaks this down first into three framework components:

- *A cognitive-informational framework* – conditions under which environmental knowledge is produced, distributed, interpreted and applied
- *A political-institutional framework* – structures, rules, and norms of law and policy
- *An economic-technological framework* – economic ‘performance’, technology levels and sectoral composition

In addition, the situative context is relevant to determining overall strategic capacity. These are defined as time-limited or place-specific events that condition an institution’s ability to act towards its objectives: examples might include a heatwave, an economic recession, or a global pandemic.<sup>55</sup>

Within this framework and looking back over the flagship policies of English devolution since 1997, characteristic weaknesses of English regions emerge that would constrain their abilities to deliver pro-social and pro-ecological policies as part of a just transition.

It emerges that longstanding *political-institutional* qualities in the British state have made successive offices, bodies and agencies of English regional development unable to pursue social and ecological justice. The dominance of simplistic pro-growth objectives within the Treasury has overridden efforts to strive for a more wellbeing approach. These pro-growth objectives, stemming from ‘New Regionalist’ ideas about how to achieve progress in post-Fordist economies, have endured in England despite apparent commitments to social and ecological goals expressed through discourses of Sustainable Development.

Further *political-institutional* problems stem from the compulsive way in which the Treasury has been able to impose national objectives onto regions and localities, transforming notionally independent regional strategy setting bodies into agents for the delivery of a blunt national accumulation strategy. This process was accelerated through the addition of complex new *situative contexts*: Coalition government fiscal austerity measures and George Osborne-led ‘City Deals’ paradoxically handed city-regions greater responsibilities, while reinscribing the Treasury’s influence over what they do. The system of financial precarity and dependency we have observed in this essay, underpinned by grant-based and negotiation-led funding, continues to present serious structural impediments to any region hoping to embark on anything resembling a just transition. This also suggests, unfortunately, that these various faults are deeply embedded in the inherited institutions of Britain’s unitary state.

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54 Gibbs (2000) p. 14.

55 Janicke M., ‘The political system’s capacity for environmental policy’, in Janicke M. and Weidner H. (eds.), ‘National Environmental Policies: A comparative Study of Capacity-Building’, Springer, Berlin (1997) p. 1-24.



We have also seen that an array of further political *situative contexts* – such as party affiliation, dominant narratives such as the ‘Red Wall’ story, and even the Covid-19 pandemic – have conditioned the ability of newly prominent Metro Mayors to engage in development initiatives of note, including those with a ‘green’ tinge. We have seen that ‘consensus-based’ and ‘oppositional’ strategies alike, deployed by various Metro Mayors, have achieved different results in different contexts for their respective city-regions.

Meanwhile, the experience of Wales’ Wellbeing of Future Generations Act suggests that within more clement *political-institutional* conditions and *conducive situative* contexts more, albeit incomplete progress towards social and ecological justice can be made. Welsh devolution appears to have provided crucial space in which a new approach to regional policy, grounded in principles of ‘Spatial Justice’, can be pursued outside the long shadow of the Treasury.

## THE POLITICAL POTENTIAL OF A JUST TRANSITION?

The ‘strategic capacity’ analysis and the broader experience of English regions suggests that ‘hard barriers’ are in place, blocking the path for regionally just policies as part of a just transition. When considered in comparison to the Welsh experience, it is hard to resist the conclusion that narratives of evolutionary change as the solution to the persistent structural impediments we have identified are totally unrealistic. Wales’ experience suggests that the Treasury (and ‘Treasury thinking’) needs to be broken away from in a way so substantial that it could threaten the very fabric of the British state as we know it. Even in the Welsh case, however, it is probable that the political-institutional framework of the wider state would hamper or prohibit certain transformative actions that a just transition would require.

Two questions facing movements for a just transition, then, relate to what we do now: whether the ‘region’ should meaningfully figure, theoretically and practically, in our actions for a just transition; and if it does, how we should be using regional and local institutions as productive terrains for our struggle.

One response to the question is to argue for a turn away from the region as a site for movements to build and exercise power within the state. Structural impediments to a regionally just transition are significant, as we have seen. Moreover, the central state’s greater power and capacity to coordinate could be seen as indispensable.. Rejecting the ‘hollowing out’ thesis of the New Regionalists, it could be suggested that in a global north context only the nation-state is both big enough and within reach of democratic and popular parties and movements.<sup>56</sup>

It could equally be argued that only at a national level can the technical policy needs of a just transition be met. Simo Raittila, writing in a Finnish context, differentiates in policy elements of a just transition between ‘interventional’ (more temporary and targeted) and ‘structural’ (system-wide and continual) measures. In Raittila’s estimation, policy interventions that are ‘structural’ are more dynamic, better account for failures to calculate or predict risk on the part of planners, and enhance social solidarity.<sup>57</sup> It could be observed that policies of such

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56 For this argument, see Amin A. and Tomaney J. (1995), ‘The regional dilemma in neo-liberal Europe’, *European Urban and Regional Studies* 2 (1995)

57 Raittila S., ‘Just transition in the Nordic model’ in Holemans, D. (ed.), ‘A European Just Transition for a Better World’, Green House (2022)

a kind, by their nature, are most appropriate to higher-level governance contexts (where system-wide policies can be delivered stably). If we agree with Raittila, then, perhaps we must also concede that the nation state not the region is the level at which a just transition will translate into relevant policy.

Another more productive response instead views ‘regions’ and other subnational territorial units as productive terrain on which for demands to be made and campaigns to be fought. In our survey of Combined Authorities, we have seen that the ‘opportunity structures’ faced by Metro Mayors produce not only constraints on the actions available to them but also opportunities. For while Metro Mayors are seriously limited by the power of Whitehall, they are growing in prominence; once thought to be ‘lame duck’ figures who were set up for failure, many Metro Mayors have become popular representatives of places and their interests.<sup>58</sup> The sharp contradiction between the actual power of Metro Mayors and the mounting regional aspirations for which they often speak, could make regions politically important in years to come.

To put it differently, the regionalist genie may be out of the bottle and centralising governments may struggle to put it back in. In Wales, where the devolved government is more established and has stronger constitutional standing, successive Labour administrations seem to have marshalled regionalism to craft an independent developmental path based on communitarian, Labourist notions of what Wales can be. As they grow in confidence, and if faith in Westminster political actors continues to plummet, Welsh governments could test the limits of the devolutionary settlement and prompt a productive crisis in the constitution of the UK. This is to say nothing of Scotland, whose devolved administrations continue to pursue independent pathways towards independent statehood.

Even in the comparatively weak and dependent English regions, we could be seeing things change. The dominance of the ‘Red Wall’ narrative, which facilitated close cooperation between Ben Houchen and Boris Johnson’s government, may be waning. With a new Conservative Prime Minister in Liz Truss, the self-interested rhetorical attachment to English regions so characteristic of Boris Johnson’s premiership may falter. In this context, hitherto friendly Mayors like Ben Houchen and Andy Street may be compelled to adopt more ‘oppositional’ postures and like Andy Burnham demand more substantial powers and independence, in order to maintain their popularity and position in office.

Andrew Cumbers and Franziska Paul urge those who wish to build ‘new municipalisms’ along principles of participatory democracy, de-commodification and social justice to take heed of the ‘actually existing municipalisms’ that have come before. They argue that a sensitivity to existing sensibilities, traditions, attachments and aspirations in places can help the Left build stronger commitments to social and ecological justice out of older ‘anti-market’ traditions.<sup>59</sup> A critical approach to regions and nations of the UK as ‘actually existing regionalisms’ could enable movements to comprehend the flaws and limitations of the governance systems we have inherited, while being cognizant of opportunities to press on the contradictions inherent in them and draw from the best of aspirations for regionally-driven change.

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58 Giovanni (2021) p. 481.

59 Cumbers A. and Paul F., ‘Adapting to the political moment and diverse terrain of ‘Actually Existing Municipalisms’’, Soundings 74, Lawrence and Wishart, London (2020) p. 45-51.

Cumbers and Paul highlight a wave of ‘re-municipalisations’ sweeping the world as evidence that this approach can bear fruit: a study by the Transnational Institute in 2019 found over 1,400 examples worldwide of privatised services being brought back ‘in-house’ at a local or regional level.<sup>60</sup> To this list, we might tentatively add GMCA’s efforts to re-regulate its bus network and similar initiatives.

We should maintain some scepticism: after all, Ben Houchen’s ‘public ownership’ of Tees Valley International Airport turns out to be not all it seems, a public-private partnership dressed up as a re-municipalisation. Equally, the local sensibilities and attachments Cumbers and Paul refer to should not be romanticised or taken at face value. Some are socially and ecologically destructive, while many are less ‘authentic’, autochthonous ‘popular’ feelings and more products marketed by local political establishments and figures like Houchen. Houchen’s TVIA intervention, for example, has inspired efforts by others to achieve similar ecologically destructive subsidy plans for more UK local and regional airports, as in Doncaster.<sup>61</sup>

Nevertheless, such an approach to ‘actually existing regionalisms’ holds out hope that UK regions and constituent nations – in their varying degrees of weakness and constitutional precarity – could be spaces in which a just transition can push the limits of the state structures we have inherited and push for something altogether more powerful.

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60 Kishimoto S., Steinfert L. and Petitjean O. (eds.) ‘Reclaiming Public Services: how cities and citizens are turning back privatisation’, TNI (2019)

61 GMB Union North East, Yorkshire and Humber, ‘Rally to save Doncaster Airport as 165,000 back campaign’, GMB Press Office, 14 July 2022, [https://www.gmbneyh.org.uk/rally\\_to\\_save\\_doncaster\\_airport\\_as\\_165\\_000\\_back\\_campaign](https://www.gmbneyh.org.uk/rally_to_save_doncaster_airport_as_165_000_back_campaign)

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