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Beyond class and party alliances

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Beyond class and party alliances

Urban governance in
Newcastle upon Tyne, UK



 Structural Change
A Brief Historical Outline

 Recent Changes

 Explanations

 Issues

 Future

1. Historical outline

Industrialisation

- NE of England amongst the earliest industrialised regions (based on coal and iron ore deposits)
- Development of heavy industry clusters from late 18th century onwards (coal, iron/steel, shipbuilding, engineering, chemical industries)
- Structural change evident in the interwar years

Modernisation after WWII

- Diversification into consumer-goods (FDIs)
- Welfare state intervention („State Managed Region“)
 - Regional policy aid
 - Nationalisation
 - Expanded social services
 - Council housing etc.

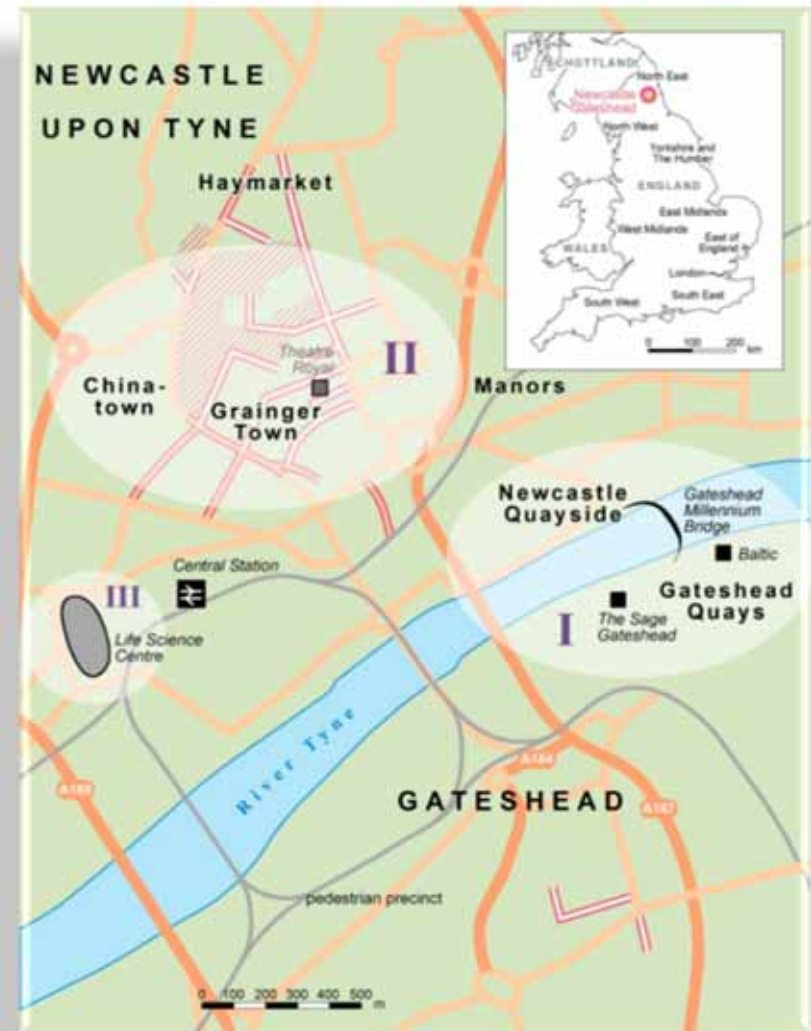
1. Historical outline

Modernisation after WWII

- Transfer of control (state intervention & FDI)
- „Branch-plant“ economy
 - Mainly internationally, not regionally integrated (supply chains)
 - Volatile investments
 - Labour market implications

2. Recent changes

- Continuation of FDI-strategy (Nissan)
- “Culture-led” development (urban cores)



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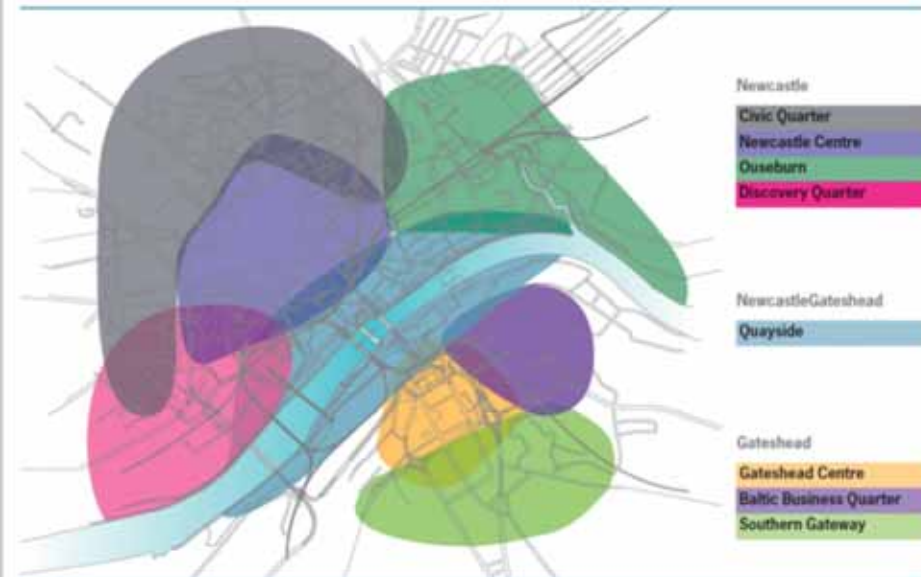
Source: G. Wood

2. Recent changes

- Continuation of FDI-strategy (Nissan)
- “Culture-led” development (urban cores)
- Development of a “Newcastle Gateshead Brand”
- “1Plan”: Plan for an integrated development strategy, centering on the knowledge economy and the urban core



Figure 2.8: Urban core character zones



3. Explanations

- Global economic competition intensifies competition between cities
- Globalisation entails a greater importance of place-bound assets (high-tech clusters, historical places, „culture“)



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- Global economic competition intensifies competition between cities
- Globalisation entails a greater importance of place-bound assets (high-tech clusters, historical places, „culture“)
- Regulation
 - Downscaling processes from the central to the local state
 - From government to governance (shift from bureaucratic decision-making to a plurality of networks and partnerships)
- Forms of governance across classes and political parties firmly rooted in the history of the political culture of the North-East

3. Explanations

Managing change



- **One North East** (Economic development organization (RDA), set up in 1999, finance and control through central government; private-sector-led board (also incl. Local Authorities, academia, the trade unions and the voluntary sector)

“In effect, by the late 1930s a regional cross-class alliance of interest was being established. .. The **NEDB** appealed to a territorially-based unity of interests, suggesting that everyone in the region and localities within it were suffering together and must unite to pull out of the Depression.” (Hudson 1989, 17)

3. Explanations

Managing change



- **One North East** (Economic development organization (RDA), set up in 1999, finance and control through central government; private-sector-led board (also incl. Local Authorities, academia, the trade unions and the voluntary sector))
- **Tyne And Wear Urban Development Corporation** (1987-1998; UDC-policy of Thatcher administration), private-sector-led
- **Newcastle Gateshead Initiative** (founded in 2000 by Newcastle CC and Gateshead Council; leisure/tourism, cultural regeneration, place marketing; private-sector-led board)
- **1 NG** (city development company, est. 2007 by Newcastle CC, Gateshead Council and One North East; private-sector-led board)



4. Issues

- + Stabilising effect (social stability; industrial peace)
- + Organised interest groups: Ability to forge alliances and to cooperate constructively
- + Economic success: Attraction of inward investment
- + Effective lobby-work (RDAs)

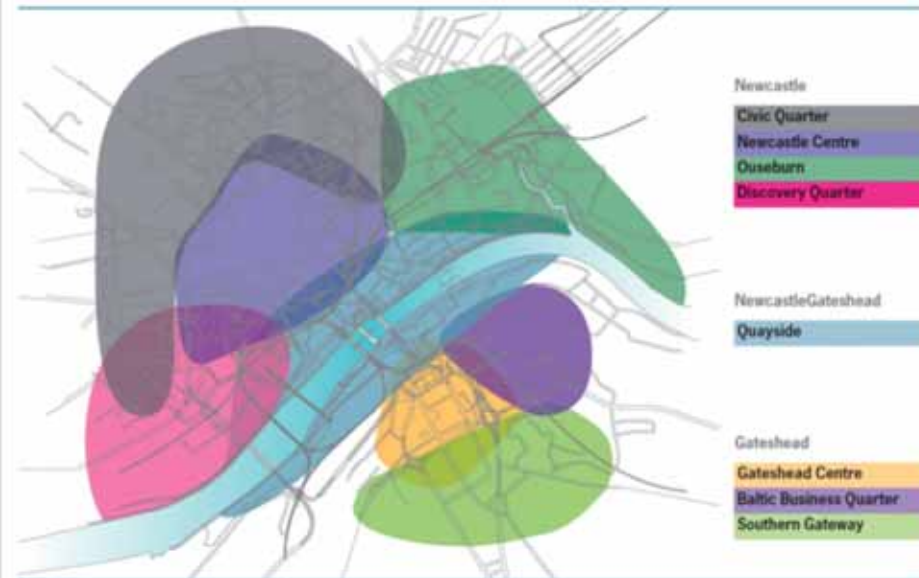
4. Issues

- Marginal influence on decisions taken elsewhere
- Selective participation (exclusion of sections of the population, i.e. other “stakeholders”)
- “Spatial bias”: preferential treatment of urban cores over “peripheral” urban areas

“The **urban core** is the natural home for a group of industries which are critical to our future prosperity, notably the bio-medical, higher education, professional services and creative/digital media sectors. These industries depend on the exchange of ideas, and access to centres of learning and research, rival firms and social networks. We will encourage the development of knowledge hubs where related businesses and likeminded people can cluster.”

(1 NG: 1PLAN, p- 66)

Figure 2.8: Urban core character zones



4. Issues

- Marginal influence on decisions taken elsewhere
- Selective participation (exclusion of sections of the population, i.e. other “stakeholders”)
- “Spatial bias”: preferential treatment of urban cores over “peripheral” urban areas
- Preference for large-scale projects (serving, inter alia, branding ambitions) withdraws resources from other municipal/state tasks
- “Social bias”: preference given to middle-class population
- Ironically, then, the supply-side policy aimed at the (new) urban middle-classes may undermine urban governance based on cross-class alliances

5. Future

- Recognising pluralistic developments within civil society
- Allowing for wider “real” participation (and not sounding exercises)
- Balancing policies for different social groups and thus reducing the risk of exclusion and, ultimately, of damaging “democratic fabric” of society



Thank you for your attention