

Review Article

THE DUAL CITY AND THE HUGHES PLAN: A REVIEW OF KEATING'S "THE CITY THAT REFUSED TO DIE" AND THE SCOTTISH ENTERPRISE WHITE PAPER

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"A whole generation in Easterhouse, Pollok, Drumchapel and Castlemilk is growing up with little prospect of employment or economic and social advancement." (Keating, 1988: p195)

The view that Glasgow has become or is diverging towards 'a dual city' merits serious attention. It is increasingly evident that the economic and thus social opportunities presented by the 'Enterprise Culture' continue to bypass a significant proportion of the populations of both Glasgow and Strathclyde. In addition, the plethora of remedial initiatives undertaken by the public sector appears unable to advance the prospects of the residents of either the older urban communities or the relatively new peripheral estates. Such themes are comprehensively explored in a recent book by Dr. Michael Keating entitled *The City that Refused to Die, Glasgow: The politics of urban regeneration*. This essay will seek to review this publication, examine the implications of 'dualism' and set out the policy prescriptions which arise from acceptance of this conclusion with particular reference to the recent White Paper *Scottish Enterprise*.

Keating's primary concern is to establish that Glasgow has become a divided City and to document how this situation arose. The residents of certain older inner city areas and of the newer peripheral housing developments are presented as being increasingly unable to compete in the changing Greater Glasgow labour market and whole areas are viewed as being not integrated with the wider regional economy. Keating sets out to demonstrate how urban planning and initiatives have not only failed to arrest this decline but may have contributed to the process. In pursuing this line,

Keating argues that urban regeneration is an holistic process which must encompass and integrate policies for housing, poverty, education, training and economic development towards the attainment of coherent strategic goals. Thus behind urban policy there should be a view of the evolution of the city and the numerous strands of policy should connect in each locality to further overall development. However, Keating suggests that what has actually emerged is a disparate and unco-ordinated menu of urban measures which have failed to have much impact in a City faced with adverse and mutually reinforcing economic, demographic and social trends and forces.

The first chapter provides an overview of the development of post-war Glasgow. The physical expansion of the city is detailed and the changing economic, political and social landscape is surveyed. Particular emphasis is given to the changing perception of the problems as set out in the numerous plans produced by a variety of public and quasi-public agencies. In Chapter 2, Keating examines the roles and responsibilities of the different public authorities charged with conceiving and implementing the various strands of urban policy. Each agent is shown to have its own distinctive philosophy which engenders an independent view on strategy and which results in spatial priorities and policies which are not consistent with those of the other urban policymakers. Thus, Central Government, the SDA, the local authorities and the other public and voluntary agencies are all argued to be acting upon a different agenda for change with the consequence that the delivery of urban policy has become "fragmented" and, by implication,

inefficient. In short, a coherent consensus concerning the future direction of Glasgow has not emerged and is therefore not being acted upon.

Chapter 3 examines the political situation in Glasgow and traces out the growth and consolidation of the Labour vote at every electoral level. Keating examines the relationship between the Labour controlled Regional and District authorities and concludes that co-operation over strategy and policy measures has been difficult to summon forth in the aftermath of local government re-organisation which Glasgow's Labour politicians never wanted. In addition, the role of the Labour Party in determining policy at both District and Regional level is examined. Despite a widespread belief to the contrary, Keating concludes that the influence of these bodies of activists has been slight, especially in the field of urban policy where key councillors and local government officials are argued to set the agenda. The vexed area of central local relations is discussed.

Keating demonstrates that, since the late 1970s local government expenditure has been curtailed by an ever-changing set of arrangements designed to facilitate greater central control over the level and composition of local authority budgets. This has the effect of both reducing the funds available for urban renewal and forcing the authorities into partnerships with other public agencies and the private sector who continue to be promoted by the government as leading forces in urban planning and policy. Thus, although urban policy formulation remains potentially fragmented, political reality binds local authorities to central government priorities most notably in local economic initiatives where greater co-ordination of effort has been achieved.

In the later chapters, Keating examines the planning of urban programmes and extensively documents the loosely related and changing objectives of housing, social and local economic policy. The measures adopted are evaluated with reference to the view that urban policy should have a citywide perspective and that this should govern the appropriate mix of initiatives in a particular location. In general, it is concluded that urban planning in Glasgow has been a failure on this basis. This is illustrated via examination of the implementation of policy at various points in time. A major case study setting out the effects of policy fragmentation on the periphery

runs through the latter half of the book and seeks both to provide a unifying theme as well as to lead to the hypothesis that Glasgow has become a 'dual city'.

In the first instance, Keating sets out how peripheral development emerged in spite of rather than because of the prevailing housing strategy. In the immediate post-war period, attention focused on Glasgow's inner city where the problems of high housing density, poor physical conditions and persistent poverty and deprivation were evident. These factors governed the contemporary plans for the City. Although municipal pride initially resulted in a proposed solution of low density housing developments up to the then city boundary, this view was never formally endorsed by central government. National thinking sought to disperse Glasgow's surplus population to 3 proposed new towns which would serve as a 'growth pole' for industry and provide jobs for Glasgow's exiles. In addition, overspill arrangements were negotiated with local authorities across the central belt. As Keating documents, these measures worked too slowly to prevent ad hoc, high density, peripheral development being sanctioned to overcome the seemingly intractable waiting lists, overcrowding and squalor.

The estates of Castlemilk, Drumchapel, Easterhouse and Pollok developed in the light of the national and local models. They were an expedient in the light of worsening conditions in the inner city. The estates had no inherent economic infrastructure, and social and community facilities were provided long after the houses were built and occupied. Keating suggests that almost immediately social problems emerged although the process of how the estates evolved is traced out in a rather fragmentary way. There is no thorough analysis of why the problems took root nor of the dynamics of decline. Keating rests content in demonstrating that by 1981 "deprivation was now clearly most widespread around the periphery" (ibid:p156). The main emphasis is to demonstrate that national, regional and district planning and strategy was inimical to the peripheral areas in the 70s and early 1980s.

The broad thrust of Keating's argument is that planning at all levels never got to grips with the estates. In plans for urban regeneration, scarce resources were allocated to other priorities notably the inner city and the older industrial communities. No coherent overview of the

development of the city guided resource allocation. Keating shows how the periphery was squeezed out in the period following local government re-organisation as the various bodies charged with implementing the various strands of urban policy operated on separate agendas. Thus the SDA, concerned to operate spatial initiatives in areas with development potential, focused activity in the centre which presented a economic base to revive and adapt. The periphery was not seen as an area which could be easily developed. Keating points out that, in early versions of the Structure Plan, Strathclyde Region recognised the need for economic initiatives as part of a coherent attack on the ills of the periphery. However, in subsequent versions this emphasis was dropped as the Council became bound up in joint initiatives on the basis of SDA and central government spatial priorities. Given the reality of central-local relations it is not apposite to be hypercritical. However, Keating further demonstrates how the Region's structure plan serves to bolster and protect retail activity in the city centre at the expense of developments on the periphery which are contrary to the plan and thus frustrated. Keating's verdict on the planning and urban measures of the 70s and 80s is that "the main thrust of physical and economic development policy has largely passed the periphery by, leaving estates like Easterhouse dependent on local social policy initiatives and the limited monies which can be obtained through urban aid." (ibid:p164) The effect of this has been that "many of the policy proposals must be seen as mere palliatives, managing the social consequences of decline. Indeed, there is a growing tendency to regard them as a self-contained problem, not part of the general social and economic life of the region." (ibid:p195) Keating concludes by arguing that "the danger, then, is of peripheral communities being forced to look inward on themselves, to have increasingly to manage their own penury and forgo the integration into the regional economic and social system which alone could hold out hope for their populations." (ibid:p196)

As noted earlier, the dynamics of Glasgow's progressive slide towards 'duality' are not clearly specified. However, in many places Keating makes it clear that he regards the root of all urban problems to be essentially economic. His economic analysis is presented as a backdrop against which the effectiveness of urban planning and policy measures are assessed and found

wanting. From what is set out at various points, Keating appears to hold the view that Glasgow's urban problem essentially derives from the West of Scotland's loss of comparative advantage in the 'traditional industries' whose labour demand pattern supported a large cohort of manual and semi-skilled workers. For considerable periods much of this activity earned economic rents, a proportion of which was distributed to the workforce in the form of favourable terms and conditions of employment. Thus the labour force enjoyed a network of opportunity from which reasonable standards of living could be obtained from the starting point of a low human capital base. This could be argued to promote not only employee-centred attitudes but also limited horizons concerning human capital formation through education. The changes in the global economic order placed increasing pressure on the economic and social system in Central Scotland. The stagflation of the 70s and early 1980s cruelly exposed the locational disadvantages of this area. During this period Strathclyde lost jobs in the new industries attracted in the 50s and 60s through regional policy alongside those in more traditional activity. However, as the demand for labour contracted and changed, those whose human capital was suited to the requirements of the declining manufacturing sector found it increasingly difficult to obtain well paid employment. The planning and development of the city had created large residential areas for industrial workers on the periphery and elsewhere in which economic opportunities were circumscribed. To explain why peripheral residents have become particularly uncompetitive in the wider labour market requires a discussion of some cumulative spiral which Keating merely asserts. He argues that in the periphery "we do indeed have a cycle of deprivation, with few children going on to higher education, little social mobility and a vicious circle of ever lower expectations." (ibid:p194) However, although the evolution of 'dualism' in Glasgow is not precisely charted, it does seem a plausible view to hold and on which to propose solutions.

Given that Keating's central pre-occupation is with the proper co-ordination of physical, economic and social measures, it is not surprising that his prescriptions reflect these concerns. His proposal is both tentative and advanced in a half-hearted manner. This is perhaps a comment on the prospects of acceptance. Keating argues that "large injections of outside funding will be

required to regenerate areas like Easterhouse and Drumchapel while, for all the virtues of community industry, it is simply not possible for a low income economy to find prosperity by buying and selling to itself. An instructive comparison might be drawn with Scottish new towns. These too were initially established to cope with Glasgow's housing problems, yet they were generously funded, endowed with the full range of commercial and leisure facilities and promoted as centres for industrial development. It is true that this was in the era of 'big spending' and that the competition for both spending and industry are now intense - but the peripheral estates are of the scale of towns and solutions to their problems may have to be of that scale."(ibid:pp166-167)

Before discussing this, it is best to cast the notion of 'dualism' within the framework of a job queue model. Glasgow is a network and hierarchy of micro labour markets; an agent's human capital determines in which markets it is possible to participate effectively. In principle, each market can be represented as a job queue. Employers subjectively rank agents in each queue according to available information on individual attributes. 'Dualism' implies a large cohort who either cannot move off job queues into available vacancies or who can only feasibly queue for low paid work. However, the driving force of dualism has been the emergence and persistence of deficient demand for the manual, unskilled and semi-skilled workers who were formerly absorbed by manufacturing activity. It should be appreciated that Keating is not arguing that urban plans and initiatives created dual labour markets but that these undertakings are responsible for the spatial distribution and persistence of the dual labour market. Put simply, the urban measures of the 60s and 70s contrived to set down a physical and social system which, when shocked by the recession at the turn of the present decade, inevitably induced significant concentrations of 'disadvantaged' workers. The emergence of significant clusterings of perceived low quality labour could readily provide the basis for a convenient filter with which to discriminate between workers in the job queue. This inexorably promotes a regime in which workers from a number of locations require particularly strong offsetting attributes in terms of economic and social skills, employment record etc. in order to escape cursory dismissal in job screening exercises. This serves both to increase the scale of the problem and to reinforce and harden the

attitudes of recruiters. Keating alleges that municipal housing policy contrived to physically trap families in one location for prolonged periods. This reinforces the spatial dimension of dualism in two ways. First, it prevents families from migrating to areas of the city not subject to spatial discrimination. Second, over a long period, it restricts agents' social contacts and horizons. In slack labour markets it has been suggested that many vacancies are subject to influence by personal recommendation. As employers' perception of the riskiness of hiring labour from specific localities increases, a peripheral resident's close friends and neighbours become increasingly marginal in helping circumvent biased job rationing procedures. Such effects could readily induce a cumulatively deteriorating situation which conditions the expectations of those living in the area. The perceived returns to human capital enhancement and job search decline as workers locally viewed as able and 'attractive' fail to jump ever higher locational hurdles in job queues. Agents thus experience a growing sense of economic isolation as the entire area comes to be regarded and then comes to regard itself as not integrated with the outside job market. Thus urban policy, whilst not the prime determinant a 'dualism', has ensured an environment which bolsters the persistence and intractability of the problem. In addition, Keating contends that the initiatives set up on the periphery have been inward looking and have not addressed the problem of increasing uncompetitiveness in regional labour markets.

One way of attempting to remove the barriers to employment faced by such workers would be to provide employers with a subsidy to offset the perceived negative characteristics which underpin recruitment bias. At present there are three labour supply schemes which target the long term unemployed. Employment Training is a central government programme operated by the Training Agency. This provides unemployed people with a training grant in the form of a small mark-up on present state benefit. In addition, an individually tailored training package is agreed which offers a mix of both on and off the job experience. The level of training allowances and the resources available to allocate to the training elements of the scheme have been widely criticised as being inadequate. The regulations covering the use of trainees has undermined the activities of community and voluntary agencies whose projects provide work opportunities of the

kind possible under the former Community Programme scheme. Many of these ventures operate in or bear upon disadvantaged areas. At present the ET programme is said to be in some difficulty although requests for local and national data have been turned down on the basis that the information cannot be collated easily. There is a widespread belief that this scheme has failed to enthuse either employers or potential trainees, and to overcome this Government intends shortly to enhance both the training grant and the resources available to provide training.

Both the Strathclyde Employment Grants Scheme (SEGS) and the SDA's Training and Employment Grant Scheme (TEGS) employ EEC funds to provide significant labour cost subsidies to firms recruiting and training the long term unemployed. The TEGS scheme, unlike ET and SEGS, has a spatial focus in that it seeks to assist the unemployed in designated areas to find work in the same set of designated areas. This has limited value in the periphery where few employment opportunities exist. However, in April, TEGS mark 2 is set to commence and a new mobile TEGS scheme is likely to emerge. This will allow agents in the designated areas to take up training places with firms situated in any area. This should benefit the four peripheral schemes and enable eligible agents to assume higher rankings in job queues.

Although this new thinking by the SDA is welcome, substantial difficulties remain. Glasgow was formerly a great manufacturing city. It has lost that role and is determined to find a new one. As Keating points out, this involves the promotion and attraction of professional, commercial and financial sector activity. It is a long run strategy which is in its early stages. Already much image building has been undertaken to complement the procession of physical developments and events taking place in the central area. If successful, these efforts would create a pattern of labour demand with human capital requirements both different from those of the declining industrial sectors and above the present endowments of the typical peripheral resident. Manufacturing activity continues to be sought in the face of stiff competition from other parts of the country. It is becoming increasingly evident that Scotland's 'success' in creating and attracting industrial and low level service jobs derives from the ability of projects to secure low real labour costs. Thus, despite more enlightened labour supply policies on the part of the SDA,

there is still a very limited set of opportunities available to Glasgow's less skilled workforce.

Demographic changes provide further circumstances in which to mount an attack on the problems of Glasgow's peripheral estates and older disadvantaged communities. A recent Scottish Office White Paper, Scottish Enterprise (On 534), sets out how the structure of the working population is set to change over the next 10 years. The number of school leavers is projected to decline by 30% between now and 1994 leading to a situation in which employers will have to maintain the desired stock of skills through upgrading the human capital of older members of the workforce. The White Paper seeks to set up an institution, provisionally called Scottish Enterprise, which will merge the activities of the SDA and Training Agency. The preferred model would set up a central organisation to consider strategy and co-ordinate and oversee the activities of an indeterminate number of private sector-led local boards. The broad policy objective is to integrate economic development measures which affect the growth and pattern of labour demand with national labour supply programmes such as ET and YTS. Thus it is hoped that in each area the local board will simultaneously stimulate business activity and secure an accommodating manpower policy. The local boards will be staffed by those presently involved with the SDA, the Training Agency and possibly the staff of Enterprise Trusts and New Town Corporations. Early indications are that not all of these agents will find work directly with the new bodies but ancillary opportunities are likely to emerge in sub-contract activity.

The proposed arrangements call for a dominant private sector role in local boards. It is a sign of the times that the notion of the private sector setting up this series of boards in order to disburse public money to themselves has not drawn criticism on the basis of the clear potential for moral hazard. It is widely recognised that the board must effectively police the operation and that considerable directorial inputs will be called for. Despite initial reservations, the born again Scottish business community is fast convincing itself that a supply of high powered executives will eagerly step forward with time to ensure that the organisation discharges its obligations with probity and efficiency. This remains a moot point. There continues to be sharp controversy over the role of local authorities. The emerging consensus in business circles

favours a continuation and development of the public-private partnership evident in the Enterprise Trust movement. There is a recognition that the boundaries of the local agencies are likely to provide the boundaries of a future system of single tier local authorities and this has added further heat to local discussions concerning the optimal size and geographical coverage of the new local bodies.

Although the exact funding arrangements remain unclear, certain clues can be obtained from the White Paper. It is suggested that "industry, for long starved of profitability, is now prosperous and able to shoulder its full responsibility for investing in the skills of people." (Cm 534:p1) Warning to this theme in a later passage, the document sets out that "employers have the prime responsibility for training their workforce and will be expected not only to boost their investments in training their own employees but also to bear an increasing share of the costs of training programmes." (ibid:p9) Thus a secondary objective of Scottish Enterprise is to stimulate an appreciation of the importance of manpower policy and to secure a greater element of private funding.

At present, the Training Agency budget is £330m and the two major national schemes of ET and YTS jointly account for 95% of this total. As demand for places on the schemes falls due to fewer young people and supposedly fewer long term unemployed, the interesting issue is to what extent Government will maintain the real value of its remittances to Scottish Enterprise. The basis of the private sector financial contribution is yet to be settled but there is universal agreement that the levels of input sought by government will not readily be attained by passing round the hat. A scheme popular in Chamber of Industry and Enterprise Trust circles is that a levy on VAT payments form the basis of the private sector's input. It is suggested that this could amount to circa £200m or approximately 40% of the total Scottish Enterprise budget.

The strong private sector orientation in both funding and control is likely to bear heavily on the type of training opportunities which emerge. The mandatory levy may encourage employers to use the schemes to obtain a return on their remittances. However, this could also result in a tendency to maximise the time trainees spend in productive activity at the expense of off the job

training. In addition, effective arrangements must be in place to prevent employers using a procession of trainees to replace permanent workers. However, many employers remain sceptical about ET because of the nature of its client group, and see higher and less risky returns from training and retraining existing workers. The White Paper regards ET as a national commitment and it is made very clear that Scottish Enterprise will operate "in the light of national policy considerations" (ibid:p23) Thus local boards seem set to be prevented from allocating money allocated for this purpose to other measures. The emphasis on ensuring that firms meet the full cost of upgrading the human capital of the existing workforce would seem to favour manpower policies which concentrate on firm-specific training activity. Skills training, which involves a prolonged period of job experience and formal educational provision, is more problematic. Such programmes would result in endowments of transferable skills which are likely to be highly marketable during a forecast period of skills shortage. Individual businesses will continue to regard this type of training as risky because of the strong possibility that competitors will 'free ride' on their efforts. If Government views that significant numbers of qualified specialists have to be found from amongst older people then it will have to intervene to ensure this. In any case, a system in which risk-averse employers nominate and fund trusted retainers for major skills enhancement is unlikely to be efficient. Agents with better potential productivity may either work for firms where no such opportunities exist or be out of work. A national manpower policy should provide openings for these groups and it is difficult to see anyone but the State funding such an arrangement. If Scottish Enterprise operates in the manner implied in the White Paper, the whole system seems set to ensure that the better opportunities will focus on the existing workforce. State intervention to engender a greater volume of skills training than might naturally emerge and to widen access would result in resignations from existing jobs and create opportunities for other people. These jobs may not fall to peripheral residents; however, their chances would be enhanced by the mobile TEGS arrangements. In any case such an intervention would lead to trading-up on the part of existing employees until vacancies emerge to be filled by the unemployed. It should be noted that the reality of the job queue ensures that only the less attractive opportunities become available to

the secondary labour force.

The White Paper makes specific reference to disadvantaged groups. The contracts which Government intends to sign with preferred local agencies can, where appropriate, stipulate measures to cater for "meeting identified local training needs of those requiring special help because of literacy, numeracy or English language problems, physical, mental and social disabilities."(ibid:p15) This is again presented within the context of meeting Government guarantees which implies no attempt to pass any of the cost of this to the private sector. However the passage concerned appears almost as an adjunct and it is far from clear that Government is facing up to the scale of the problem in Glasgow and throughout the Central belt.

At the end of the day there is little in the Scottish Enterprise White Paper to inspire confidence that the Government understands the spatial duality ingrained in labour markets in Glasgow and the Central Belt. There is an implicit assumption that the demographic shock will reduce labour supply growth allowing the unemployed to be absorbed as a matter of course. Thus, the prospectus inviting tenders to operate the Glasgow local agency will be an interesting document because it will specify the role of Scottish Enterprise vis-a-vis the periphery and other problem areas. In the short run, it would be facile to assume that the City's employers are going to view the secondary labour force differently than at present. This suggests a role for other bodies to provide work and work experience for these agents. Unfortunately, the Community Programme which offered such places at reasonable wage rates has been abandoned. The voluntary sector is examining ways round this through combining EF and TEGS. Such convolution should not be necessary. There is clear a need at present to create a programme of jobs for secondary workers. However, this scheme should also link into the formal labour market and groom agents to compete there. Those running this programme should be given the responsibility of marketing individuals to the city's business community. Employers could view potential recruits in a work situation and assess their suitability for employment on an ongoing basis. Greater incentives to recruit these agents should be available along the lines of the proposed mobile TEGS arrangements.

Keating ignored supply side measures in his proposals to eliminate 'dualism'. Involving individuals in a programme of Community business and voluntary sector projects may not provide permanent work but, if properly structured, could help break down the bias inherent in the city's labour market. In the long run, physical renewal and diversification of housing tenure are necessary if the estates are to lose their problem area image. It is clear that only central government has the resources to undertake either the short or long run proposals outlined above. Scottish Enterprise should not be allowed to obscure the fact that the market system will not, without considerable assistance, solve Glasgow's peripheral problem. Keating has highlighted the problem at a very appropriate time. Those involved with Scottish Enterprise in Glasgow should study this valuable contribution. Reading Keating helps clarify the issue and will hopefully result in further academic work on duality in Glasgow and finally encourage policies which face up to the nature and scale of the problem.

References

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