

Thinking about the Political Economy of Places whose Roles got Left Behind - a good while ago

Ian Gordon

Geography Department,
London School of Economics

Cambridge Political Economy Society
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A. Motivation



Starting Points

- Populist movements of varying kinds have come to the fore in a wide range of advanced economies within the past decade
- Though generally unexpected, the underlying tensions seem not to be at all new – but some common triggers + erosion of more integrative parties seems to have set them loose
- The UK movement appears not especially strong, but has had a particularly powerful strategic issue as its (current) focus – and is presenting a major challenge to the bipartisan structure of UK politics and its intellectual supports
- As elsewhere in Europe there is an uneven, and not entirely familiar geography to populist (Brexit) support. With various credible spatial correlates - not directly linked to recent economic developments. And (in England/Wales) no strong-place based themes, beyond a cultural distrust of a policy community lacking ties to 'somewhere'
- There is a political economy to be understood, in the association (sub-nationally) between political cultures and economic /occupational structures – rather than in terms of some recent spatial polarisation

Three Research Priorities Now

Understanding more clearly:

- the connections between current salient cultural discontents and evolving economic structures, relations, roles and outcomes
 - and the long/short run dynamics of these [*an aspect of political economy*]
- the different spatial (and social) scales at which these operate
 - and the relations between purely mix effects of spatial divisions and spatially differentiated processes [*the making/role of places*]
- what kinds of initiative, policy mix, approach and targeting might have potential purchase on the populist surge, and its more damaging aspects
 - rather than reinforcing suspicions about the forked tongues, gestural politics and unreality of the (national ?) policy community and its research agencies

This paper offers some direct contribution toward the first/second (conceptually in section B, empirically in C) - and a less direct one to the third (in section D conclusions)

B. Ideas in Play and their Relevance

Political Economies

- I take a political economy perspective to be one that: recognizes the importance of both 'political' and 'economic' forces/ processes; challenges the separation between these; and focuses on interactions between them
- Multiple examples in our field include analyses of:
 - the roles of class power in shaping processes/patterns of spatially uneven development;
 - the relations between powerful (local/external) economic interests and institutional structures in shaping territorial economic development activities
 - the interplay between landowners, mobile homeowners and fiscal interests of local authorities in shaping patterns of metro development
 - use of regional policy as a placatory device for left behind economies
 - local mobilisations against exploitative interests or unfair national policy
- But seemingly little on how different/changed economic roles may impact on perceived legitimacy of all elements of an established (liberal democratic) policy community ?

The Role of Places and their Making

At a simple level, observed political/economic outcomes may differ between places:

- simply because aggregate effects of external developments are affected by inherited compositional (*mix*) differences in their populations, economic activities, market orientation etc.; or also
- because differentiated processes affect how each responds to such shocks (*pure area effects*) – with a potential for these also to affect outcomes across a wider (e.g. national) area.

In Massey's (1984) SDOL framework, such effects are liable to arise (in retrospectively intelligible ways):

- with characters reflecting the sequence of roles they have occupied in the spatial division of labour
- with the labour roles not being simply abstractions but involving qualitatively distinctive ways of working, learning, interacting etc.
 - shaping the qualities of labour 'offered' by the place
 - but also its political culture (though this was less followed up)

How important then is geography to understanding & responding to the populist surge?

- Strong claims about this (not only by geographers) have tended to rest on:
 - broad-brush ‘readings’ of maps or
 - correlational exercises suggesting a relation between these and recent economic conditions, trends or severe austerity measures;
 - But:
 - very good statistical fits can be obtained in a variety of ways
 - all possibly reflecting different aspects of a causal structure – and/or
 - established patterns of differentiation across socio-economic factors
 - qualitative evidence suggests ‘cultural’ considerations more to the fore – and intensity of migration seems to play a significant role
 - And – none of this yet seems to establish the importance of pure area effects; or convincingly refute their irrelevance.
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And how does timescale alter this?

- The face-credibility of the Northern decline explanation for populist triumph in the UK owes much to a very long record of regional disparities in economic growth – at its peak in the 1980s.
- That may still matter, but only through mediating effects on structural factors of some kind.
- Among early aggregate studies of (district level) Brexit voting Langella/Manning (2016) stand out in showing strong negative associations between Leave voting and 1981-2011 employment changes in two important sectors (production and public services):
 - actually in their shares of total employment (versus that of private services)
- This effect can be removed by including extra contemporary structural variables – without undermining the case that long term change really matters – just not directly.

C. Some Empirical Work

Looking Again at Geography of UK Brexit Support in 2016

- This analysis has a particular focus on:
 - how the pattern of support is conditioned by labour market related factors; and
 - ecological 'place' effects related to these
- With the *Understanding Society* data on whether the UK should leave the EU, as with a series of previous studies (inc. Lee et al.)
 - but choosing to ignore most of the attitudinal, family background etc. material
 - and focus on the divisions of labour and place politics dimensions
- Two stages
 - fitting a purely individual level model (with c. 18k cases)
 - adding aggregate level versions of (mostly) same variable set – for urban vs. rural areas within 12 Govt Office regions (23 in all!)

Contextual (mostly labour-related) Influences on the Pattern of Remain Support

- In rough order of importance:
 - **Educational attainment:** most +ve for graduates^{***}, then other HE, then A level – all others neutral
 - **Identity factors:** White British ethnicity^{**} & CofE religion (both -ve) ; Scottish residence^{*} & N. Irish Catholic (both +ve); [Muslim neutral]
 - **Occupation:** professions most +ve; then managers/assoc profs /techs; admin; personal services/sales/elementary (neutral); trades/operatives (-ve); with protective servs/drivers most -ve.
 - **Age:** most +ve for 20-24; middle for 25-39; low/falling for 40+
 - **Sector:** -ve for production/transport; neutral for consumer and social servs; +ve for business and cultural servs.
 - **Work Status:** +ve for working and retired, neutral for U/E/others
 - **Work Role:** +ve for managers of large firms; -ve for supervisors/foremen; neutral for other managers/workers

Looking for Place-Specific Ecological Effects

- Place very broadly defined = one of 23 combinations of region (GOR) and urban/rural area
- Three types of ecological effect were tested for (via stepwise ML regressions – already including all individual variables plus a Scotland dummy):
- Area averages for the 11 individual level variables (omitting NI Catholics)
- Interactions between selected individual level variables and aggregate measures related to ‘migrant’ presence (the White British and Muslim proportions) – loosely reflecting ESS results, for cosmopolitan/localist sensitivities (Gordon, 2018)
- Similar interactions, but with both variables defined in aggregate terms (e.g. mean education x the White British share).

Comparing Individual and Mixed Regression

Model	Pseudo R ² (Nagelkerke)
A. 12 Individual level variables	0.170
B. plus a Scottish dummy	0.179
C plus GOR*urban/rural dummies	0.183
D.adding area means for <u>indiv vars</u> (but minus <u>GOR Urban dummies</u>)	0.181
E plus interaction effects also	0.182

Source: [multinomial logistic regression analyses](#) of data from the 2016 wave of the UK's longitudinal *Understanding Society* 2016 wave (supplied by UK Data Archive, Essex).

Notes: 1. The dependent variable is the 'remain' alternative in a normative question about the future of the UK's EU [membership](#). N=c 17,000; supplied weights have been applied to raw responses; 2. Reported results relate to equations restricted to variables significant at 5% or below (using forward stepwise estimation) 3. Potential interaction effects each involved an individual attribute (occupation, industry or education) and a measure of the share of White British or Muslims in the area [population](#) 4: individual attributes were initially scaled with weights from the individual regression, but following experiments, the industry mix variable was used in vector form, including each of 5 industry groups separately. |

Interpretation

- At this scale at least the impact of area effects (other than the Scottish factor) seem modest in relation to pure mix factors
- But there is evidence (when area averages) are included of ecological effects via:
 - (a) substantial positive externalities for remain support from presence of a more educated population and of a larger ratio of producer service to goods-related jobs; and
 - (b) a boost to leave support from the presence of a larger non-white/British proportion in the population
- Allowing for possible interaction effects between some potentially key influences on individual attitudes and the relative size of the non-white/British or Muslim shares of the population, one important (industry-related) effect was indicated with:
 - *workers in production/transport sectors (basically less supportive of remain) being much less affected by the presence of a larger non-white British population than those in service activities, who were more likely to support leave in that situation.*

Implications of this further small study

- The absence of evidently significant links between support and the incidence of unemployment again suggests that current local economic conditions may not have been very important
 - as might the modest scale of pure area (cf .mix) effects
- The salience of the White British factor at individual and ecological levels offers more support for the key role of ‘cultural’ factors in relation to area variations as well as the UK outcome
- There is, however, much evidence of more structural features of sub-regional labour markets - in terms of sectoral and occupational composition as well as worker qualifications - playing a very important role in the local Leave/Remain balance
- These are not attributes that are open to very radical change in the short-run (having developed over decades)
- The real challenge seems to be a national rather than regional or urban one ?

D. Moving On



Finding Policy Relevant Conclusions

- 3 years post referendum the chances of populism simply going away in UK politics seem low
 - the effect on the quality of government is, however, predictably negative.
- So what (does research show) could usefully be done
 - pretty little in my judgement
- Reactivate regional development policies?
 - but we really don't know that / how unbalanced (recent) development has been a major factor in the populist surge
- Restore national growth in productivity / real median wage
 - quite likely (though the link doesn't seem to have been tested). But if we knew how
- Implement a credible migration/integration policy
 - not easy, but surely possible, given a will – and more evidently relevant
- Demand and reward greater clarity/integrity/objectivity across the policy community ?

References

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