

# The longer-term impacts of deindustrialisation in the Northumberland coalfield and the Monongahela Valley steel towns

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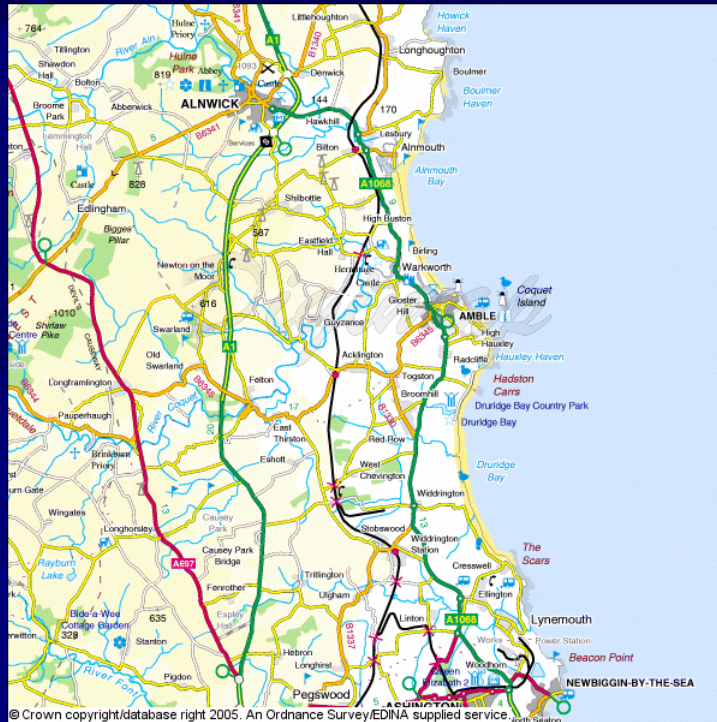
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# Introduction

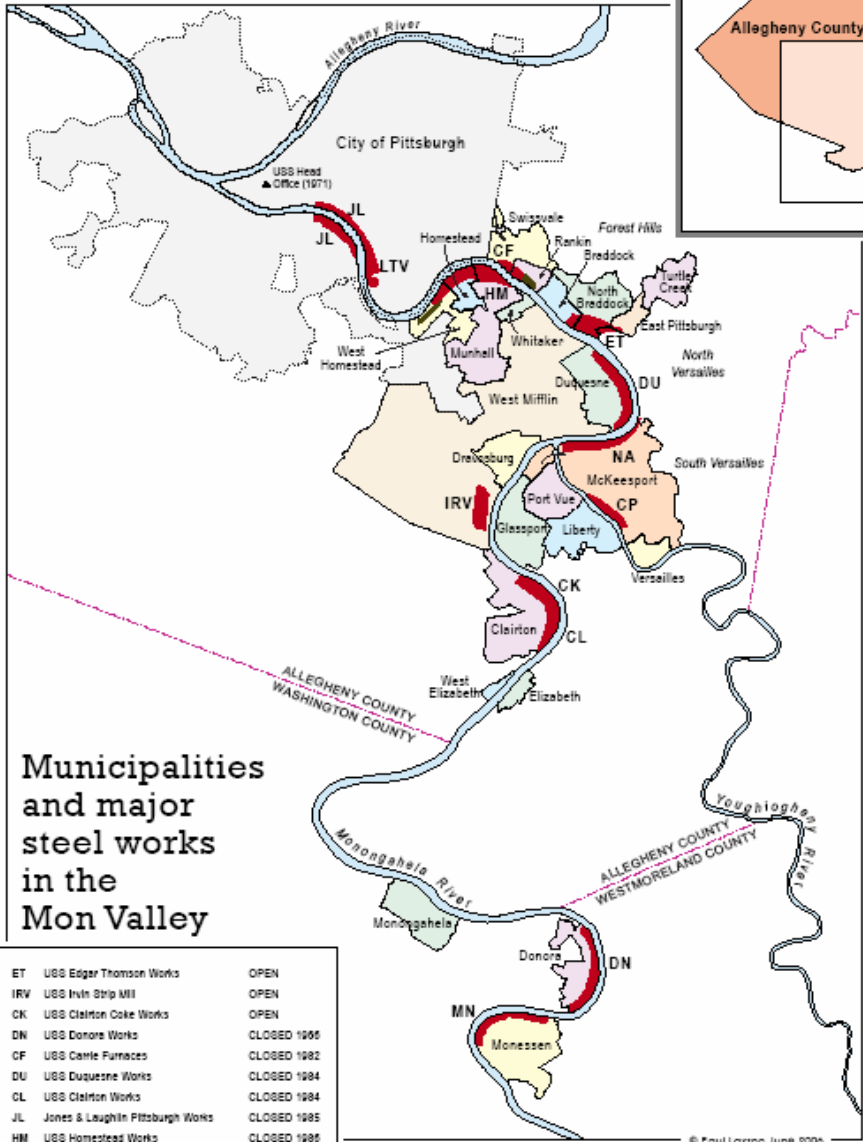
- ✦ Comparative case study of long-term impacts of industrial change in England and the US
- ✦ Quantitative analysis of trends in labour supply and demand
- ✦ ~60 in-depth interviews
- ✦ What are the main differences in patterns of restructuring and what are the impacts of these?

# Northumberland coalfield



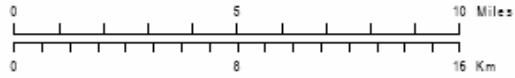
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### Municipalities and major steel works in the Mon Valley

ET	USS Edger Thomson Works	OPEN
IRV	USS Irvin Strip Mill	OPEN
CK	USS Clairton Coke Works	OPEN
DN	USS Donora Works	CLOSED 1995
CF	USS Carnegie Furnaces	CLOSED 1982
DU	USS Duquesne Works	CLOSED 1994
CL	USS Clairton Works	CLOSED 1984
JL	Jones & Laughlin Pittsburgh Works	CLOSED 1985
HM	USS Homestead Works	CLOSED 1986
CP	USS Chisley Park Works	CLOSED 1986
MN	Wheeling-Pittsburgh Monessen Works	CLOSED 1986
NA	USS National Works	CLOSED 1987
LTV	LTV Hazelwood Coke Works	CLOSED 1997



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# Deindustrialisation in the study areas

## Northumberland

- ★ More than 8,000 jobs lost in the coal industry in the 1980s (Beatty et al, 2005).
- ★ During the 1980s Bates, Ashington, Lynemouth, Woodhorn and Shilbottle collieries closed

## The Mon Valley

- ★ 20,000 steel jobs were lost in the Mon Valley mills in the 1980s (Pennsylvania Industrial Directory)
- ★ During the 1980s five US Steel mills closed in the Valley at Clairton, Duquesne, Homestead, Christy Park and National Works

Local demand for labour has continued to decline in the period since.

# Labour Market Accounts: 1980s

## The Northumberland coalfield

	Working age males	As % of 1981 EA pop.
1981; economically active	38,670	
1991: economically active	35,829	
Natural Change	458	1.2
<b>Participation increase</b>	<b>-2,927</b>	<b>-7.6</b>
Employment change	-5,440	-14.1
<b>Job shortfall</b>	<b>2,970</b>	<b>7.7</b>
Unemployed	807	2.1
Out migration	920	2.4
Government Schemes	1257	3.3

## The Monongahela Valley

	Working age males	As % of 1980 EA pop.
1980; economically active	52,627	
1990: economically active	41,758	
Natural Change	-1,809	-3.4
Participation increase	-1,532	-2.9
Employment change	-10,814	-20.5
<b>Job shortfall</b>	<b>7,473</b>	<b>14.2</b>
Unemployed	48	0.1
<b>Out Migration</b>	<b>7,531</b>	<b>14.3</b>

(Source: Census; Northumberland data provided by Beatty and Fothergill)

# Labour Market Accounts: 1990s

## The Northumberland coalfield

	Working age males	As % of 1991 EA pop.
1991; economically active	35,829	
2001: economically active	33,859	
Natural Change	137	0.4
Participation increase	-2,951	-8.2
Employment change*	241	0.7
<b>Job shortfall</b>	<b>-3,055</b>	<b>-8.5</b>
Unemployed	-2,073	-5.8
Out-Migration	-846	-2.4

## The Monongahela Valley

	Working age males	As % of 1990 EA pop.
1990; economically active	41,758	
2000: economically active	37,625	
Natural Change	-427	-1.0
Participation increase	11	0.0
Employment change	-2,397	-5.7
<b>Job shortfall</b>	<b>1,981</b>	<b>4.7</b>
Unemployed	-1,736	-4.2
Out Migration	3,717	8.9

\*Small increase is due to increasing numbers commuting: local demand has continued to decline

(Source: Census; Northumberland data provided by Beatty and Fothergill)

# Important adjustments

## Northumberland

- ✦ Increased out-commuting
- ✦ Rising numbers inactive, particularly growing numbers claiming Incapacity Benefit. 13.5% of working age males are claiming IB (DWP, 2004)

## Mon Valley

- ✦ Large-scale out-migration

# Northumberland coalfield: place-based coping strategies: commuting

- Net out-commute has increased by ~5,900
- Northumberland is a low-skill/ low-wage area, better opportunities are available in North Tyneside and Newcastle
- Highly structured by skill level- semi-skilled and unskilled occupations much less likely to commute
- Geographically differentiated

## Barriers

- The area has low level of car ownership and is poorly served by public transport: *'this is a very difficult village to get out of if you don't have your own transport, we have a bus service that might as well not be here if I'm quite honest'* (Coalfield Resident Interview: C8)
- Attitudinal barriers: *'there is still a sense of isolation, distance you know from Newcastle...that's still a culture, people will expect to work locally and not have to travel'* (Economic Development Worker Interview: M2)

# Northumberland coalfield: place-based coping strategies: Inactivity

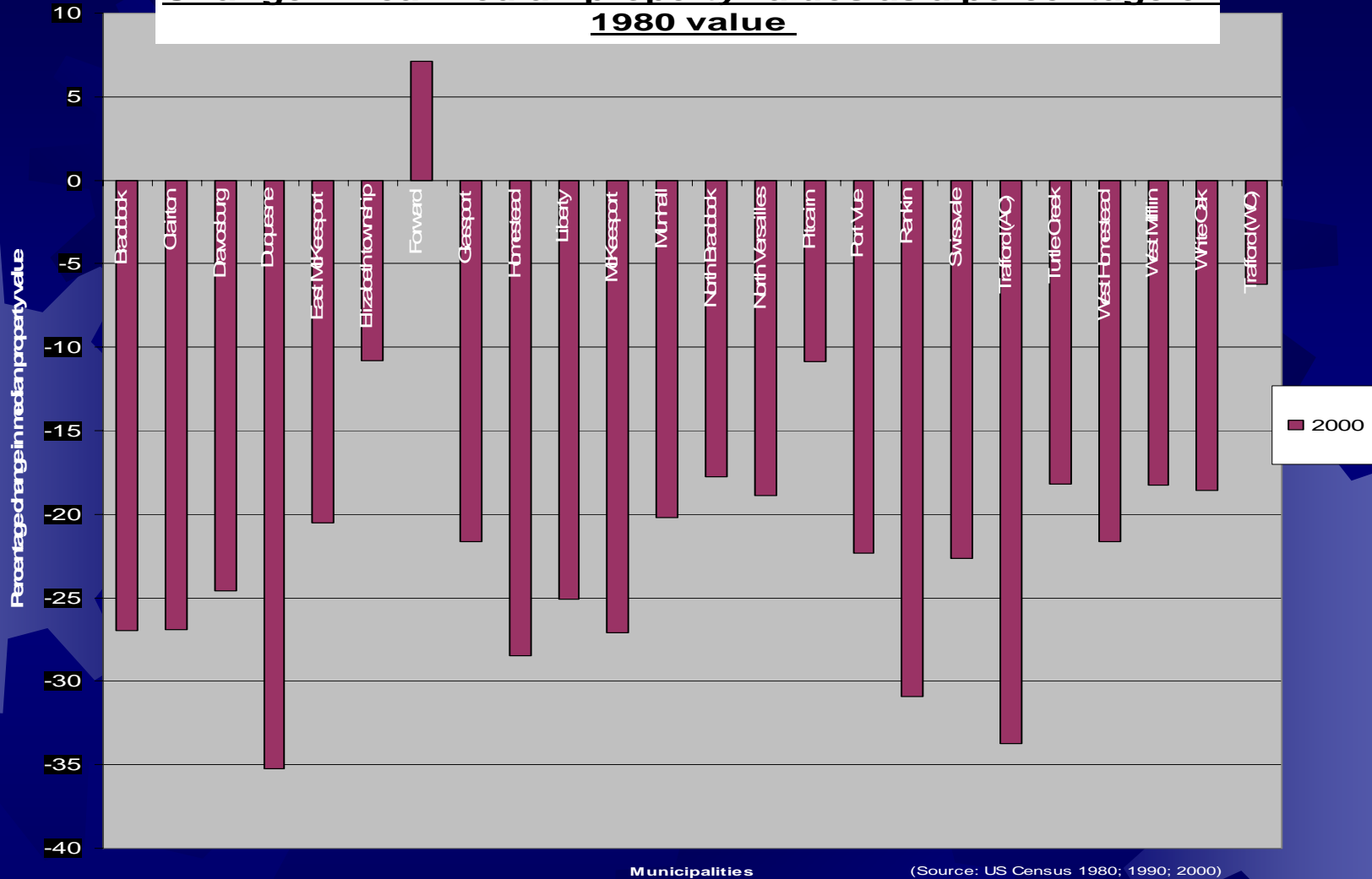
## Economic Inactivity

- ✦ Geographically differentiated
- ✦ Structured by age
- ✦ Polarisation of dual and no-earner households
- ✦ *that was the way it went with older guys, they were just going on the sick rather than actively look for work... like I say I was told to go on the sick cos I was 50, this is the dole officer said this, said if a job became available I'd have to take it or there's another alternative you could go on the sick (Former miner: EE1)*

# Mon Valley- the migration response

- ★ 25% decline of working age population between 1980-2000
- ★ The “best and brightest” left
- ★ Depressed housing market (median owner-occupied house values under \$40,000 in the mill towns).

**Change in real median property values as a percentage of 1980 value**



•Over this period the national median house price rose by 30% in real terms!

# Longer-term impacts: Northumberland

- ✱ Worklessness can become cyclical and inter-generational
  - ✱ *those who are second or third generation unemployed or on benefits or whatever tend to be the ones that this is the accepted norm this is what we do we sit here and we wait for our handout (Community worker: A2).*
  - ✱ *it's all sort of we'll get state benefits and they see it that if they come of their present state benefits they'll probably if it's a low paid job they may well be less well off, and so they stay on state benefits and then the next generation does the same you know (Coalfield resident: L2).*
  - ✱ *a lot of the people don't know any way of life other but benefits (Coalfield Resident: AH:1).*

# Longer-term impacts: the Mon Valley: 1

- The area became a fertile ground for slumlords and Section 8 landlords
- A social-demographic shift from working-class to welfare dependent and work-poor, with a rise in community tensions.
- Mill towns have always been segmented labour markets and segregated communities (strong bonding but weak bridging social capital) but recently there has been a reformulation of community divisions from an ethnic basis to an racial one.
- Tensions take the form of “old timers ” and “newcomers”, “workers” and “welfare dependents”, “homeowners ” and “renters”, “preservationists” and “tear it down” and “whites” and “blacks”- clear racial dimension to these distinctions.
- Housing decline- more than 4000 derelict houses and many occupied properties in a state of disrepair
- Fewer residents and fewer working residents has meant a falling tax-take (80% of total municipal revenues raised locally through tax, permits and service charges; UK ~20%). Decline in local service provision, the run-down of infrastructure and schools

# Longer-term impacts: the Mon Valley: 2

- ✱ *Clairton it's like blacks and whites kind of stay separate from each other, there is a club right at the corner of this street, Knights of Columbus, don't allow any blacks in you know, so there is tension... I mean even the business area whites don't come in the business area too often (Mill town resident interview: CL1).*
- ✱ *if all the poor people moving into Homestead were white there wouldn't be nearly as many complaints about Section 8 ...Homestead's now almost 60% African American and right through to the 60s it was a segregated community there were no black people living up on the hill or very few. So you know it's changed so much that the old timers here are still like, they carry an old point of view, they see it as the destruction of their town you know they're not even looking at the talent coming in, yeah it's been very stark and not just in Homestead but in Clairton, in McKeesport (Community worker interview: MV2).*
- ✱ *between section 8 and slumlords you know all you have to do is drive around the area, it's very sad, you know the house that's next door to the house I live in was Section 8...[the landlord] just got tenants in there who had public housing or Section 8 vouchers...some of the people who were in there were not the most desirable people, they destroyed the place...when a town gets a lot of those types of housing it's not productive housing, it's not families who are giving back to the community, it's not families who are even working to pay taxes they're basically just living there, they're existing (Mill town resident interview: NB2).*

# Conclusions

- ✱ 20 years after closures neither area shows much sign of recovery
- ✱ There have been some environmental and infrastructure improvements but worklessness remains a problem in the Northumberland coalfield and this can become inter-generational and cyclical. Issues also about the quality of local jobs and barriers to commuting remain
- ✱ There have been significant multiplier effects from the migration driven by the decline of steel in the Mon Valley. The housing market has collapsed, driving a social-demographic shift resulting in fractious community relations.
- ✱ In the absence of private capital, the limited availability of public money, greater reliance on locally raised revenue for public services, lack of public housing and the inadequacy of welfare provision mean the impacts of decline have been more devastating and entrenched in the Mon Valley