

# New Geographies of the UK Economy

<b>Research Group Affiliation</b>	Economic Geography Research Group
<p>The UK economy currently faces a series of major challenges in the early 21<sup>st</sup> century. Globalization, uneven development, migration, technological change, sectoral transformations and issues of sustainability are just a few of the key issues which present the UK with uncertainties as to the nature of future growth and prosperity opportunities. Furthermore, at the theoretical level, geographers and other social scientists have called the very idea of 'the UK economy' into question in the context of contemporary globalization. The ongoing integration of the European Union, the development of global production networks and the deepening complexity of global financial integration cast doubt on the relevance of the UK economy (defined in territorial terms) as an effective unit of analysis. All of these challenges and theoretical issues present an increasingly difficult task for those who seek to theorise and formulate policy in the UK at the national and various sub-national levels. These sessions seek to bring together the broad range of geographical research currently being undertaken on the UK economy. As this year marks the twentieth anniversary of the publication of 'The Economy in Question' (Allen and Massey, eds., Sage), it seems a particularly apposite time to be engaging in these discussions.</p>	
<b>Session Organisers</b>	Neil Coe (University of Manchester), Andrew Jones (Birkbeck, University of London), Mia Gray (University of Cambridge)

<b>SESSION 1</b>	
<b>Session Chair</b>	Neil Coe (University of Manchester)
<b>Paper 1</b>	Political-economic Changes Since The 1980s
Presenter	Doreen Massey (Open University)
<p>As ever, the economic geography of the United Kingdom reflects its position within a global economy, and international and national politics. One evident implication of this is that it might be helpful to distinguish, from the outset, between 'the economic geography of the United Kingdom', on the one hand, and 'the geography of the UK economy' on the other. The paper will explore the more significant changes that have occurred in both of these geographies since the pivotal decade of the 1980s. It will examine, for instance, the intimate relation between the geographies of power and economic prosperity within the UK and nationally rising inequality. A key role in this is played by that wide constellation of sectors congregated around finance and its production/reproduction of what we have come to call 'neoliberalism' (a term whose gestural usage might sometimes itself be questioned). Some of the discourses that maintain the hegemonic stories about the UK economy will be pointed to. And, if there is time, the question might be addressed as to what would happen if we faced the City down.</p>	
<b>Paper 2</b>	Changing Landscapes of Power: The City, Finance and the UK Economy
Presenter	John Allen (Open University)
<p>At the end of the 1980s, our understanding of power in the UK economy was largely shaped by the increasing dominance of the City and finance in a landscape where deindustrialization had eroded much of the strength of UK manufacturing. Power was thought about broadly in structural terms, and, post 'Big Bang', the City's structural power was seen to stem from its position in the circuits of capital which enabled it to dominate industry. In this economic landscape, power was conceived in more or less instrumental terms as a zero-sum game of domination and subordination. Fast-forward twenty years and what has changed? The City and finance, it would appear, are as powerful as ever, if not more so, but arguably what is new are the ways in which financial institutions have been able to continually force an economic redistribution in their favour and the role of geography in shaping that. In this paper, a more spatially-curious understanding of the power of the City is opened up which foregrounds 'how' financial and professional elites have engineered a 'financialized' economy to their advantage. In this more distributed, topological landscape, the instrumental power of finance works through quieter, more subtle, registers of power than that of blanket structural domination.</p>	
<b>Paper 3</b>	Tracing Transnational Space in London
Presenter	Mark Donnarumma (Birkbeck, University of London)
<p>My research aims to combine two different bodies of literature to suggest a possible way to illuminate the diverse and intertwining lives that are lived each day in 'global cities'. One recent approach to the study of</p>	

'global cities' has been MP Smith's (2001) idea of *transnational urbanism* which recognises that transnational social actors are materially connected in western urban cities to the social and economic fabric, political structure and cultural practices of their country of origin. Importantly, *transnational urbanism* conceptualises the city as being shaped by spatial scales - the local, regional, national and global - that overlap in the material and symbolic productions of urban space. Combining the research strategy of *transnational urbanism* with the study of commodity culture is one method which facilitates investigation of the links, interdependencies and 'betweennesses' that constitute the transnational in the city.

This study examines the effects of transnationalism in one area of London through investigation of Ghanaian entrepreneurs and how distribution and consumption of their products contributes to a transnational space in London. I intend to study the transnational networks of Ghanaian owned businesses; investigating these relationships using network theory offers a lens on the widely distributed processes involved in the place-making or social construction of urban life. Analysing commodity culture offers one possible route to trace mundane and unexamined practices, including the material, and their contribution to the transnational urbanism or (re)production of everyday urban life in the 'global city', providing insight into one important aspect of globalisation to the Capital.

## SESSION 2

**Chair:** Andrew Jones (Birkbeck, University of London)

**Paper 1** New Migrant Divisions of Labour

Presenter Jane Wills (Queen Mary, University of London)

This paper uses new empirical research undertaken in London to raise wider questions about Britain's migrant divisions of labour. Alongside a case study of one contract cleaning contract at Canary Wharf, the paper revisits existing theoretical and conceptual arguments about the role of migrant labour, labour market segmentation and employers' hiring queues to make the case for revitalised research in this field. The paper suggests that the notion of changing migrant divisions of labour can allow us to recognise the extent to which the economy is now dependent upon migrant labour; the particularly unstable and dynamic situation that exists with regard to the employment of migrant labour in low paid work; the important role of the state; the need to put immigration alongside ethnicity and gender as key factors in understanding labour market dynamics; and the wider implications for policy, politics and practice in the UK.

**Paper 2** We are all post-socialist now! The UK economy and the transformation of east central Europe

Presenter Alison Stenning (University of Newcastle)

The recent unprecedented waves of migration to the UK from Poland and other east central European states since 2004 have dramatically highlighted the connections between the UK economy and its eastern neighbours. Yet these migrations are just one particularly vivid indication of the growing relationships between east and west and a reminder of the need to seriously consider the meanings and challenges of post-socialism for the west as well as the east. In this paper, I explore this issue, with the help of varied literatures which theorise post-socialism, promote relational economic geographies and seek to provincialise (western) Europe, and I aim to interrogate the many ways in which post-socialism transforms the economic geographies of the UK. In the latter half of the paper, I work through the specific example of post-accession migration to highlight some of the particular political, ethical and theoretical questions that these developing connections provoke for our studies of economic geography.

**Paper 3** (Re)producing financial talent: business education and financial services in 'UK Plc'

Presenter Sarah Hall (University of Nottingham)

Within discourses of 'knowledge economies', highly skilled individuals have been identified as being essential for economic growth in an increasingly global world economy for some time. More recently, political attention has focused on how education and training can be used to (re)produce such a workforce. In the UK, this interest has manifest itself in a series of White Papers and government reports, culminating with the 'Leitch Review of skills' (2006). Whilst academic research has explored the geographical consequences of this burgeoning skills agenda at the lower end of skills spectrum, in this paper we concentrate on the role of education and training in (re)producing particular types of workers in elite labour markets.

In particular, we focus on how business education (offered by business schools, for-profit educational providers, consultants and professional associations) has responded to concerns that the competitiveness of London as a leading international financial centre will be hampered by a shortage of suitable 'financial talent'. We argue that rather than simply facilitating the (re)production of already 'talented' individuals, the burgeoning business education sector legitimates and engineers certain types of 'talent' that combine particular technical expertise with a range of embodied competencies. We conclude by considering the implications of this burgeoning business education sector for the skills agenda in the UK more broadly,

suggesting that it points to the growing political belief that bodies represent a crucial economic resource for the future economic growth of 'UK Plc'.

### SESSION 3

**Chair:** Mia Gray (University of Cambridge)

**Paper 1** Uneven Regional Growth Under New Labour

**Presenter** Ron Martin (University of Cambridge)

When New Labour came into power in 1997, it set about forging a so-called 'third generation' regional policy with the aim "over the long term [to] reduce the persistent gap in growth rates between the regions" of the UK. At the same time, regional policy was harnessed to help the macro-economic policy goal of raising national productivity in order to compete in a rapidly changing and increasingly challenging global economic environment. My aim in this paper is twofold. First, the paper seeks to examine what has actually been happening to the geography of economic growth over the past decade or so. Contrary to what policy intended, regional and local economic disparities have widened rather than narrowed, and at the same time a 'greater south-east' has pulled further ahead of the rest of the country. Indeed, regional and local economic disparities have widened more in the UK than in almost any other core member state of the EU. Second, the paper explores what these trends imply for explanations of uneven regional development and hence the design of regional policy. This is a key issue, since a shift in theoretical orientation is detectable in Government. Rather worryingly, the advocates of the so-called 'new economic geography' appear to have caught the attention of Government policymakers. The danger with the new economic geography is that it can be easily used to justify regional disparities as an 'efficient' equilibrium state of affairs, even to the extent of arguing that regional policies aimed at reducing such disparities will reduce national economic growth. The paper calls such thinking into question.

**Paper 2** Made in the UK? The changing geographies of manufacturing and work

**Presenter** Ray Hudson (Durham University)

Over the last three decades there have been significant changes in geographies of manufacturing employment in the UK, as a result of complex processes of restructuring driven by the competitive strategies of capital aided and abetted by those of the national state, with spatially differentiated effects at different scales. This paper does not seek to describe in detail the empirics of change but rather seeks to identify key processes that underlay those changes, including: changes in the 'new' international division of labour; the character of national economic policy in the UK; the sequences of nationalisation, rationalisation, privatisation; a concern to promote a new 'knowledge-based' manufacturing economy; increased out-sourcing and the changing social division of labour; changing geographies of the labour market and issues of employment, work and worklessness. Finally the paper will consider the issue what sort of economy will be possible in the UK in years to come.

**Paper 3** Macro and Micro Perspectives on the UK Knowledge Economy

**Presenters** Martin Frost (Birkbeck college, University of London) and Mark Hepworth (Birkbeck college, University of London)

Within the broader context of the Lisbon Agenda, current economic development policies at national, regional and local levels within Britain are dominated by the discourse of supporting and encouraging the development of 'knowledge intensive' economic activities. This paper presents the results of our macro and micro analyses of the knowledge economy and how they have been applied in different sub-regional and local policy contexts.

The macro analysis, using ONS data and a knowledge-intensive sector classification, benchmarks the economic performance of local authorities, individually and as part of sub-regions and regions. We illustrate this analysis with case study evidence from Basingstoke and Humberside, and discuss the issues facing policy-makers in these areas as they respond to the Sub-National Review of Economic Development and Regeneration.

The microeconomic analysis, focussing on the role of intangible assets in competitiveness, is based on ten case studies of 'knowledge-based' businesses located in the Thames Gateway. The studies identify success factors that influence business competitiveness – agility, reliability, and customer understanding. We relate these findings to an intensifying debate on the direction and scope of economic development strategies designed to promote the development of knowledge intensive economic activity throughout the national economy.

**Paper 4** City-regions: redrawing the boundaries of the UK space economy

**Presenter** John Harrison (Loughborough University)

Despite a rich scientific history, the 'city-region' concept has been enjoying something of a revival over the past decade. Divorced from views that predicted the 'death of distance' and the 'end of geography', the re-

emergence of the 'city-region' concept has reinforced the importance of dense nodes of economic and social activity within an increasingly globalised world. Amid claims that the idea of regions as territorially fixed is a stubborn conception, this paper draws on the experience of a post-devolution UK to critically assess the extent to which city-regions are constituted out of the spatiality of flow and relational networks of connectivity. Supported by empirical research undertaken on spatial initiatives like The Northern Way – a programme designed to develop a multi-nodal inter-urban network across and beyond the three northern regions of England – the paper will assess the extent to which these city-region developments constitute a relationally-networked embryonic national spatial plan. The paper will conclude by offering some remarks on the challenges this might present, its impact on future economic growth, and the prospect for generating meaningful economic prosperity across the UK.

#### SESSION 4

**Chair:** Neil Coe (University of Manchester)

**Paper 1** The British provincial financial centre revisited

**Presenter** Andrew Leyshon (University of Nottingham)

This paper revisits debates around the North-South divide within the UK, and in particular the constitutive role of the financial services sector. During the 1980s, the financial services industry played an ambivalent role in the creation of a North-South divide. On the one hand, it was clear that the rapid growth of the London financial district was fuelling an accumulation of wealth in London and the South East that contributed to a widening of the economic and social gap with the North. On the other hand, financial services employment increases were not confined to the South and the financial services industry was an important engine of economic growth beyond the South East, as a number of key provincial financial centres benefited from the increasingly global role and focus of London. This paper considers the contemporary geography of British provincial financial centres 20 years on. It suggests that against a background of the broader financialization of the UK economy the financial services sector has, in recent years, played a more active and less ameliorative role in the widening North-South divide.

**Paper 2** Legal services in the English Regions: Spatial Divisions of labour?

**Presenters** James Faulconbridge (Lancaster University) and Daniel Muzio (Leeds Business School)

Since the emergence of the so-called 'provincial financial centres' of Bristol and Leeds as a result of 'big bang' in the City of London (Daniels, Leyshon and Thrift, 1988; Leyshon, Thrift, Tommey, 1989) there has been debate about the importance and competitiveness of regional business services (Daniels and Bryson, 2005; French and Leyshon, 2003; Wood, 2006). Often this debate is couched in the context of the centripetal and centrifugal forces of the City and the effects on the innovativeness and knowledge intensity of regional services. In this paper we draw and these debates and use data collected from a series of interview with corporate law firms in London, Manchester, Birmingham and Leeds to examine the spatial structure of corporate legal services in England. We argue that whilst there is a spatial division of labour it is possible to identify a range of competencies and competitive advantages above and beyond price differentials that allow regional law firms to exploit their relationality with the City. Moreover there is an increasing role for regional centres in an international division of labour, something often associated primarily with London and its world city status. We, therefore, conclude by suggesting that whilst the function of business services in the English regions needs to be understood as in part determined by the City's role in the global economy, this relationship has the potential to upgrade the role of the regions and their knowledge-base and should not just be viewed as producing 'back-offices' to the City.

**Paper 3** Knowledge, Place and Power in Scottish Life Science Commodity Chains

**Presenter** Kean Birch (University of Glasgow)

The aim of this paper is to conceptualise how the bioeconomy – as it is increasingly known – enables actors to capture value from the life sciences as a consequence of horizontal and vertical knowledge relationships between diverse social actors. Such knowledge interactions are not only mediated by place and scale, but also embed place and scale through the construction of particular knowledges. By drawing on data from a new research project and existing studies in economic geography (e.g. culture circuit of capital, global production networks) and economic sociology (e.g. global commodity chains) this paper will consider how different markets exist at different scales and therefore create value through different processes. The iterative knowledge ties from horizontal and localised relationships differ from vertical and globalised knowledge ties necessitating alliance-based governance and co-ordination along life science commodity chains. Local practices embed knowledge in place, whilst global discourse embed place in knowledge meaning that the capture of value from the life sciences is contingent upon not only the ability to access tacit, face-to-face knowledge, but also the ability to influence commodity standards and social meanings. In conceptualising this dual process, this paper will build upon and go beyond the limitations of the existing locally-bounded perspectives represented by cluster, regional innovation system and network theories, and will draw on recent research on the spatial configuration of knowledge linkages in the Scottish life sciences sector.

<b>Paper 4</b>	Unlocking Economic Systems with Agent-Based Computational Economics: The EU Leasing Market
Presenter	Vlasios Voudouris (London Metropolitan University)
Co-author	Haris Kondylis (McKinsey & Co)

Studies of economic systems must consider how to handle interdependent feedback interactions of micro behaviors, interaction patterns and macroscopic regularities. The Agent-Field framework is an approach for agent-based computational economics. In this framework, models of economic systems are viewed as a collection of multi-scale and structured agents operating in indeterminate economic environments conceptualized as continuous, differentiable fields with variable levels of spatial uncertainty. We propose formalization of the Agent-Field framework using the Unified Modeling Language. We explore potential advantages and disadvantages of the framework for the study of economic systems using the EU leasing market. This enables us to formulate an initial frame representation of major economic agents for the EU leasing market. We predicted the direction of the Central and Easter cluster of Europe's high growth economies can be expected to take, as its economies move towards higher prosperity levels. Within the scope of the work, it has been shown that the Agent-Field framework is an intuitive rather than an abstract process in modeling economic systems. This intuitive process needs more understanding of the interactions between the economic environment and the agents within it. The Agent-Field approach seems ontologically well founded for the growing field of agent-based computational economics.