

SCOTTISH SOCIAL INCLUSION POLICY: A CRITICAL ASSESSMENT

David Webster

The argument of this paper is that, to date, policies on 'social inclusion' in Scotland are placing a wholly insufficient emphasis on promoting jobs that are accessible to the unemployed in terms of both skills and location. This is happening for two reasons: first, the dominance of 'supply-side' economic theories among the government's advisers, and, second, the inheritance of Scottish policies on economic development and area regeneration since the 1960s. The paper argues that to be effective, Scottish policy will need to shift radically in the direction of heavier investment in derelict land reclamation and urban transport infrastructure, along the lines followed by the English, Welsh and Northern Irish urban development corporations. This would in itself be a more environmentally sustainable development strategy than that currently being pursued.

The discussion focuses particularly on Glasgow, which accounts for half of measured 'social exclusion' in Scotland, but the analysis applies to most disadvantaged areas and reference is made to many of them.

David Webster MA MBA FCIH is Chief Housing Officer (Policy Review and Development), Glasgow City Council. He has previously worked on industrial location at the Board of Trade (1969), labour markets at the London School of Economics (1969-72), and housing at the London Boroughs Association (1972-76) and Centre for Environmental Studies (1976-80). He carried out a study on Glasgow's strategic future for the Chief Executive's Department in 1990 and led interagency groups developing the strategy of the Glasgow Regeneration Alliance in 1993-96. He has recently acted as a specialist adviser on poverty-related issues to Committees of the House of Commons. This paper arises out of a programme of research into the validity of prevailing assumptions about urban regeneration. An earlier version was presented at the Local Government Information Unit/Warwick Business School Seminar 'Local Authorities and Social Exclusion' at Hamilton on 2 July 1999. The views expressed are not necessarily those of Glasgow City Council.

THE SCOTTISH 'SOCIAL INCLUSION' PROGRAMME

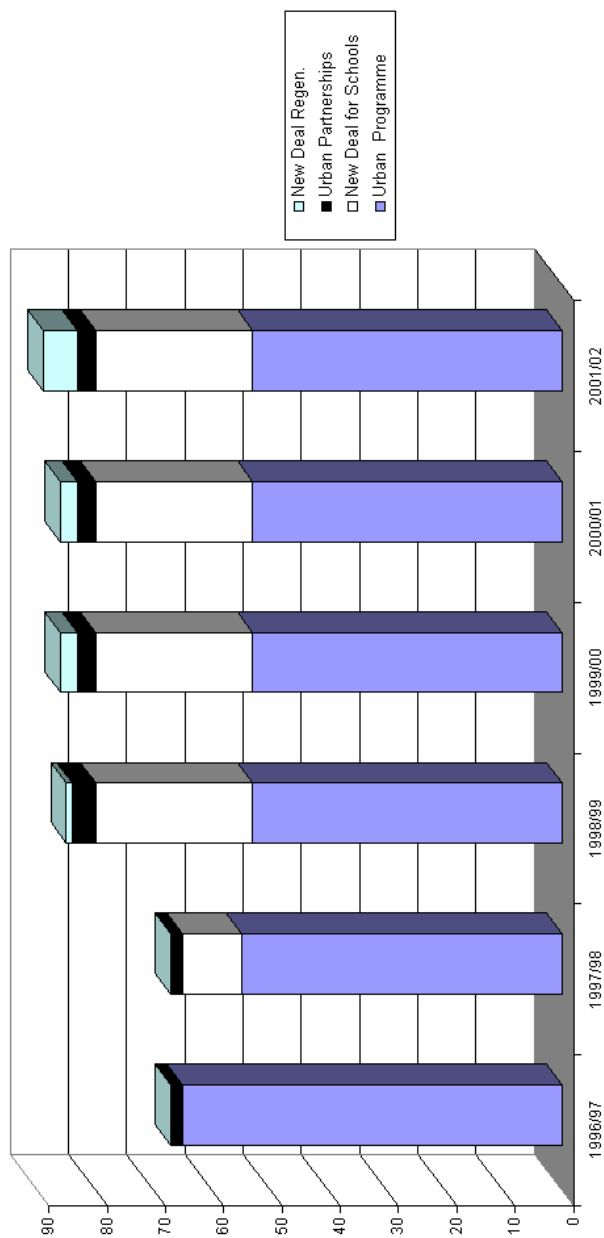
In the Scottish Office Social Inclusion strategy paper (1999b), the term 'social exclusion' for the most part means the same as the more traditional term 'social deprivation', comprising unemployment, low income, poor housing, high crime environments, poor health and family breakdown. Homelessness and neighbourhood decline have already been the subject of reports by the Social Exclusion Unit and should be added to this list.

The Scottish Office paper does not discuss the causes of the problems. However the intellectual basis of the Blair government's policies is well known. Neoclassical supply-side economists, notably Richard Layard (now an adviser to the Department for Education and Employment), have won ministers to their view that high unemployment is due to a combination of two factors: the supposed deleterious effects on the labour force in terms of skills and motivation of the experience of high unemployment in the 1970s and 1980s resulting from the 'shocks' of the oil price hike and the overvalued pound; and the supposed encouragement of 'idleness' by the social security system. The Labour front bench has been persuaded by American conservative writers such as Charles Murray that the rise in lone parenthood is due to the supposed perverse incentives created by the social security system. The other problems are seen as mainly resulting from these, with for instance low incomes impacting directly on health (as well outlined in the 1998 Scottish green paper on health) and a combination of unemployment and family breakdown causing multiple problems for young men.

Given this perspective, the main thrust of 'social inclusion' policy lies in Westminster programmes - the New Deals and 'welfare reform'. These aim to raise 'employability' and persuade people into jobs, and to remove the supposed incentives to lone parenthood. The New Deals involve substantial expenditure - roughly £70m per year in Scotland - and 'welfare reform', while intended to save money, is shifting very large sums around. The Working Families Tax Credit (WFTC), for instance, costs £182m gross per year in Scotland. By contrast, policies which will be under the control of the Scottish Parliament are to date comparatively minor and inexpensive. They involve such things as 'new community schools' (£27m per year); low budget area- and client-group based 'Social Inclusion Partnerships' (SIPs), of which 26 new SIPs share £16m per year (£0.6m per SIP); the small New Futures Fund (£3.3m per year), which is essentially an extension of New Deal programmes to the most disadvantaged younger people; exploration of ideas for local management of services ('Pathfinders' in Easterhouse and Wester Hailes); and local anti-poverty action. This programme has been financed to the extent of

some £12m per year by redirecting money from similar Urban Programme projects, leaving some £25m per year of new money (Scottish

Figure 1
SCOTLAND: SOCIAL INCLUSION AND URBAN PROGRAMME SPENDING 1996/97-2001/02 (£m)



Office 1999a) (Figure 1). This picture reflects the general point made by Ashcroft (1999) that the Comprehensive Spending Review has not produced any substantial re-allocation of resources between Scottish programmes.

At the same time, large cuts have been made in other budgets which are impacting seriously on the areas of greatest deprivation. Glasgow City Council alone had to cut £180m per year in revenue spending and raise Council Tax 58% in the three years following reorganisation in 1996 (Carmichael and Midwinter 1999). Consequent service cuts have led among other things to an increase in children in care and closure of Glasgow's Citizens Advice Bureau (Glasgow Evening Times, 8 December 1998, 18 June 1999). Across Scotland councils are estimated to have cut their private housing renewal programmes by almost two-thirds or £73m per year between 1995/96 and 1998/99 (Chartered Institute of Housing 1998).

Scottish Enterprise total gross expenditure – a key element in regeneration – has fallen yearly from £476.9m in 1996/97 to £430.2 in 1999/00 and although rising thereafter will not have regained the 1996/97 level even by 2002. Scottish Enterprise total land development has been reduced from a target of 570ha, with an outturn of 390ha, in 1998/99 to a target of 350ha. in 1999/00, while its renewal of land 'to support the regeneration of areas of high unemployment and deprivation' has bumped along with targets of 70ha. in 1996/97 (outturn 40ha.), 60ha. in 1997/98 (outturn 45ha.), 88ha. in 1998/99 and 90ha. in 1999/00. A Scottish Office/PIEDA study **Towards a Strategy for Vacant Land** (1997, para.7.31) pointed out that in Scotland, unlike Wales, there are no targets for land treatment. It recommended targets to deal with all dereliction considered to have serious adverse environmental effects by 2010, and to ensure that no local authority in Scotland has more than 0.5% of vacant land by 2010. However, no such targets have been set, while the only road scheme with serious benefits in terms of derelict land development - the M74 completion from Cambuslang to Kingston - received no funding in the Scottish roads programme announced in November 1999.

Proposals for large-scale investment in council housing renewal through stock transfer with accompanying debt write-off are seen by Scottish ministers as a key element of social inclusion policy. In Glasgow's case, the proposal is for some £1bn of spending on some 75,000 remaining houses, commencing in about 2001. But in spite of continuing verbal commitment to 'comprehensive regeneration', this is not being accompanied by similar proposals in relation to other elements of regeneration. The Secretary of State's letter to the chairman of the Glasgow Regeneration Alliance (12 December 1997) stated

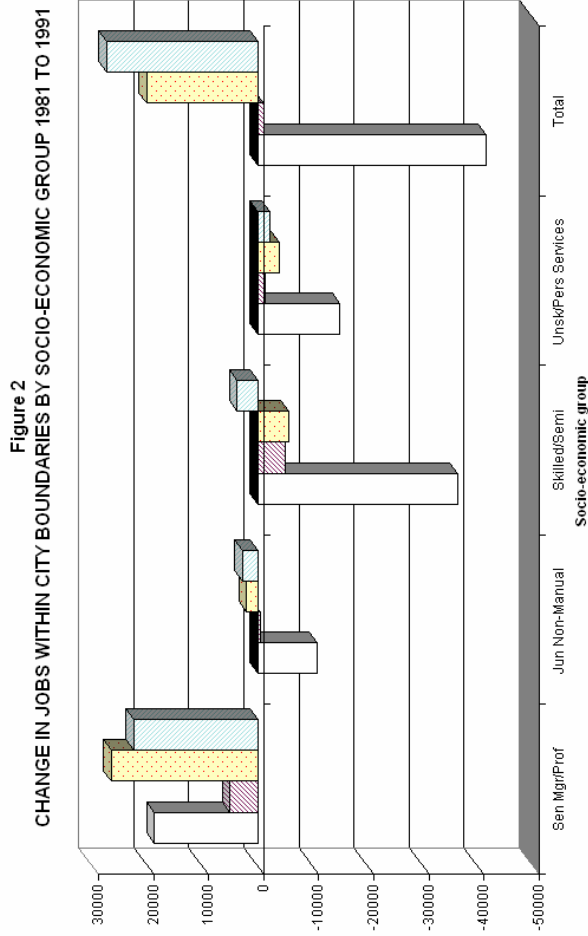
that 'there is no prospect of any significant increase in the resources available to Glasgow' and requested that a new strategy be drawn up 'on the assumption that no additional public resources can be provided'. Given that the strategy was for implementation (by the renamed Glasgow Alliance) from April 1999, when the government started to increase public expenditure after the cuts of 1997-99, this actually implies that regeneration in Glasgow is being planned on the basis of a declining share of public resources.

THE ROLE OF JOB LOSS

The analysis on which the government's policies are based has overlooked the evidence that it is the loss of blue collar jobs from the cities and coalfields which is the overwhelmingly important cause of 'social exclusion'. In the USA in the later 1980s, John Kasarda and William Julius Wilson showed the relationship between the disproportionate loss of jobs from the cities and the growth of the so-called 'urban underclass'. In Britain, a similar analysis has now been provided by Turok and Edge (1999) for the cities and Beatty et al (1997b) for the coalfields. There has been a net loss of 500,000 jobs in the 20 largest cities in 1981-96 and 160,000 male jobs in the English and Welsh coalfields 1981-91, at a time when employment has grown elsewhere. These authors' 'labour market accounts' show that little adjustment to this loss has been possible through migration and commuting. Most of the effect has taken the form of a rise in economic inactivity, particularly among men. The problems have been exacerbated both in Britain and the USA by the unbalanced nature of job change. Losses of male manual jobs have been much the largest, while white collar jobs and employment for women have actually increased (Figure 2). Comparison of the changes in the employment base of, for instance, Glasgow and Philadelphia over the last two decades shows a virtually identical picture in these terms; it is not surprising that very similar problems have emerged.

The story behind the decline of coal is well known. The loss of manufacturing employment from the cities is much less widely understood. Two processes have been at work. First, the general deindustrialisation which was at its peak in the Thatcher-Howe recession of 1979-83 but has continued in the Lawson recession of 1990-93 and now in the manufacturing recession of the past year. This has affected the industrial cities disproportionately because they grew up as manufacturing centres and had so many manufacturing jobs to lose (although the current recession has impacted less on cities because they have already lost so much of their manufacturing). But there has been a second, equally important process, known as 'urban-rural manufacturing shift', well documented in both Britain and the USA, in which manufacturing has

steadily moved out of cities to smaller towns and rural areas as a result of property constraints (Fothergill et al 1985).



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The Scottish Office analyses of social deprivation in 1991 (Duguid 1995) and 1998 (Gibb et al 1999) show a clear spatial pattern reflecting these processes. Much the largest concentration of deprivation (half the total) is in Glasgow, as a direct result of the city's huge loss of manual jobs. This loss in 1981-91 was more than that in the rest of Scotland put together, although Glasgow had only 18.5% of Scottish employment in 1981. MacInnes (1995) has outlined the huge scale of Glasgow's deindustrialisation. Other major manufacturing centres such as Dundee and the inner Clyde valley from Motherwell, Coatbridge and Airdrie through to Greenock also show up strongly as do former mining areas such as Cumnock and Doon Valley - which had the misfortune to lose not only all its remaining mining jobs between 1981 and 1991 but 85% of its manufacturing as well. It might seem that Edinburgh contradicts this simple picture. Here employment has grown well yet there are large concentrations of deprivation. The basic explanation is straightforward: the nature of job change has been similar to that in other cities, so that even as white collar jobs have multiplied, manual jobs have declined (Figure 2). It is these latter jobs which provided the employment base of the deprived areas. Meanwhile the New Towns, beneficiaries of large infrastructure investments and heavy promotion of inward investment, were virtually free of measured social deprivation in 1991. And while frequent references are made to the presence of 'social exclusion' in rural areas, the reality is that most, with the exception of the Western Isles, have had prospering economies and populations growing as a result of in-migration by relatively prosperous people (Findlay et al 1999).

Official claimant unemployment statistics give a thoroughly misleading picture of the geographical pattern of unemployment and this has led to widespread confusion about the links between job loss and unemployment and between unemployment and other aspects of deprivation (Webster 1998a). Beatty et al (1997a) have produced estimates of 'real' unemployment taking into account the concealment of much unemployment in the form of economic inactivity, especially long-term sickness. They reveal a pattern corresponding closely to that of job loss and social deprivation. At January 1997, Glasgow had estimated 'real' unemployment of 30.6%, Cumnock and Doon Valley 28.7%, Monklands 27.8%, Motherwell 26.8% and Clydebank 26.7%.

The geographical distribution of lone parenthood closely mirrors that of unemployment. Glasgow's **Housing Plan 1996** pointed out that across the Scottish local authorities, lone parenthood had risen between 1981 and 1991 closely in line with the level of unemployment. Since then, further research on the Census data by several authors has confirmed that this relationship applies right across Britain (Figure 3). A weight of time series, cross section,

longitudinal and ethnographic evidence has been assembled in support of the view that in both Britain and the USA the rise in lone parenthood has been mainly due to localised mass unemployment (Webster 1997b, 1999). Carruth and Oswald (1991) have also estimated on the basis of English evidence that a doubling of the unemployment rate in an area raises the number of children in local authority care by about two thirds.

Unemployment and family breakdown in their turn lead to homelessness. Since the 1960s, explanations of homelessness in the British literature have mainly stressed housing shortage or personal inadequacy. It is, however, clear from the Glasgow evidence that unemployment plays a fundamental role (Glasgow's **Housing Plans** 1993, 1996, 1998; Fitzpatrick 1999). In more prosperous parts of Scotland with growing populations, the homeless are commonly families hit by shortage of social housing. But in Glasgow and similar declining areas most homeless people are single, with lone parents much more numerous than couple families, and there is no shortage of mainstream social housing. The single people are usually older men who have separated from their spouses – the husbands of the lone parents - or young people hit by both family breakdown and their own unemployment. This type of causation is borne out by systematic statistical study of homelessness in the USA (Burt 1991).

Low demand for housing with associated neighbourhood abandonment has been a dominating problem in Glasgow, Dundee and a few other Scottish areas for a decade or so. It has recently been acknowledged as a problem in most of the northern English cities and coalfields. Research has shown that a fundamental cause is employment loss and the resulting unemployment, which has led to outmigration (Webster 1998b). The significance for social exclusion is that the neighbourhood decline resulting from population exodus leads to a raft of unpleasant consequences for the remaining residents in terms of empty housing, rundown of facilities and loss of security; those residents themselves are likely to be those least able to leave - the elderly and those who find it difficult to compete in the labour market - leading to a further concentration of deprivation.

THE CAUSAL STRUCTURE OF THE SOCIAL EXCLUSION PROCESS

These various processes form a complete causal structure linking all the important aspects of social exclusion (Figure 4). At the apex is job loss, particularly manual. This leads to unemployment. Unemployment in its turn leads to the trio of poverty, outmigration and marital/relationship breakdown.

These in turn lead to other consequences: poverty to ill health, low

Figure 3
GB DISTRICTS: FEMALE LONE PARENTHOOD BY MALE UNEMPLOYMENT, 1981 and 1991

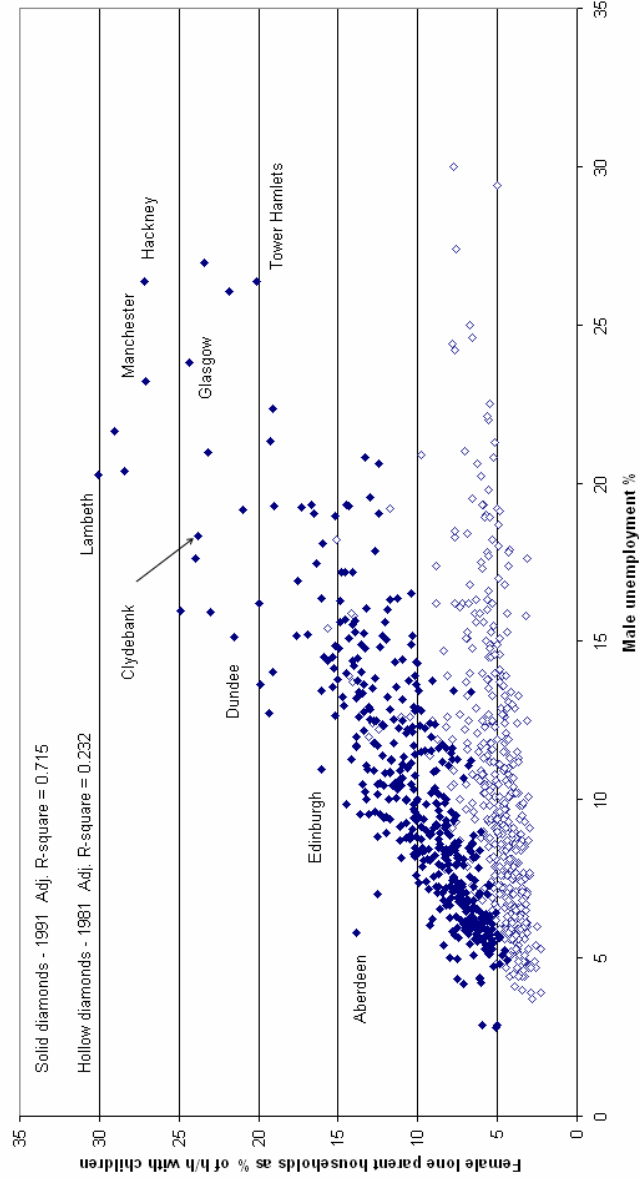
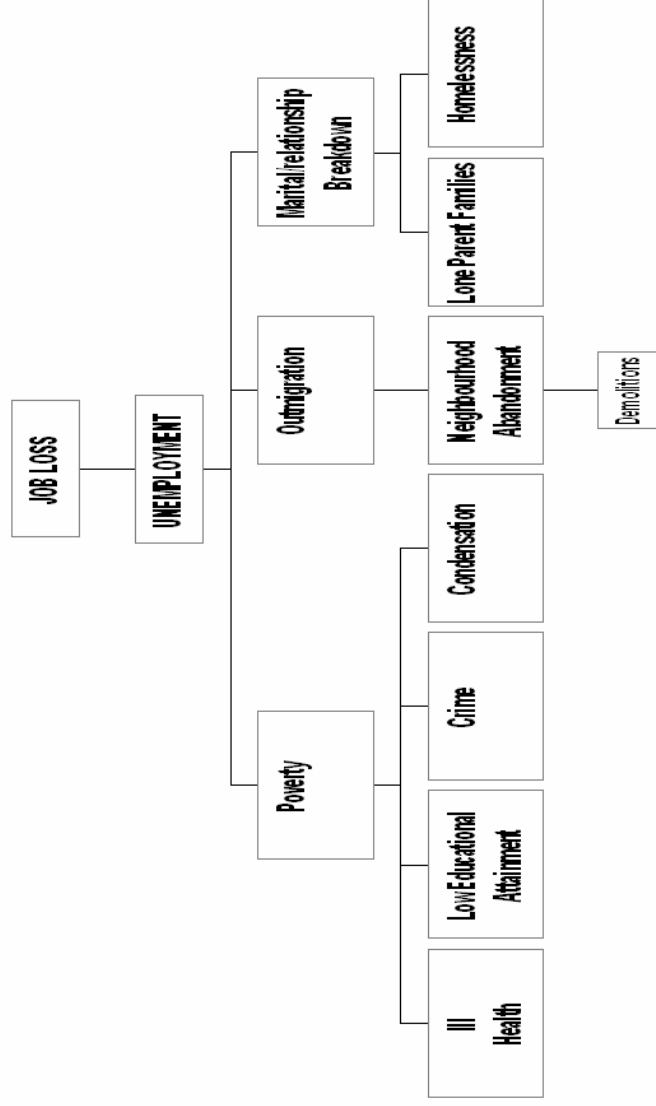


Figure 4
SOCIAL EXCLUSION: THE CAUSAL STRUCTURE



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educational attainment, drug abuse, crime and condensation in housing; outmigration to empty housing, neighbourhood decline and demolition; and marital or relationship breakdown to lone parent families and to homelessness among these families, the separated male partners, and their teenage and young adult offspring.

This picture of the causal structure of social exclusion is not completely different from that held by the government. In particular the links between unemployment and poverty, and between poverty and ill health, and poverty and condensation, are accepted by the government, and there is also a readiness to connect poverty with crime. However, the government does not think that there is any important link between job loss and unemployment (which it sees as a 'supply-side' issue), or between job loss, marital breakdown and the growth of lone parent families, or between unemployment and homelessness. It accepts that unemployment leads to outmigration and indeed this is seen as the main way in which workers should adapt to job loss (HM Treasury 1997). However it rarely makes the connection between outmigration, empty housing and demolitions. Finally, it puts little weight on the link between poverty and low educational attainment. Influenced by the 'school effectiveness' movement, it argues that children can perform much better even while they and their families remain poor and local employment prospects weak. This links back to the 'supply-side' beliefs about unemployment. If as a result of 'education, education, education' young people have more skills, then it is thought that more jobs will materialise for them to fill.

The fact that the government's account of the causal linkages underlying social exclusion differs from that outlined here is largely because its thinking does not reflect recent evidence. Layard's views are based on data running only to 1986 and were published in their final form in 1991; Frank Field published his influential book **Losing Out**, which contains most of the government's significant ideas on social policy, in 1989; the Social Justice Commission report was finalised in the summer of 1994; and the Labour front bench adopted the ideas of 'welfare to work' in 1995. This timetable has meant that little or no later research has yet been seriously considered, in particular that based on the 1991 Census results which only became available in 1993 and 1994. The assumption has been made that a strategy for government could be drawn up well before taking office, and that thereafter the only issues are implementation and marketing of the 'message'.

THE OUTLOOK FOR SOCIAL EXCLUSION UNDER CURRENT POLICIES

The trends in employment and migration in most of the deprived areas of Scotland remain unfavourable. In Glasgow, for instance, a fall of 37,800 (44%) in manufacturing employment in 1981-91 has been followed by a further fall (on the new boundary) of 11,500 (27%) between 1991 and 1997. Service employment grew in 1991-97 by 22,800 (9%), but, as the **Glasgow Economic Monitor** recently pointed out, these jobs are often female and part-time. Overall, female part-time jobs rose by 12,800 (21%) but male full-time jobs - the basis of the traditional family structure - fell by 14,500 (9%) over these six years. Total employment growth was only 4,277 (1.3%), well below the Great Britain figure of 5.9%. All of these figures refer to jobs located within Glasgow rather than to the employment of Glasgow residents. Sample evidence from the Labour Force Survey suggests that employment of Glasgow residents actually fell between 1994 and 1999 (by an estimated 4%) against a Great Britain increase of 7.1%. While the number of Glasgow resident unemployed also fell, the total number of non-employed residents - a more reliable measure in view of the processes discussed by Beatty et al - actually rose by an estimated 2% against a Great Britain fall of 5.4%. The LFS results for Summer 1999 show Glasgow with the lowest working-age economic activity rate in the whole of Great Britain, and the joint highest unemployment rate. The rest of Scotland has also done relatively poorly (Figure 5; Webster (forthcoming)).

Some other areas with severe deprivation have also performed badly in employment terms. While Inverclyde, fortunate in having Enterprise Zone status, almost doubled its manufacturing employment (by 4,800 or 95%) in 1991-97 and had a modest overall increase in jobs of 4.2%, E.Ayrshire lost a quarter of its manufacturing jobs and S.Ayrshire, N.Ayrshire and W.Dunbartonshire had total job losses respectively of 12.5%, 8.8% and 16.3%.

The difficulty of implementing 'supply-side' labour market policies in these labour demand conditions is easily seen from Figure 2 (above). In 1981-91, Glasgow and Dundee both had losses of junior non-manual jobs as well as of manual jobs, so that upskilling would have had to shift substantial numbers of blue collar workers into the managerial and professional category - a tall order.

Migration patterns continue to reflect the loss of jobs from the urban areas of the west of Scotland. In 1989-98, most Health Board areas gained population, with Lothian gaining 26,600 and Grampian 17,600. But Greater Glasgow,

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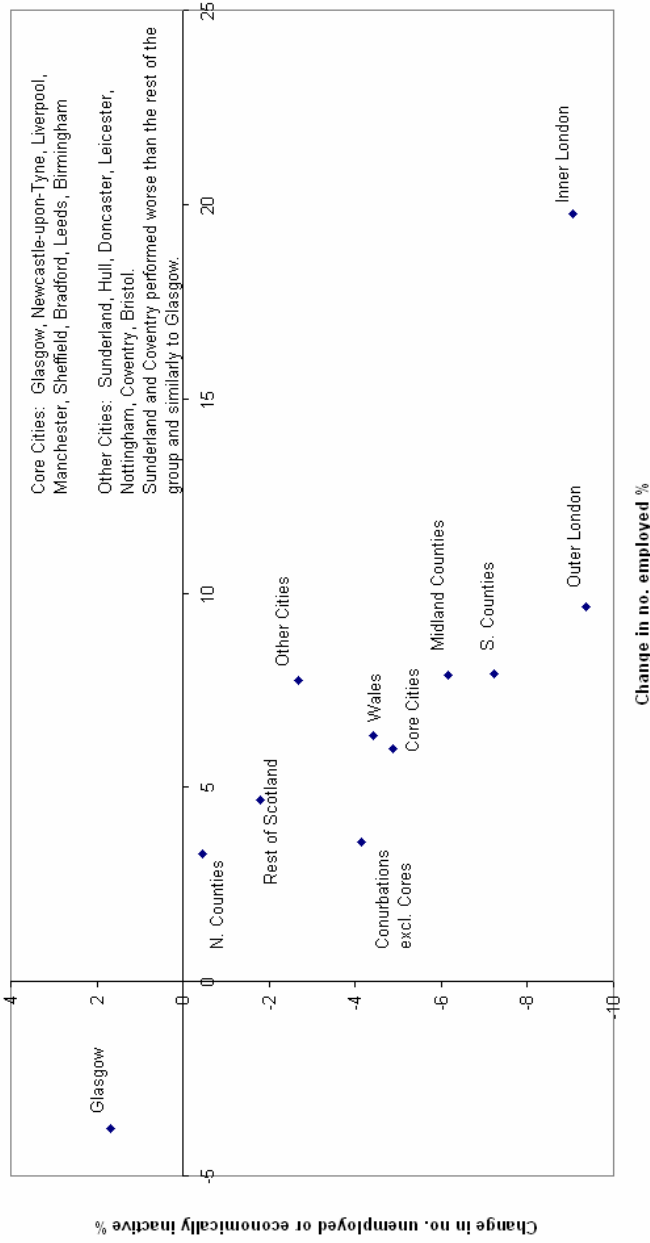
Argyll and Clyde, Lanarkshire, Ayr and Arran and Western Isles all had losses, of 21,500, 13,100, 1,400, 1,000 and 2,060 respectively. Population projections for Scottish council areas show a similar pattern, with a striking 18% fall for Inverclyde in 1996-2013, 10% for Glasgow and E.Ayrshire, 9% for Dundee and W.Dunbartonshire, and 8% for Western Isles.

Against this unfavourable background the New Deals cannot be expected to increase employment levels significantly, however many people may be placed into jobs, while neighbourhood decline can be expected to continue. Moreover, a powerful critique of the welfare to work approach has been emerging. In the USA, which is some five years ahead of the UK on the 'welfare to work' road, Pugh (1998) and others have established that there is a deficit of 'entry-level' jobs in the cities and that the existence of 'spatial mismatch' prevents their residents from accessing jobs elsewhere. The Nobel prize-winning economist Robert Solow (1998) has pointed out that US welfare to work programmes, while placing a lot of people in jobs, have only tiny effects on their subsequent employment probabilities – the true measure of success. He derides the 'Panglossian error' that all the problems lie on the supply side of the labour market: the belief that 'kennel dogs need merely act like bird dogs, and birds will come'.

In Great Britain, Turok and Webster (1998) have shown that all the New Deal target groups - youth unemployed, long-term unemployed, long-term sick, lone parents - are concentrated in the same areas of high unemployment, indicating that they cannot all be got into work unless employment is increased in these areas. Webster's analysis (1997a) showing that long-term unemployment is not a separate problem from that of unemployment itself, contrary to the assumptions underlying the New Deal, has been corroborated by Machin and Manning (1998). The OECD (1999) has joined the critics: '[young people's] employment and unemployment rates are highly responsive to the overall state of the labour market ... few remedial or employment-insertion programmes targeted at disadvantaged young people appear to have resulted in significant gains in employment or earnings after they have participated in the programmes'.

The government's approach to 'welfare reform' poses risks for deprived areas. The concept of 'work for those who can, security for those who cannot' could in principle be satisfactory if the supply-side assumptions about worklessness were correct. But the danger is that because of the lack of jobs, the deprived areas will get reductions in social security incomes without the desired increases in employment incomes. The Working Families Tax Credit will disproportionately benefit prosperous areas with high employment rates, not

Figure 5
CHANGE IN UNEMPLOYED AND ECONOMICALLY INACTIVE BY CHANGE IN EMPLOYED Winter 1993/94 - Winter 1998/99



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disadvantaged areas with few people in work. Benefit 'sanctions', currently being greatly extended in scope and severity, may also prove troublesome. Fairley (1998) noted that these have been widely criticised in Scotland, by the Scottish Affairs Select Committee of the House of Commons among others. It has already emerged that a quarter of all the young people assigned to the Environmental Taskforce are being 'sanctioned' and also that men - whose employment problems are already worse - are over twice as likely to be 'sanctioned' as women (Bivand 1999).

In spite of its dominant position in the Scottish social inclusion programme, there has been little discussion about the concept of the 'New Community School' and the government has not sought to consult about it. The American concept of the 'Full Service School' from which it is borrowed is openly said to be at least as much about making the most of declining resources as about improving services. While it is generally popular, there appears to be little or no evidence that it actually works. For instance, a recent evaluation (April 1998) in Florida (which is specifically mentioned in the Scottish Office's 1998 'prospectus') did not find any difference in performance between 'full service' and ordinary schools. There is a risk of counterproductive stigmatisation. The alternative concept of the 'magnet school' is based on the idea that extra spending on schools in deprived areas to develop particular specialisms such as music or maths will attract parents of able children, thus improving the balance of ability and parental support in the school's intake (and reducing 'social exclusion'). The 'New Community School', with its emphasis on remedial social work and health intervention, could drive away these parents.

AREA SOCIAL INCLUSION PARTNERSHIPS (SIPS)

SIPs do not in practice embody a new approach to deprivation but continue the ideas of the largely palliative Urban Programme, dating from the 1960s, and of the Urban Partnerships introduced by the Conservative government's **New Life for Urban Scotland** in 1988. Scottish Office descriptions of SIPs have been in very general terms, referring to 'a more flexible, modern tool' whose key characteristics are 'to focus on the most needy members of society, to co-ordinate and fill gaps between existing programmes to promote social inclusion and seek to prevent social exclusion happening in the first place'. Their funding is so small that they cannot, as such, embrace major physical projects.

Continuity rather than change in policy is indicated by the endorsement of the Castlemilk Partnership by the Social Exclusion Unit (SEU) (1998) as being an example of 'what works' and by the comments of the former minister Calum MacDonald (15 September 1998) that the existing Scottish approach is 'seen as a model for the rest of the UK' and that Scottish ministers are determined that Scotland '*stays* ahead of the game' (emphasis added) in community regeneration.

SEU cites the drop in Castlemilk's claimant unemployment since 1989 from 22% to 10.6%, close to the Glasgow average. This is misleading. Claimant unemployment figures do not take into account the large movement on to Incapacity Benefit since 1989 described in Beatty et al (1997a). On the basis of their estimate that at January 1997 real unemployment was 30.6% in Glasgow when claimant unemployment was 11.8%, the Castlemilk figure of 10.6% claimant unemployment quoted by SEU would equate to a real rate of 27.5%. This is much closer to what is indicated by DSS figures, which show that after 10 years of the Partnership, Castlemilk in August 1998 still had the highest proportion of households on Income Support in Glasgow, at 60%, well over twice the Scottish rate of 27% (Glasgow City Council 1999a). The Scottish Executive evaluation (Cambridge Policy Consultants 1999) shows that Castlemilk's already low employment rate actually fell further during the Partnership, from 38% to 36% of the working age population, half the national average of 74%.

Bearing out this picture further, in 1995 Castlemilk had the highest percentage of babies with low birthweight in Glasgow, double the Scottish average (14% compared to 7%) and therefore, according to data in **The Herald** (1 June 1999), double the rate for Albania. The proportions of children receiving free school meals and clothing grants in Castlemilk in 1997/98 were the second highest in Glasgow after Drumchapel (69.8% and 69.9%, and 86.8% and 89.7% respectively). The Glasgow averages for these indicators were 41.0% and 58.3% respectively while in Scotland the percentage taking free school meals at January 1996 was only 20.0% (Glasgow City Council 1998a, 1998b). These measures are very reliable indicators of poverty: for instance, birthweight reflects the mother's diet and health in pregnancy.

Gibb et al (1998) showed that in terms of deprivation Castlemilk's two postcode sectors (G45 9 and G45 0) improved between 1991 and 1998 only from 4th worst and 6th worst out of 990 in Scotland to 9th worst and 11th worst. These and the figures for other areas led **The Scotsman** (16 August 1995 and 13 October 1998) to conclude that Scotland's urban policies have failed and that the reasons must be established before carrying on. In June

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1999 the homeless magazine **The Big Issue**, drawing on these and further health data, argued in a reworking of the Partnership's slogan that in Castlemilk it is poverty and poor health that are 'on the up and up' (McDougall 1999).

The basic problem is that the Partnership has been intrinsically unable to raise employment and incomes because it only set out to address housing, environment and training/job placement and never attempted to tackle the area's employment base, which lies mainly on the south side of Glasgow, much of it in the swathe of now largely derelict land from Govan through the Gorbals, Dalmarnock and Rutherglen to Cambuslang which will not be redeveloped effectively until the M74 is completed (Figure 6). If this 'jobless regeneration' approach is continued, in Glasgow and elsewhere, then there is every reason to expect similar results.

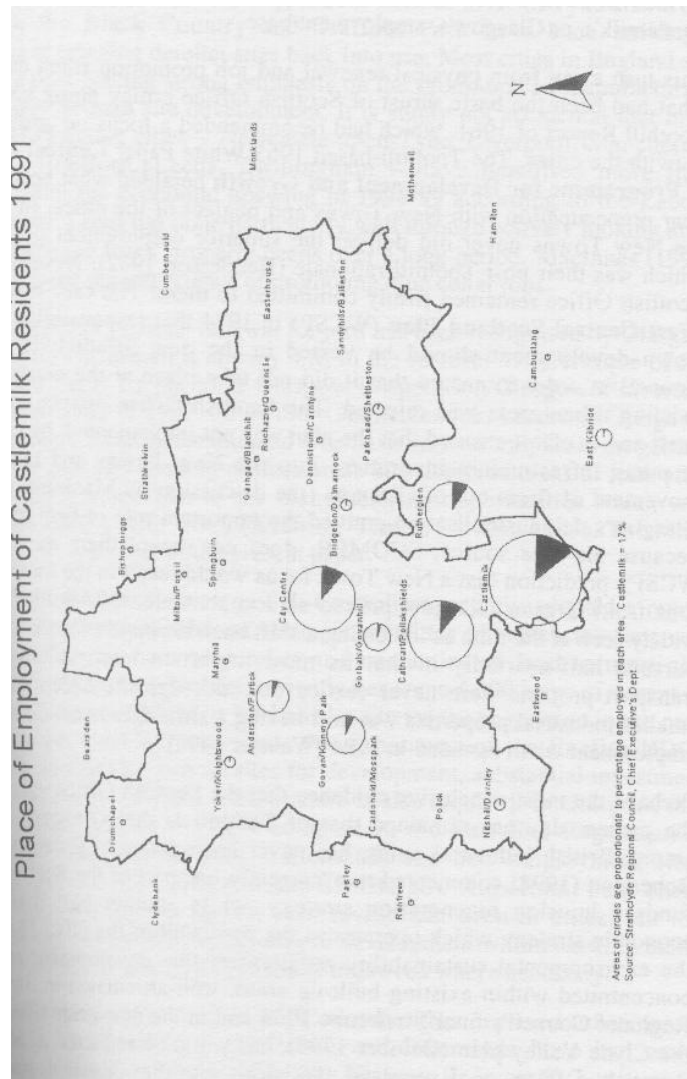
The reasons for the Urban Partnerships' neglect of employment lie in the intellectual history of Scottish urban policy, whose key arguments need to be revisited.

ORIGINS OF THE URBAN PARTNERSHIP MODEL

The Urban Partnership model has often been described as distinctively Scottish. Its origins, however, lie in the work of a group of London-based economists (particularly Metcalf, Richardson, Evans and Cheshire) dating from the 1970s (Webster 1994). At that time it was taken for granted (for instance in the previous Labour government's **Inner Cities** White Paper of 1977) that the main cause of inner city decline was local manual job loss. These economists reacted against this view, arguing, without direct evidence, that commuting patterns were so extensive and flexible that the effects of any job loss would quickly 'ripple' out through the conurbation so that any remaining concentrations of unemployment would be due purely to the characteristics of local residents. What this 'characteristics approach' overlooked was that if employment was falling dramatically across the conurbation, and particularly if the loss was of manual jobs, then unemployment was bound to rise in the areas where manual workers lived, and that the only solution therefore would be to restore these jobs or jobs similar enough for the displaced workers to get.

At that time - the later 1970s and early 1980s - Scottish urban regeneration policy was focused on the GEAR (Glasgow East Area Renewal) model, which was in essence a physically-oriented approach similar to that of the later English Urban Development Corporations. When, however, GEAR

came up for evaluation in 1986, the Scottish Development Agency adopted the ideas of the London group and asserted not only that GEAR had been unsuccessful in job creation, but that it should not even have attempted it. It recommended that future urban regeneration projects should be confined to housing, environment, training and job placement. This recommendation was



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then turned – without consultation with local government - into the New Life programme, leading to the adoption of a Castlemilk renewal programme defined in such a way that nothing significant could be done to restore Castlemilk's, or Glasgow's, employment base.

This turn away from physical renewal and job promotion fitted easily with what had been the basic thrust of Scottish Office policy going back to the Toothill Report of 1961, which had recommended a focus on 'growth areas' outwith the cities. The Toothill-based 1963 White Paper **Central Scotland: A Programme for Development and Growth** heralded what became a 30-year preoccupation with New Towns and neglect of the cities. In the event the New Towns never did deliver the superior employment performance which was their post-Toothill rationale (Henderson 1982). Nevertheless the Scottish Office remained firmly committed to them. The case made by the **West Central Scotland Plan** (WCSP) in 1974 that responsibility for New Town development should be vested in the new Strathclyde Regional Council in order to ensure that it did not take place at the expense of the existing urban areas was rejected. The Scottish Office maintained control itself and in effect ensured that the plan was not implemented, by continuing to pump infrastructure investment into the New Towns and to subsidise movement of firms out of Glasgow (the discussion by MacInnes (1995) of Glasgow's deindustrialisation omitted the important role of firm movements because his data source, SCOMER, does not record them as such). The WCSP's prediction that a New Town focus would result in the loss of 50,000 jobs from Greater Glasgow proved all too accurate. GEAR itself, though widely seen at the time as indicating a shift back to support for the cities, was pursued half-heartedly in that its most important land reclamation and transport projects were never carried out, although the £30m invested in smaller industrial properties was still having a strikingly beneficial effect on employment when assessed in 1994 (Webster 1994).

Perhaps the most conclusive evidence that the Scottish Office agenda up to the present day has remained that of Toothill is that Glasgow, uniquely among British industrial cities, has never been given an Enterprise Zone. Robertson (1998) commented that 'currently one part of the Scottish Office funds a housing regeneration strategy, while another part manages an economic strategy which operates to the detriment of the city'. Meanwhile, the environmental sustainability requirement that development should be concentrated within existing built-up areas, well-articulated in Strathclyde Regional Council's final **Structure Plan** and in the new draft Glasgow and the Clyde Valley plan (October 1999), has yet to be reflected in any major

Scottish Office or Executive decisions on the physical pattern of development.

WHAT IS NEEDED

While the Urban Partnership approach has left employment problems largely untouched, urban development corporations such as those in Tyne and Wear, Sheffield, the Black Country and Trafford Park have been strikingly successful in bringing derelict sites back into use. Most cities in England and Wales are now placing strong emphasis on the promotion of manufacturing employment through site development. It is surely not accidental that most comparable English cities – Newcastle-upon-Tyne, Liverpool, Manchester, Sheffield, Bradford, Leeds, Birmingham – have benefited more than Glasgow from the economic upswing in 1994-99 according to the Labour Force Survey. Leeds has done particularly well through actively looking after its manufacturing firms' property needs over a long period. MacInnes (1995) also emphasised the importance of promoting blue collar jobs.

The importance of physical renewal for jobs has been recognised by Glasgow City Council – as indeed it already was in the forceful early critique of the 1963 White Paper by the joint Glasgow Corporation/Glasgow University **Springburn Study** of 1967. Councillor Charlie Gordon, Leader of Glasgow's Administration, recently commented 'We have an over emphasis on getting professional jobs and sending professionals into deprived areas to look after the poor and I would like to see manufacturing opportunities which will provide our people with work' (**Evening Times**, 28 May 1999). This, in a nutshell, is the argument of the present paper.

Glasgow's Regeneration Strategy Sub-Committee recently adopted a report (1999c) setting out a number of strategic priorities of which the first was 'accelerated development of derelict and contaminated land to meet city regeneration objectives'. The city currently has some 4,000 acres of vacant or derelict land, almost 10% of its land area and twice the proportion in the next worse Scottish local authority area. The experience of the English UDCs shows that, in order to open up sites for development, substantial investment in roads and public transport infrastructure is also required. In Glasgow, this means projects such as the M74 completion, the East End Regeneration Route, improved links between Easterhouse and new employment sites including Gartcosh and Cardowan, and the Glasgow Airport rail link. There is currently some feeling against road investment even in cities, but the environmentally sustainable refocusing of development within existing built-up areas can only be achieved if access is improved where necessary.

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Similar arguments apply to most of Scotland's other deprived urban areas. Many, such as Lanarkshire, Clydebank and Inverclyde have had more investment in industrial infrastructure than Glasgow. It is wrong, however, to assume that renewal can be a once-for-all process so that for instance Clydebank has 'had its Enterprise Zone' and can expect no more 'help'. Public investment in infrastructure requires to be continuous, just as it always was in the New Towns.

This switch of strategy would require a switch of resources to achieve it, in particular an increase in funding for derelict land reclamation and industrial and transport infrastructure. This could well be achieved by redirecting money from the labour supply-side programmes including the New Deal – though not New Futures, whose client group has genuine labour market disadvantages. Slowing down the development of New Community Schools, allowing more time for evaluation of the concept, could also release resources for physical renewal.

The analysis of the present paper has an outstandingly important implication for the new Scottish Parliament. The government's view implies that the most important measures in relation to social inclusion in Scotland lie within the reserved powers of the New Deal and social security, as well as macroeconomic management of the economy, with the devolved powers playing a less important role except perhaps in education. But on the analysis here, it is the devolved powers over physical and economic development which will play the greater role. There is no more important issue for the Parliament to address.

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