Coalfields and neighbouring cities: economic regeneration, labour markets and governance

This study assesses how far the regeneration of coalfield areas relies upon their links with neighbouring cities. It draws on national statistical analysis of labour market adjustment in the British coalfields, and case studies in three contrasting areas – the Lothian coalfield and Edinburgh in Scotland, South Yorkshire and Sheffield in England, and the Central Valleys and Cardiff in Wales. The study, by researchers from Sheffield Hallam, Napier and Cardiff Universities, found that:

- Relationships between coalfields and their adjacent cities vary according to geographical and political context. The three study areas display key differences:
  - Commuting and population movements between the Lothian coalfield and Edinburgh have grown, fostering greater integration and mutual prosperity.
  - A growing number of Central Valleys residents commute into Cardiff, whilst the local economy in the Valleys remains weak, with a large proportion of the working-age population economically inactive.
  - The South Yorkshire coalfield has some connections with Sheffield but also has a much wider network of economic links, and displays strong growth in the coalfield itself.

- Geographical and social factors affect the willingness of unemployed job-seekers in the coalfields to consider employment in neighbouring cities. Those living closer to the city (as in the Lothian coalfield) are more likely to include it in their job search. Some people, especially those living in more distant places with poor public transport links, find it difficult to travel far unless they have their own transport.

- Job-seekers’ social networks play an important role in shaping attitudes to potential work locations. Most of these networks are locally based, meaning that the contacts of many unemployed people can only provide limited experience and knowledge of other areas.

- The strength of economic links between coalfields and their neighbouring cities contrasts with the level of collaboration between official bodies operating within the three areas. The formal institutional links covering the Lothian coalfield and Edinburgh are the weakest, yet the labour market links are strongest. In contrast, South Yorkshire has the best-developed network of collaborative structures, but the weakest economic relationship between coalfield and city. This suggests that the coalfields’ economic fortunes may depend less on governance arrangements than on underlying economic dynamics.
Background

As Britain has moved further away from its position as one of the world's industrial powerhouses, people and places have had to adapt to new social and economic requirements. Increasingly open local economies raise questions about how a growing network of links between places alter the role and identity of former industrial areas. These questions relate closely to key contemporary issues including geographical disparities in welfare and productivity, the uneven operation of the labour market, the governance of economic development, and the competing claims of ‘city regions’, ‘regions’ and ‘sub-regions’ as the appropriate arena for sub-national policy-making.

This study aimed to shed light on these issues. It involved three former coalfield areas and their neighbouring cities (Lothian-Edinburgh, Central Valleys-Cardiff, and South Yorkshire-Sheffield). The study investigated economic, social and governance links between the coalfields and their cities, and assessed whether the coalfields are reviving in their own right, or are more likely to become residential areas for newly resurgent cities. The study looked at commuting and migration, job search patterns and social networks, and collaborative governance arrangements.

Labour market connections

Across the British coalfields as a whole, people moving out of the area or starting to commute to places elsewhere have partially compensated for job losses in the coal industry, but they account for only a relatively small proportion of the overall adjustment. The dominant trends have been in the coalfield labour market itself, particularly new job creation (on the positive side) and withdrawal of men into economic inactivity (on the negative). The scale of new jobs has partly depended on location and context, but, more importantly, these new jobs are in the coalfields themselves, rather than in neighbouring areas to which coalfield residents commute. In other words, the success or failure of economic regeneration in the coalfields as a whole has principally depended on trends in the coalfield economy itself, not in neighbouring areas.

However, this is not the case for every coalfield. The three case study areas each display different relationships with their neighbouring cities:

- The South Yorkshire coalfield is a large, relatively self-contained economic zone, whose economic fortunes have largely been determined by what has happened within its own boundaries. Job creation has been strong in recent years, and there is no evidence of any overall increase in commuting to neighbouring areas. Links with Sheffield do exist, but are not driving the overall pattern of change in the coalfield labour market. Established urban centres such as Barnsley, Doncaster and Rotherham act as important hubs, as do newer employment zones such as the Dearne Valley.

- The Central Valleys coalfield remains a substantial economic zone in its own right, but new job creation has been relatively weak. In this context, Cardiff's exceptionally strong employment growth in recent years has brought a rise in commuters from the coalfield. The Central Valleys have increasing connections with their neighbouring city, although the proportion of working-age residents travelling to jobs in Cardiff remains relatively small at just under 10 per cent. The growth in commuting is more a symptom of economic weakness in the Central Valleys themselves.

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<th>Table 1 Commuting, 2001</th>
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<td>% of working age-population</td>
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<tr>
<td>Central Valleys coalfield to Cardiff</td>
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<td>South Yorkshire coalfield to Sheffield</td>
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<td>Lothian coalfield to Edinburgh</td>
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<th>Table 2 Employment growth, 1998-2003</th>
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<td>% change</td>
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<tr>
<td>Central Valleys coalfield</td>
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The links between the Lothian coalfield and Edinburgh are very strong and continuing to grow. Its small population and fairly close proximity to the city mean that the coalfield is less an economic zone in its own right and more part of the city’s interdependent hinterland. Commuting into Edinburgh is a dominant feature of the Lothian coalfield, and this has been rising through time. Its population has also been rising, mainly through overspill from Edinburgh.

**Job search patterns, social networks and coalfield-city links**

The researchers interviewed 85 unemployed job-seekers living in the three coalfield areas and gathered information on geographical aspects of job search, such as attitudes to commuting and general mobility, and on local attachments and social networks.

Respondents’ willingness to consider working in the adjacent city only partly mirrors the differences in labour market trends detected by the quantitative analysis. A majority of Lothian respondents were searching for jobs in the neighbouring city, partly because this falls within their definition of the ‘local area’. South Yorkshire occupies the ‘middling’ position – some people have a positive attitude to working in Sheffield, depending on the exact location and type of work. Far fewer respondents in the Central Valleys include Cardiff in their job search than recent commuting data might suggest. However, these interviews included young people living further from the city in the north of the Valleys area, which will have affected the responses.

The interviews reveal that travel to the neighbouring city for work is constrained by a number of factors. For many, simple economics generally rule it out – commuting costs would swallow up a large proportion of a typical wage. The time required for the return journey is a deterrent for many, while others are restricted by the lack of early-morning or late-evening public transport services, or by childcare responsibilities.

Knowledge and experience of the city are also important factors. Respondents often focus solely on areas they know, such as the city centre, or along the route between there and their home. This effectively excludes large areas of the city from consideration. Moreover, not many have access to private transport, so rely on public transport to get them to work, limiting them to workplaces near bus routes or railway stations, and to working hours that coincide with service operating times.

Most respondents have closed, locally based social networks built around family and friends. These networks provide important sources of support and information for job search. However, the support appears to be more important than the information, as most use conventional sources when looking for jobs, such as local newspapers, the Job Centre or employment intermediaries.

However, the local nature of people’s social networks does play an important role in influencing attitudes to acceptable types and locations of work. The contacts of many unemployed people can only provide limited experience and knowledge of other areas. There is also a contrast between the Lothian and South Yorkshire coalfields on one hand, and the Central Valleys on the other, with respondents in the Valleys area more likely to have unemployed or inactive people in their social network. In Lothian and South Yorkshire most respondents tended to be part of more mixed and diverse networks.

One question arising from these findings is the feasibility of asking job-seekers in the coalfields to look further afield to increase their chances of finding work. If people are to be encouraged to commute longer distances, more consideration needs to be given to the best way of achieving this, for example some kind of financial support to cover travel costs. However, there are also many non-economic constraints that deter people seeking relatively low-paid jobs from commuting to cities.

**Governance bridging coalfields and cities**

A lively debate continues over the most appropriate scale for sub-national economic development policy, and the extent to which different types of place should be prioritised within it. One common feature is the designation of particular centres or zones as the location for new economic activity, and the need for these to connect to areas of disadvantage. It was important, therefore, for the study to examine collaborative governance arrangements and policy interventions that seek to provide a bridge between the coalfields and their neighbouring cities.

The evidence indicates similarities and contrasts between the three study areas. Parallels exist in the local frameworks and instruments aimed at fostering economic development (involving increasing strategic co-ordination of district-level activities) and those geared towards community regeneration (involving intensive partnership-based working at neighbourhood level). However, co-ordination between these two spheres is generally limited. Wider collaborative structures are much further developed in South Yorkshire (including Sheffield) than in the Lothian-Edinburgh or Central Valleys-Cardiff areas.

Most importantly, the strength of such governance across the three areas does not match the pattern of economic change. The analysis of labour market links shows that the Lothian coalfield has the strongest economic interactions with its neighbouring city, Edinburgh, yet its sub-regional governance structures are weakest. Conversely, in South Yorkshire the former coalfield has recently been outstripping Sheffield in terms of employment growth, yet South Yorkshire’s wider governance structures are the most firmly established.
It might have been expected that stronger collaborative governance at sub-regional level would have gone hand-in-hand with greater economic integration between coalfield and city – promoting the city’s growth has for many been the rationale behind the city-region approach. In fact, stronger collaborative governance sits alongside weaker economic links in the three case study areas.

In the Lothian-Edinburgh case, the coalfield-city links are so strong as a result of normal market activity that extensive intervention by public sector agencies is unnecessary. However, several interviewees observed that the lack of formal co-ordination makes it difficult to maximise the benefits of Edinburgh’s growth for the coalfield area. In particular, it has meant that progress with attempts to connect employability schemes in the coalfield to job opportunities in the city has been slow. Similarly, lack of co-ordination means that land allocated for employment in the coalfield is not being used to ease development pressures within the city boundaries.

In South Yorkshire, though, the competing requirements of different urban centres and employment zones call for stronger co-ordination. There is an important political element to this, intended to deliver a spread of resources, developments and benefits across the sub-region, and the need to connect where people live to places of opportunity. South Yorkshire comprises several urban centres, so a balance needs to be struck between its constituent parts – coalfield, city and other urban areas alike.

The more disparate and fragmented pattern of governance in the Central Valleys echoes the findings of the recent review of local service delivery in Wales that noted the difficulties of delivering institutional change (Review of Local Service Delivery for the Welsh Assembly Government, Beecham 2006). However, the economic and physical geography of the Valleys is hardly advantageous. Stronger city-region governance structures alone could not be expected to overcome these formidable obstacles.

Conclusions

Four key policy implications emerge from the findings of this study:

- A one-size-fits-all approach to the revival of former coalfield communities is inappropriate.
- Some former coalfield areas remain major economic zones in their own right, and should be treated as such in spatial policy terms.
- There are limits to the validity of treating cities as the dominant economic hub in relation to the coalfields.
- There should be greater recognition of the local sphere in which many people still live and work when considering solutions for unemployed job-seekers.

About the project

The research was carried out by Dr Tony Gore, Professor Steve Fothergill and Ryan Powell of the Centre for Regional Economic and Social Research at Sheffield Hallam University, Dr Emma Hollywood and Colin Lindsay of the Employment Research Institute at Napier University, Edinburgh, and Professor Kevin Morgan and Stevie Upton of the Department of City and Regional Planning at Cardiff University. The study comprised three main components:

- quantitative analysis of the changing economic and labour market links between the three coalfield areas and their neighbouring cities;
- structured face-to-face interviews with 85 unemployed coalfield residents across the three study areas;
- assessment of collaborative governance in each coalfield-city area, and how far this helped to promote the development of coalfield-city links.

For further information

The full report, Coalfields and neighbouring cities: Economic regeneration, labour markets and governance, by Tony Gore, Steve Fothergill, Emma Hollywood, Colin Lindsay, Kevin Morgan, Ryan Powell and Stevie Upton, is due to be published by the Joseph Rowntree Foundation in early summer 2007, and will be available as a free download from www.jrf.org.uk.

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