Elkcity deals

Introduction

As was stated by then Secretary of State for Wales, Ron Davies (1999), ‘devolution is a process, not an event’ – a sentiment deployed to express the dynamics and opportunities of devo-statecraft. In following this process within the context of Welsh devolution, this chapter seeks to highlight an interesting series of dynamics with regards to the development of city regions as the latest phase in a broader process of sub-national government restructuring under devolution. As stated throughout City Regions and Devolution in the UK, city regions have been vaunted as the appropriate scale for economic growth and this has informed the intentions of both the Welsh Government and the LAs of the CCR towards creating city regions in this context.

The chapter seeks to engage empirically and analytically with the broader body of literature on civil society vis-à-vis central–local relations in regional and local economic development. Particularly in the context of previous interventions by Duncan and Goodwin (1988), we show how the empirical case study of the CCR is actively recasting central–local social relations, and in doing so, building on Chapter 2, this raises interesting questions on the evolving dimensions of metagovernance. When Duncan and Goodwin formulated their ideas on states and uneven development during the 1980s, devolution in the UK, of course, did not exist. The chapter recasts central–local relations through devolution and suggests inter-scalar relationships increasingly coming to the fore. It suggests that notions of being scalar ‘agent and obstacle’ (Duncan and Goodwin, 1988) can provide an analytical lens in and through which to view the shifting and sticky relationships emerging between local state(s) and national state(s) in Wales. In particular, the chapter looks at how new territorial relations are being created within the devolved state of Wales through city regions. We suggest that this is recasting tensions between different governance institutions, as the local and national governments seek to legitimise different policy opportunities in the pursuit of economic growth.

The process of implementing the CCR has not been as straightforward as the successful signing of the city-deal on 15 March
2016 might suggest. This is because it raises several interesting empirical and theoretical concerns with regards to the implementation of sub-national economic policy in the wake of devolution and austerity (Waite, 2015). This reflects questions concerning: the historic difficulty in terms of local government structure in Wales (Pemberton, 2016) (and more broadly the UK); the process of deal making itself (O’Brien and Pike, 2015) – as an elite, technocratic process that was highly contested among elite actors (Ayres et al, 2017); the framing of the city region as a growth machine to enable specific actors within a city region (see Harding, 2007); and finally how such processes skew the representational regime of city region away from what could broadly be termed civil society. In short, we seek to expose some of the legislative contradictions of the Welsh state. Since devolution, the Welsh state has in various ways attempted to position civil society within processes of governance (see Chaney, 2016); however, the implementation of the city-region agenda suggests a more elitist approach is being taken in the pursuit of building a city region. This raises a series of questions with regards to social relations (MacLeod and Jones, 2007) within the development of the Welsh state and the representational regimes (MacLeod and Goodwin, 1999) of city regions (Beel et al, 2017).

In working through the above arguments, we first give further context as to why the city in Welsh policy is the ‘go-to’ scale for engendering economic growth and what in turn underpins its economic rationale. This section will also consider how city deals are made. Second, the chapter considers what underpins the CCR City Deal, how it was constructed and what it intends to do by looking at how such a policy is transformed when it is transferred over space (Peck and Theodore, 2015). Third, it will look at the process itself to delineate how central–local relations in Wales are being actively recast. Fourth, in highlighting these central–local processes of what can also be termed ‘scalecraft’ (Fraser, 2010; Pemberton, 2016), the chapter discusses how civil society and non-economic concerns are being positioned differently through the political geometry of devolution.

City regions and uneven development revisited

As we suggested in the Introduction, the UK Government has embarked on creating city regions within England through a deal-making process, which has sought to combine metropolitan LAs together via LEPs. LEPs and CAs are being presented as the ‘natural’ and ‘functional’ scale of economic activity around which each city region can strategically plan for future economic growth.
The process is asymmetric in its application due to waves of bespoke public-policy deals, which have devolved a variety of different competencies to CAs. This has meant central government policy has played out very differently in different places, as some city regions (such as GMCR, discussed in Chapter 3) have seen greater devolution granted to them, whereas other areas (such as the Leeds City Region) failed to get a deal until 2020. As such, a select number of city regions have (potentially) benefitted from being favoured by ministers to implement such deals and others have missed out (O’Brien and Pike, 2015). However, such processes have posed many problems for both city regions with devolution deals and those without, who are potentially striving to negotiate them for competitive advantage (Harrison, 2007). Surrounding these questions are several factors that have undermined the devolution process and weakened its potential to develop more inclusive forms of growth in city regions (Etherington and Jones, 2009).

Firstly, as noted above, austerity has undermined many of the deals put in place (see Davies and Blanco, 2017; Peck, 2012; Shaw and Tewdwr-Jones, 2017) before they have even been enacted. Austerity has consistently impacted heaviest on LAs where higher proportions of welfare claimants can be found. This often coincides with areas which have been granted deals such as GMCR and SCR; in GMCR this equates to around £6 billion and in SCR £1.1 billion to the constituent LAs (Etherington and Jones, 2016a, 2016b, 2017). This has meant real terms cuts to a variety of services and a harsher welfare environment for claimants as LAs have had to cut their budgets accordingly (Muldoon-Smith and Greenhalgh, 2015). Therefore, immediately, what has been potentially gained in terms of extra funding from a devolution or city deal is lost (see Beatty and Fothergill, 2016). As austerity impacts those most who have least as services are cut, it undermines any of the potential for devolution and city deals to move those people who are least skilled into the new city-regional economies they are trying to create (Penny, 2016).

The lack of a consideration to the social formation (Jonas, 2012) within city regions from austerity and the deals themselves, secondly, means a cycle of underachievement for city regions will be perpetuated, as LAs are both tasked with implementation of cuts to public services alongside developing the city region itself (Ward et al, 2015). This is then re-enforced by a growth model focused on agglomeration, the desired outcome that highlights the second missing connection. The agglomerative trickle-down model (Haughton et al, 2014), alongside historic spatially selective growth (Omstedt, 2016) and a stagnant economy at a national and local levels (Bailey and Budd, 2016), means
that any potential growth will be undermined by a continuing process of uneven development, which will continue to play out within the city region (Etherington and Jones, 2009).

Thirdly, there has been a failure to address cultural and historical differences that exist across city regions and empower civil society in the process (see Breathnach, 2014). This relates most strongly to questions of accountability but also reflects concerns with regards to processes of depoliticisation (see Burnham, 2014; Etherington and Jones, 2018; Foster et al, 2014; Jessop, 2014). Due to the state centric nature of city and devolution deals, they have not involved a ‘broader sense’ of public, civil society or grassroots movements in the construction of new forms of governance (see Newman and Clarke, 2009). This has meant that city-region governance structures, such as the CA and LEP, have been somewhat distanced from public scrutiny and the spatial scales on which they operate seem to have little resonance with the publics they seek to serve. This means that the process of city-region building raises serious questions with regard to the governance structures created, due to the creation of a democratic deficit (Buser, 2013; Swyngedouw, 2009, 2018; Tomaney, 2016). As we noted in previous chapters, city-region institutions and mayors are supposed to partially address this, but with the creation of a variety of soft or fuzzy spaces of governance (see Haughton and Allmendinger, 2015; Hincks et al, 2017) such as LEPs and Transition Boards, this can be questioned. Within these spaces, only certain actors have agency, which suggests a skewing of city-regional social relations towards economic interests. The city-region building process then in itself is a purposeful act of ‘depoliticisation’ (see Burnham, 2014; Etherington and Jones, 2018; Jessop, 2014), whereby the ‘elite/expert’ growth model is presented as the only viable option and there is sparse opportunity to successfully contest this model within formal governance structures. We take forward these arguments in the next section, which examines city-region building and civil society in CCR.

Creating the Cardiff Capital Region

The above context concerning UK Government policy development is important, for in the process of creating the CCR a similar set of policy stimuli were cited by the Welsh Government and the city deal for CCR was negotiated directly with the UK Government. Because devolution is to the Welsh Government, an important differentiation for Wales, no devolution deal has been offered to the Cardiff City Region as a whole, only a CCR City Deal (see House of Commons Welsh
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Affairs Committee, 2019). The following section highlights how this played out differently within the devolved structures of Wales. This is to highlight what Peck and Theodore (2015: 29) term ‘policy transfer’, whereby: ‘Policies are not, after all, merely being transferred over space; their form and their effects are transformed by these journeys, which also serve continuously to remake relational connections across an intensely variegated and dynamic socioinstitutional landscape’. In following this transformation of the city region construct to fit the political geography of the CCR, we can trace how the city-region concept has been spatially deployed and geographically reshaped by its transference journey.

Fixing central–local relations in Wales

Wales has its own specific policy trajectory since devolution, which is both divergent and aligned to that of the UK and the development of city regions highlights this. Therefore, to create a bridge to the previous contextual section on city-region developments in England there is a need to consider how Wales has developed differently over a similar period. The consolidation of Wales as a regional/national space of social and economic governance, with increasingly sharp territorial definition since the introduction of devolved government in 1999, has refocused attention on the dynamics of spatial difference within Wales. Persistent uneven geographies of socioeconomic performance, as well as seemingly entrenched geographies of political and cultural difference, suggest the existence of ‘locality effects’ within Wales and present challenges for the delivery of policy. However, the shape of Wales’s constituent localities is far from clear. Although Wales has a sub-regional tier of 22 LAs, these have only been in existence since 1995, when they replaced a two-tier local government system established in 1974. Moreover, the administrative map is overlain and cross-cut by a plethora of other governmental bodies including health boards, police authorities, transport consortia and economic development partnerships – to name a few – that work to their own territorial remits. An attempt to produce a more nuanced and process-led representation of Wales’s internal geography was made with the WSP in 2004 (updated in 2008) – see Jones et al (2016).

Heley’s (2013) insights reveal that this ‘new spatial planning’ for Wales attempts to create a more regional and relational approach to governance. Defined as uniquely Welsh by Haughton et al (2010) but reflecting a regional approach as had been adopted in England, it
attempted to ‘regionalise’ the 22 Welsh LAs into reciprocal relationships of working together. As Heley adds:

The WSP has six ‘area visions’ … North-West (Eryi a Môn), North-East (Borders and Coast), Central Wales, Pembrokeshire (The Haven), Swansea Bay (Waterfront and Western Valleys), and South-East (The Capital Network). These ‘areas’ are not defined by administrative boundaries and this, it is suggested, enables partners to work together on common issues in a flexible way, to improve efficiencies, and to overcome problems associated with a limited local leadership base. These partners include the Welsh Assembly Government, its agencies, local authorities and private and voluntary/third sector organizations, and each area has a committee chaired by an Assembly minister and involving senior representatives of organizations working as part of the area network. (Heley, 2013, 1331–2)

The approach, therefore, built on pre-existing regional relationships and sought to foster these via what was termed a ‘fuzzy’ approach. Heley (2013) suggests the approach genuinely did shift the spatial imaginaries of policymakers towards a more relational approach; however, the inability to generate sufficient economic growth and the subsequent downturn in the global economy meant a new approach was desired (Jones et al., 2013). Added to this, efforts to align the initially ‘fuzzy’ boundaries of the WSP regions with the hard boundaries of LA areas demonstrates the accretional power of fixed institutional geographies in shaping the representation of localities (Haughton et al., 2010). With the removal of the WSP, focus shifted away from fuzzy, relational approaches to more territorial defined and metro centric approaches. Key here was the City Region Taskforce in Wales, headed by Elizabeth Haywood in 2012: it sought to develop two city regions in Wales following an agglomerative-growth logic. According to Government discourse at the time:

The main factors in our decision to recommend recognition of two city-regions in south Wales were: critical mass; traffic flows; community identification; existing structures of governance, and the fact that our cities contribute less to the economy than cities anywhere else in the UK, and we need to ensure that contribution grows. (Welsh Government, 2012)
The above quote highlights the shift in spatial emphasis of the Welsh Government towards city regions and its alignment to approaches in England as led by the UK Government. This also then positioned both the Welsh Government and the LAs that sit within city regions surrounding Cardiff and Swansea with the task of implementing and building their respective city regions.

Alongside this as Pemberton (2016) highlights, the long history of LA restructuring in Wales, which has shifted between more ‘regional’ municipal areas historically to the more ‘local’ framework presently in use. The appropriate territorial-fix has also been difficult in Wales due to both major cities being in the south with a largely rural population in the north, which is fragmented by a difficult physical geography. It is this constitutional geography of the Welsh State and its local government structure that has therefore propelled the city region to produce CCR. This process is important as it highlights several important contextual issues: the actors involved; the process of negotiating multilevel governance; and the shifting relationship between local and national states, as both agents and obstacles to different policy regimes.

Alongside the development of the CCR was a concerted effort by the Welsh Government, via then Minister Leyton Andrews, to redraw the LA map of Wales. The purpose was to make a strategic move from twenty-two LAs to eight (see Jones et al, 2016). This failed due to resistance from Welsh LAs and territorially aligned Assembly Members, who did not wish to be forced so quickly into a process of consolidation:

‘Similarly, before the recent – or last year’s election in the Assembly when you had a very forceful approach from Welsh Government and they were looking to drive through a reorganisation, there was an awful lot of bad feeling, not only between political parties but within political parties because of that issue I just mentioned was heightened and I think a lot of authorities felt their numbers had been cut to pay for an increase in the Assembly and it was a shift in the balance of power.’ (Interview, LA Rep Body, 2017)

This has led to a slowing of the pace of LA ‘regionalisation’ but, as the ‘Reforming Local Government: Resilient and Renewed White Paper’ (Welsh Government, 2017a) hints, this will not disappear as a possibility, especially within the context of continuing austerity. The unfolding of the above greatly shaped the relationships between ten
LAs in the CCR (see Figure 4.1) and the Welsh government, which led to two parallel processes of city-region building being put in place. Figure 4.2 represents this; in the left-hand box there is CCR Transition Board, which the Welsh Government created. This was to push through the development of the city region via a selection of local elites, primarily from business and education (not too dissimilar to the structure of a LEP board), with the purpose being to strategically plan the city region’s implementation. To directly negotiate a city-deal with the UK Government, the LAs themselves, circumventing the Welsh Government, sidelined this approach:

‘We’d had positive soundings from the UK Government, we had a bit more of a challenge to make the Welsh Government see the benefits of a City Deal, but as you know, a City Deal is in the ownership of local authorities, so we were leading on the concept. We had ten Leaders who … some may have had a bit of scepticism about it, but were willing for us to explore it out, so we decided then that we would put together a bit, and we had some support in helping us to create what a City Deal bid ought to look like.’ (Interview, Local Authority Leader CCR, 2017)

This created the governance structure on the right-hand side of Figure 4.2, which is continuing to evolve presently through the implementation of the city deal itself. The process of negotiating the city deal raises two interesting points: first, it was negotiated between LA leaders and the UK Government, whereby it circumvented the Welsh Government and had little public consultation. This raises both an issue of accountability due to little consultation being given and, second, it suggests that local government can be both agent and obstacle simultaneously in the implementation of central government policy – resistant to the city region via the Welsh Government, but accepting to it from the UK Government.

**Cardiff Capital Region City Deal**

The CCR City Deal was released on 15 March 2016; it is approximately worth £1.2 billion over 20 years and has a strong emphasis on the implementation of transport infrastructure. Also included within the deal are further opportunities in terms of developing digital infrastructure, improving skills and unemployment, delivering enterprise growth and strategic planning for future housing
and regeneration. It seeks to reflect the ‘natural’ economic footprint of the city-regional area: ‘City–region boundaries must reflect economic reality and not political or administrative boundaries. Genuine engagement and meaningful collaboration across many LAs will be needed. This will certainly involve ceding power, funding and decision making to a more regional level’ (Welsh Government, 2012: 7).

Although the city deal reflects many of the same policy opportunities included in English city and devolution deals, as Figure 4.2 highlights, the structure stops short at devolving revenue generating powers to the region, hence no mayor is required. Instead, a ‘CCR Cabinet’ acts and comprises the leader from each LA, complemented by a ‘CCR Economic Growth Partnership’, or as it has been termed the ‘CCR Business Council’, which looks similar to a LEP, and the ‘CCR Business Organisation’, which will channel business investment for the city region (see HM Government, 2016; House of Commons Welsh Affairs Committee, 2019). Table 4.1 highlights
the continuation of the privileging of ‘business elites’ in the process of city-region building, as the appointments to the CCR Business Council only engages active business leaders.¹ This again represents a further difference from the previous Transition Board, which included trade union representation.

The CCR City Deal, like other settlements, focuses its primary concern on strategies for generating economic growth within the city region and for the most part this aims to bolster the opportunities for agglomerative growth within the metropolitan centre of Cardiff.

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¹ Source: Authors’ analysis
Despite traversing into other areas, which are related to more social concerns such as skills and unemployment, the focus and success will largely be measured against GVA growth. This represents the overall framing of what a city region is meant to do, that is to generate economic growth, and this is made explicit within the city-deal document itself:

This City Deal will provide local partners with the powers and the resources to unlock significant economic growth across the Cardiff Capital Region. It is a deal that builds on the region’s sectoral strengths, its high skill base and three successful universities. The City Deal also provides an opportunity to continue tackling the area’s barriers to economic growth by: improving transport connectivity; increasing skill levels still further; supporting people into work; and giving businesses the support they need to innovate and grow. (HM Government, 2016: 2)

The process of enabling ‘local partners’ is then central to the process of creating economic growth but the focus on economic growth alone hints at those it is specifically aiming to enable. Added to this, the surrounding media releases on the gov.uk website (see Table 4.2), by various actors involved in creating the deal suggest little else.

Ideologies of growth run deep though the press release statement and several discourse-analytic (Fairclough, 2010) points stand out with regards to the model of growth desired (Clarke et al, 2016) and the prescribed ‘representational regime’ (Rutherford, 2006) in and through which the city region is envisioned. Table 4.2 represents the order in which the statements were published online cascading from 1st to 5th. This is interesting because it highlights how geographical spatial scale and the production of an information-content hierarchy are deeply intertwined with each other; UK Government first, then Welsh Government, and finally local government and civil society actors last. Each of the statements opens the broader policy framework. Interestingly, the first four respondents all focus on very similar things with regards to: devolution to empowering local leaders; increased private sector investment; the city region as a growth engine to drive investment; more power to local decision makers for transport and infrastructure to aid further aid investment; and the importance of local leaders and authorities working together. Rather poignantly, it is only at the local territorial scale whereby we see a break in this discourse, as the City of Cardiff Council Leader suggests something
Table 4.2: City-deal cascading of representation

<table>
<thead>
<tr>
<th>Political actor</th>
<th>Quotation</th>
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<tbody>
<tr>
<td>1st Chancellor of the Exchequer, George Osborne</td>
<td>'I want to create a devolution revolution around the UK and empower local leaders in Wales, so it's fantastic to announce a historic City deal in the Cardiff City Region worth over £1.2bn.' 'This landmark deal is expected to create up to 25,000 jobs and leverage £4 billion of private sector investment by handing real power to local decision makers that are best placed to ensure the welsh economy is fit for the future.'</td>
</tr>
<tr>
<td>2nd Secretary of State for Wales Stephen Crabb</td>
<td>'Cardiff is one of Europe's youngest and most dynamic capital cities, with a growing international profile and a burgeoning reputation as a destination for businesses to invest.' 'The City Deal provides the springboard for Cardiff to emerge as a leading engine of growth in the UK. It will help transform Cardiff city region, expecting to unlock billions of pounds of private sector finance and deliver thousands of new jobs in South Wales.'</td>
</tr>
<tr>
<td>3rd Chief Secretary to the Treasury, Greg Hands</td>
<td>'I'm very proud to be able to sign this historic deal – the first of its kind in Wales. The UK Government’s £500m investment in the economy of South East Wales will help ensure that the infrastructure and transport links in the region come up to the standard that local people and businesses deserve.' 'It's vital that those making these decisions are local leaders, the people that know Cardiff and the wider region best.'</td>
</tr>
<tr>
<td>4th The First Minister of Wales Carwyn Jones</td>
<td>'We have lobbied hard for a City Deal for the Cardiff Capital Region and put more than £500m on the table to support improving transport infrastructure within the region. Today’s announcement sees that vision become a reality – it is a vote of confidence in the region and a huge economic boost.' 'Central to the success of a City Deal is the close collaboration and partnership between all ten LAs. It is a great example of what can be achieved by coming together for the greater good of our Capital region.'</td>
</tr>
<tr>
<td>5th City of Cardiff Council Leader, Councillor Phil Bale</td>
<td>'We have worked long and hard to bring a City Deal to the Cardiff Capital Region and I’m delighted we’ve been successful. Financially we have secured a bigger deal for our residents than the Glasgow City Deal, but the real work starts now.' 'We want this Deal to make a real difference to people’s lives, improving prospects for all our citizens. Today’s signing means work can begin on creating a more inclusive and prosperous region.' 'I want everyone to know we are determined to deliver better opportunities for all our residents. Securing the City Deal can help us do this. We want to create better job opportunities for people and we want to enable them to take those job opportunities when they arise. At the end of the day we want to improve everyone’s chances of enjoying a better future.'</td>
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Note: Names and title reflect those in post at the time.

slightly more progressive in terms of how this will benefit the lives of people living in the CCR. Hence the ‘shadow of hierarchy’ (Jessop, 2016a) for these ideologies of growth is rather telling with regards to what is being envisioned in and through the city deal and then which actors it seeks to spatially select.

**Placing civil society**

The above discussion points towards the defining of what Jenson and Phillips (1996) have termed a ‘new citizenship regime’, where governance structures are designed in such a way that they legitimise some preferred groups over others. Accordingly: ‘Who qualifies and is recognized as a model citizen is under challenge. The legitimacy of group action and the desire for social justice are losing ground to the notion that citizens and interests can compete equally in the political marketplace of ideas’ (Jenson and Phillips, 1996: 112). In designing the city region to focus primarily on economic growth as its primary target, this suggests that concerns with regards to more social issues at city-region scale are not as important. Therefore, although each city region will implement its city deal differently, the ‘rules of the game’ appear to be shaped in one direction. This in turn, enables specific actors, such as those detailed in Figure 4.2 to be active in the process of building the city region. As Jessop (1990, 2008, 2016a) reminds us, the state has ‘no power of its own’; state power is defined and aligned according to who has access to, and makes, the state apparatus, and the spatial contexts within which this occurs. In this case, business and political elites are effectively licensed social and civic capital (see Mohan and Mohan, 2002; Painter, 2005) to deliver the city-region neoliberal growth model. As is highlighted by the views of a Transition Board member:

‘And equally, you don’t get the benefit of sufficient quality of advice, because you need someone at a sufficient level where you can attract the right quality of person with the level of expertise across a wider area. So, my view is very much we need that more strategic focus, but we need to achieve economies of scale of delivery, and my view is that we should be having a more technocratic approach to delivery, with targets, and we should have a Regional Development Corporation.’ (Interview, Business Leader, CCR, 2017)
This makes it difficult for those who would argue for more socially just or inclusive forms of growth to be implemented as they are distanced from being active in the new citizenship regime. In highlighting how economic growth is envisioned and will be enacted by CCR, the following sections will now discuss the ways in which this has been problematic for civil society members.

**Struggling with the economic growth model**

The key emphasis, as noted above, is to deliver and enable a governance scale which is best suited for economic growth above all other concerns. This means that other concerns such as social, cultural or environmental factors are considered less important in comparison to creating economic growth. For example, building on our arguments in Chapter 1, the insight below highlights how the agglomerative model of ‘boostering’ Cardiff may cause further uneven development elsewhere, if not appropriately managed:

‘We are pushing for the Region as a whole in terms about how the impact will have on those communities furthest away from the nucleus, so you automatically think north in Cardiff’s case, so the northern Valleys. It’s probably not difficult to correlate the further north you go, then the worse the indices are in terms of deprivation, further away from the economic heartland … I constantly talked about northern hubs, so actually, because you can’t concentrate the economic investment purely into the centre of Cardiff, because we will have to invest billions into infrastructure to create the flow of people that we need to have and then we will stimulate more ghost communities, where people live further away from their caring needs in terms of where they have ageing parents, they have children that they’re not close to where they work and they’re not spending their money within those communities, so you don’t get secondary spend within those communities.’ (Interview, Welsh Civil Society Organisation, 2016)

But as has been highlighted above, city deals are not concerned with delivering a spatially even form of growth. They are looking to increase agglomerative growth in urban centres. Consequently, contesting the agglomerative growth logic that sees any growth as good (see Nathan and Overman, 2013) is difficult because this requires a deeply critical
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approach to the market itself, which is absent from policy discourse as this does not fit with the dominant growth logic presented in the city-deal approach. The quote below articulates this well as it suggests that environmental or social responsibilities sit in the background to economic growth and that raising such concerns makes you less relevant to the process of city-region building:

‘My view is very much that it’s about creating economic drivers within the region to regenerate and to challenge some of the key matters around things like employment, which in turn should impact on poverty etc. And I think one of the reasons that we’re not at the table is we don’t talk about the city-region … Certainly I’ve never picked up there being a sense of the city-region having a similar if not identical … responsibility towards things outside of the economic agenda, things like – environmental responsibilities or even more fundamental social responsibilities. In terms of that definition of it, we’re probably seen as not having much of a voice. More likely to speak to businesses and get their views on what is good and what is right about city-region as opposed to the third sector.’ (Interview, CCR/Welsh Civil Society Organisation, 2016)

This suggests that the neoliberal market driven approach contained within the CCR City Deal lacks the mechanisms to contest the historic failings of the region with regards to uneven development. The above and below quotes note this, as they suggest that the growth model is repeating the mistakes of the past due to the reliance on a ‘trickle-down’ approach:

‘Well at the moment, we seem to be looking at measures for economic development, transport and a market-based model. What I would – I think it’s that terrible phrase, in terms of the wealth that we generate ‘trickling down’ into other communities which again historically is not really showing there’s much to be said for that.’ (Interview, CCR/Welsh Civil Society Organisation, 2016)

Scale and accountability

Interviews with CCR civil society members also raised an ongoing tension between the concept of localism and the city region. The
production of the city region changes the relationships of scale between civil society organisations and how they may engage with the ‘local’ state:

‘All of a sudden we become completely insignificant so whereas at the moment locally we can lobby quite hard and push the direction on certain things, all of that power would go away and how to influence rather than power. So that for us would cause quite a significant problem. If we start working more collaboratively with other similar organisations then great, we can form a nice little consortium and then we can retain the same level of perceived power and all will be well with the world. But it doesn’t fit well with how any of us work really; we work with quite defined communities, we do quite tailored things for them.’ (Interview, CCR Housing Association, 2015)

As we noted in Chapter 1, the process of what Cox (1998) refers to as ‘scale jumping’, alluded to in the above quote, again represents a significant problem to civil society organisations working in the city region. As for the most part civil society organisations do not exist on a city-region scale and hence due to their size cannot scale up to address both the needs of the entire city region or contest its rhetoric: “In terms of the city-region stuff, I feel we’ve been stung in how we can engage. We’ve been very interested in engaging but I don’t think organisations like ours are perceived as being a big enough hitter or having a big enough economic impact to interest them” (Interview, CCR Community, 2016). This means local voices can be marginalised through what Fraser (2010) and Pemberton (2016) call ‘scalecraft’ (the layered processes and practices of making geographical scale) as the governance structures of city region make them inactive and less relevant to the larger strategic plans for economic development. Pemberton adds:

A focus on scalecraft highlights that a wider range of actors – including states, social and political groups and individuals – are all involved in scalar practices (Fraser, 2010: 334), and may be attempting to produce, restructure and rescale local government. In so doing, they seek to create competitive advantage or establish associations or connections to present their interests. (2016: 1309)
This is being employed through the city region to depoliticise its economic intentions (see Etherington and Jones, 2018). We have highlighted how contesting the economic model was difficult and this section compounds this by the process of shifting the governance regime on economic development away from democratic accountability at the local level. This intervention of state restructuring and the creation of soft space institutions (Haughton et al, 2013) that hold power chimes with others’ observations of how urban governance regimes seek to displace dissent away from their activities as they build a hegemonic consensus to create economic development (Burnham, 2014; Etherington and Jones, 2016a; Foster et al, 2014; Jessop, 2014). In moving forward, this raises serious questions around the future of representation in soft institutional spaces such as growth boards especially if large proportions of civil society actors are placed outside the new citizenship regime. This has left civil society actors precariously positioned with regards to responding to new ‘devolved’ governance structures and reduced LA budgets. Wales, however, does operate differently to England and there is provision within law through the Wellbeing of Future Generations Act (Welsh Government, 2015a) that suggests local and civil society organisations are entitled to forms of representation.

**Austerity geographies**

Austerity in Wales has landed differently to the way it has been delivered in England, due to the Welsh Government passing on the cuts differently (see Jones et al, 2016). This has meant that LAs did not need to cut as deeply and as quickly, initially. Significant cuts have come later to LAs, as the respondents below suggest:

‘Well obviously, we’ve seen massive, massive cuts in Welsh Government budget and that has been, in the main, passed on to local government so it’s the local government, I would say, is probably the largest hit.’ (Interview, CCR/National Level Trade Union, 2016)

‘So, in my own view, just from what I can see, the impact of austerity, yes, it was back-loaded, but actually, when it came about, would have had a higher impact on those communities where we’ve got less private sector employment opportunities, so it would probably be very
similar within inner-city areas as well, if they’ve lost some of their key services and they haven’t been replaced with jobs from the private sector.’ (Interview, Welsh Civil Society Organisation, 2016)

This has impacted civil society groups in a number of ways, but primarily it has left them squeezed between reduced national and local state funding opportunities, while at the same time facing increased demand for the services they offer. For example, the phasing out of Communities First has substantially affected several local community groups (Dicks, 2014). Further to this, austerity has been viewed to be shifting the relationships between ‘civil society’, ‘state’ and ‘business’.

‘Well that is a very interesting one; I think the tectonic plates are changing. For us, the future in terms of being grant-aided by government, that really isn’t going to happen. We know that the public sector and its days of supporting the third sector in the way it has are coming to an end. We have to find, if we are going to thrive and grow, new relationships and those new relationships are probably going to have to be with business.’ (Interview, CCR voluntary and community sector, 2016)

The above insight is interesting because it suggests a changing set of relationships between state, business, and civil society whereby as the state reduces its support, civil society may potentially have to face a difficult choice. Should it slot more deeply into the neoliberal growth model, which makes it difficult for such actors to then contest the economic rationale of the city region? The respondent reflects on this further, suggesting a number of different possibilities into the future:

‘Is there going to be businesses falling by the wayside? Will there be more of a collaboration – a merger approach? Will new business opportunities be sought and be successfully sought, where the emphasis very much is on winning new business opportunities rather than going for grants, looking for investment? – are we going to have to move to a low investment scenario which people haven’t whole heartedly embraced in the past? As I say, I do get a bit focused on services, I do see social businesses working in services, complementary to public services or non-statutory public services of picking up services. I guess there hasn’t been a massive push for externalisation that there has been
in England.’ (Interview, CCR voluntary and community sector, 2016)

Hence, as the above suggests, the terrain is shifting quickly and this is reshaping the very structure of civil society organisations and the way in which they will or will not have a role in to the future with regards to the building CCR.

Conclusions

This chapter has sought to traverse and situate the complexities of devolution, city-region building, and the (re)positioning of civil society through the development of the CCR. We have looked at the ways in which the UK state both defines and limits devolution and in this case frames the CCR City Deal. This is, of course, a geographical process, with existing geographies influencing the form and shape of any outcomes from deal-making public policy (Peck and Theodore, 2015).

In the context of building the CCR, a simplistic top down narrative of central government implementation and civil society reaction would not have addressed the complexity of the *realpolitik* in play. Hence, the historical legacy of economic and governance failures has created new geographies of governance and these are playing out differently in Wales. Welsh city-region building reflects this as devolution, with austerity and local government reorganisation creating different structures for city deals. Although on-the-surface city regions from the UK Government are the ‘same policy’, when filtered through scales of governance, the city region is being transformed differently. This reflects a recasting of central–local relations (Jones, 1999; Peck, 1995) at all scales of governance: LA – city region – Welsh Government – UK Government. Added to this, the city-region agenda has also attempted to construct nascent relationships of reciprocity between city regions. In the case of CCR, this means looking to the east and working with Bristol through the creation of the ‘Western Powerhouse’.2 Again this raises a series of further questions for the notion of ‘scalecraft’ for CCR and the Welsh state.

Specifically, this chapter has sought to empirically demonstrate how both an ‘agent and obstacle’ (Duncan and Goodwin, 1988) relationship has unfolded in Wales, as different governance institutions interact spatially. Therefore, despite their political manoeuvrings to secure a city deal, the CCR LAs are still greatly constrained by a lack of fiscal powers and in their subservience to both the Welsh and UK
Governments. This is highlighted by their inability to negate austerity and they are hence forced to deliver the necessary cuts as they are passed down to them while still implementing the city deal. Within these processes, we have revealed how civil society has been positioned outside the representational regime, but is also expected to play along in terms of engaging with the neoliberal growth model as austerity reshapes public service reform. This raises interesting questions with regards what role or influence civil society will have to shape a more progressive city region.