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Problematizing the complexities of devolution,
city-region building, and the (re)positioning of civil society

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Elite city-deals for economic growth? Problematizing the complexities of devolution, city-region building, and the (re)positioning of civil society

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ABSTRACT

The concept of localism and spatial delineation of the ‘city region’ have seen a renaissance as the de facto spatial political units of governance for economic development. One articulation of this has seen the creation of Cardiff Capital Region (CCR) to potentially enhance Wales’s poor economic performance and secure democratic forms of social cohesion. City regions have been vaunted as the ‘spatial imaginary’ for engendering economic development, but there are considerable state spatial restructuring tensions. The paper discusses these by following the development of city-regionalism in Wales and specifically the unfolding of the ‘elite-led’ CCR City-Deal.

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Introduction

As was stated by then Secretary of State for Wales, Ron Davies (1999), ‘devolution is a process, not an event’ – a sentiment deployed that expresses the dynamics and opportunities of devo-statecraft. In following this process within the context of Welsh devolution, the paper seeks to highlight an interesting series of dynamics with regard to the development of city regions as the latest phase in a broader process of sub-national government restructuring under devolution. City regions have been vaunted as the appropriate scale for economic growth (Storper, 2013) and this has informed the intentions of both the Welsh Government and the local authorities of Cardiff Capital Region (CCR) towards creating city regions.

The paper seeks to engage empirically and analytically with the broader body of literature on 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, this raises interesting questions on the evolving multilevel and multispatial dimensions of governance (Jessop, 2016). When Duncan and Goodwin formulated
their ideas on states and uneven development during the 1980s, devolution in the U.K., of course, did not exist. The paper 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 & 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). The analysis we present from the empirical material within this paper therefore allows us to cover a current lacuna in the literature on devolution. This is in terms of how new territorial relations are being created within the devolved state of Wales through new forms of city region scalecraft. This is recasting tensions between different governance intuitions as the local and national governments seek to legitimize different policy opportunities. Duncan and Goodwin (1988) therefore offer a useful starting point, which we seek to extend, to consider how different ‘agent and obstacle’ relations are developing 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 (WalesOnline.co.uk, 2016). This is because it raises several interesting empirical and theoretical concerns with regard 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 U.K.); the process of deal-making itself (O’Brien & Pike, 2015a) – as an elite, technocratic process that was highly contested amongst elite actors (Ayres, Sandford, & Coombes, 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 (Jessop, 2016). This final section is essential to the paper, as it helps demark a series of legislative contradictions for 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 question with regard to social relations (Macleod & Jones, 2007) within the development of the Welsh State and the representational regimes (Macleod & Goodwin, 1999) of city regions (Beel, Jones, Jones, & Escadale, 2017).

In working through the above arguments, the paper firstly gives context as to why the city region concept has developed in the U.K. and in Welsh policy as 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. Secondly, the paper considers what underpins the CCR City-Deal and 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 & Theodore, 2015). Thirdly, it will look at the process itself to delineate how local–central relations in Wales are being actively recast. Fourthly, in highlighting these central–local processes of what can also be termed ‘scalecraft’ (Pemberton, 2016), the paper discusses how civil society and non-economic concerns are being positioned differently through the political geometry of devolution.

The paper, therefore, attempts to add to debates on devolution and city region building in the U.K. by looking at such processes through the prism of Welsh devolution and local government restructuring. This gives the paper a relatively unique set of geographic and
political conditions upon which to consider how policy is morphed and contested when it is transferred to different places through processes of scalecraft (Peck & Theodore, 2015). To date, there is only a relatively small amount of literature covering such issues in Wales and this paper seeks to address this gap by highlighting how the governance framework of Wales offers a deviating example to consider the multiscalar relations of the U.K. State.

**City regions in context**

Within the context of U.K. devolution, since 2010, this has been primarily focused towards delivering devolution to city regions (Clarke & Cochrane, 2013). This represented a change in spatial emphasis for the U.K. government; one that moved away from previous the regional set up of Regional Development Agencies, to one concerned with structures and strategies of local growth. This followed from a number concerns the U.K. government had in terms of a desire to reduce the size, scale and cost of regional governance (Pugalis & Townsend, 2012), a post-crisis reaction to a failing U.K. economy (Mackinnon, 2016) and desire in rhetorical policy terms (at least) to deal with an unbalanced U.K. economy (Martin, 2015). Alongside this, was also a shift towards the concept of ‘localism’, whereby a belief was held that by empowering ‘communities’ and the structures of governance at a more local scale (Wills, 2016), better solutions could be found for dealing with a lagging economic performance of areas outside of the South East of England (Deas, 2014).

This meant the city region was vaunted as the ‘natural’ and ‘functional’ scale for creating new governance frameworks to help foster economic development (HM Government, 2015). This belief not only fitted with the above but also followed a growing policy consensus with regard to a dominant discourse in urban policy towards the city region which is reflected in the work of Storper (2013) alongside others (see Glaeser, 2012; Katz & Bradley, 2014). This built upon the ‘New Economic Geography’ and ‘New Regionalism’ contextual propositions (Harrison, 2006; Keating, Loughlin, & Deschouwer, 2003) whereby a central tenant to delivering the city region is that it is considered the appropriate scale to address globalization’s challenge to the macroeconomic status of the nation-state (Calzada, 2015; Scott & Storper, 2003). This points to a longer history of debate as to whether a city or regional scale is best for engendering economic growth. Within the U.K., Lord (2009) highlights how such ‘state spatial restructuring’ (Brenner, 2004) towards a more urban focus began under New Labour (despite their initial regional focus), which was then subsequently championed by Coalition and Conservative governments. Here, a historic ‘swinging policy pendulum’ between city and region can be seen to moving and is highlighted by Harrison (2012), as an evolutionary shift in the appropriate scale for economic governance towards the city region. In sketching out this earlier period of city region thinking, both Lord and Harrison highlight the contested and confused nature of rescaling governance towards city regions as Lord (2009, p. 77) notes, it is positioned within a ‘congested institutional environment characterised by a confused, and confusing, nested spatial hierarchy of interventions’. Within the context of Welsh devolution and the development of CCR a similar sense of institutional and legislative awkwardness can be viewed.

Nevertheless, city regions here as spaces of agility; able to adjust much more quickly to shifts in the global economy, in order to take advantage of economic niches as they arise (Deas, 2014). In this context, economic growth in a specific and concentrated location is
viewed as key in order to provide the best conditions for the ‘agglomeration’ of the city regions (Nathan & Overman, 2013). This has been reflected in U.K. government policy for the past decade. According to one key source:

The policy implications of theories of agglomeration is that enabling people and firms to benefit from proximity to centres of activity, bring beneficial economic outcomes … This implies empowering and incentivising local government, firms and people across economic centres and natural economic geographies [Cities] to promote growth and correct the market and government failures which are acting as barriers to economic development. (BIS, 2010, p. 25)

The U.K. government has accordingly embarked on creating city regions within England through a deal-making process, which has sought to combine metropolitan local authorities together via Local Enterprise Partnerships (LEPs). LEPs and combined authorities 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 combined authorities. This has meant central government policy has played out very differently in different places, as some city regions (such as Greater Manchester) have seen greater devolution granted to them, whereas other areas (such as the Leeds City Region) have failed to get a deal at all. 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 & Pike, 2015b). 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, which have undermined the devolution process and weakened its potential to develop more inclusive forms of growth in city regions (Beel, Jones, & Jones, 2016; Etherington & Jones, 2009).

Firstly, austerity has undermined many of the deals put in place (Davies & Blanco, 2017; Peck, 2012; Shaw & Tewdwr-Jones, 2017) before they have even been enacted. Austerity has consistently impacted heaviest upon local authorities where higher proportions of welfare claimants can be found. This often coincides with areas which have been granted deals such as Greater Manchester City Region and Sheffield City Region (Etherington & Jones, 2016b). In Greater Manchester this equates to around £6 billion and in Sheffield City Region £1.1 billion to the constituent LAs (Etherington & Jones, 2016a). This has meant real terms cuts to a variety of services and harsher welfare environment for claimants as local authorities have had to cut their budgets accordingly (Muldoon-Smith & Greenhalgh, 2015). Therefore, immediately, what has been potentially gained in terms of extra funding from a devolution or city-deal is lost (see Beatty & 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 local authorities 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, which is being aimed for which secondly, highlights the second missing connection. The agglomerative trickle-down model (Haughton, Deas, & Hincks, 2014), alongside historic uneven development (Omstedt, 2016) and a stagnant economy at a national and local levels (Bailey & 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 & Jones, 2009b).

Thirdly, there has been a failure to address cultural and historical differences that exist across city regions (Breathnach, 2014). This relates most strongly to questions of accountability but also reflects concerns with regard to processes of depoliticization (see Burnham, 2014; Etherington & Jones, 2018; Foster, Kerr, & Byrne, 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 & Clarke, 2009). This has meant that city region governance structures, such as the combined authority and LEP, have been somewhat distanced from public scrutiny and the spatial scales upon which they operate seem to often 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 they create, due to the creation of a democratic deficit (Buser, 2013; Swyngedouw, 2009; Tomaney, 2016). Within England, city region mayors are supposed to partially address this but with the creation of a variety of soft or fuzzy spaces of governance (see Haughton & Allmendinger, 2015; Hincks, Deas, & Haughton, 2017) such as LEPs and Transition Boards, this can be questioned. Within these spaces, only certain actors have agency, this suggests that from the beginning the representational regime of the city region is skewed away from the social relations of the city regions towards those of economic interest. This would therefore follow that the process of city region building is in itself is purposefully an act of ‘depoliticisation’ (Burnham, 2014; Etherington & Jones, 2018; Jessop, 2014). Whereby, the ‘elite/expert’ growth model presented is viewed as the only option. This has significant impact upon those who sit outside of this growth model, as it leaves little space to contest this model within formal governance structures (Rancière, 2004). We take these concerns forward in the next section, which examines city region building in contemporary Wales.

Creating the Cardiff Capital Region

The above context with regard to the U.K. government policy development is important, for in the process of creating the CCR a similar set of policy stimuluses were cited by the Welsh Government and the city-deal for CCR was negotiated directly with the U.K. government.² The following section will now highlight how this played out differently within the devolved structures of Wales and the specific political geographies in play. This is to highlight what Peck and Theodore (2015) 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. (p. 29)
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 U.K. and the development of city regions highlights this. Therefore, to create a bridge to the previous contextual section on city region developments in the U.K./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 socio-economic 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 local authorities, 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 overlaid 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 Wales Spatial Plan in 2004 (updated in 2008; Welsh Government, 2008).

Heley’s (2013) insights reveal this ‘new spatial planning’ for Wales that attempts to create a more regional and relational approach to governance. Defined as uniquely Welsh by (Haughton, Allmendinger, Counsell, and Vigar, 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, pp. 1331–1332)

The approach, therefore, built upon 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 policy-makers 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 became desired (Jones, Orford, & McFarlane, 2015). Added to this, efforts to align the initially ‘fuzzy’ boundaries of the WSP regions with the hard boundaries of local authority 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, which was headed by Elizabeth Haywood in 2012, this document 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 U.K. 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 local authority 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 to north, which is fragmented by a difficult physical geography. It is this constitutional geography of the Welsh State and its local government structure, which has therefore interpreted 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 local authority map of Wales. The purpose was to make a strategic move from 22 local authorities to 8 (see Jones et al., 2015 and Welsh Government, 2015b). This failed due to resistance from Welsh local authorities 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 13, LA Rep Body, 2017)

This has led to a slowing of the pace of local authority ‘regionalisation’ but the ‘Reforming Local Government: Resilient and Renewed White Paper’ (Welsh Government, 2017) 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 10 local authorities in the CCR (see Figure 1) and the Welsh Government, which led to two parallel processes of city region building being put in place. Figure 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 U.K. government, the local authorities themselves, circumventing the Welsh Government, however, side-lined 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 14, Local authority leader CCR, 2017)

This created the governance structure on the right-hand side of Figure 2, which is continuing to evolve presently through the implementation of the city-deal itself (see Figure 3). The process of negotiating the city-deal raises two interesting points: first, it was
negotiated between local authority leaders and the U.K. government, whereby it circumvented the Welsh Governments 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 U.K. government.

Figure 2. The changing structure of the Cardiff Capital Region.

Business Council for the Cardiff Capital Region

Neil Brierley - Faithful+Gould
Ann Beynon - Severn Trent Water and CBI.
Katy Chamberlain - Business in Focus.
Huw Lewis - Cardiff Airport
Heather Myers - South Wales Chamber of Commerce.
Jo Rees - Blake Morgan.
Grant Santos - Educa Group and FSB.
Richard Selby - Pro Steel Engineering.
Paul Webber - Arup.
Karen Wenborn - Cardiff, SSE Plc.
Huw Williams - University of South Wales.

Figure 3. Membership of the Business Council for the Cardiff Capital Region.
Cardiff Capital Region City-Deal

The CCR City-deal was released March 15th 2016; it is approximately worth £1.2 billion over 20 years and has a strong emphasis upon 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 ‘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 local authorities will be needed. This will certainly involve ceding power, funding and decision making to a more regional level. (Welsh Government, 2012, p. 7)

Although the city-deal reflects many of the same policy opportunities included in English city and devolution deals, as Figure 2 highlights, the proposed structure stops short at devolving revenue-generating powers to the region, hence no mayor is required. There will be the ‘CCR Cabinet’ consisting of the then leader from each local authority and in time, there will also be ‘CCR Economic Growth Partnership’ or as it has been termed the ‘CCR Business Council’, which will look similar to a LEP and the ‘CCR Business Organisation’, which will channel business investment for the city region (HM Government, 2016). Figure 3 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. 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. 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 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, p. 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 specifically aiming to enable. Added to this, the surrounding media releases on the gov.uk website (see Figure 4), by various actors involved in creating the deal suggest little else.

Ideologies of growth run deep through the press release statement and several discourse-analytic (Fairclough, 2010) points stand out with regard to the model of growth desired (Clarke, Martin, & Tyler, 2016) and the prescribed ‘representational regime’
<table>
<thead>
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<th>Political Actor</th>
<th>Quote</th>
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| **Chancellor of the Exchequer, George Osborne** | - 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 |
| **Secretary of State for Wales Stephen Crabb** | - 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. |
| **Chief Secretary to the Treasury, Greg Hands** | - 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 |
| **The First Minister of Wales Carwyn Jones** | - 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 local authorities. It is a great example of what can be achieved by coming together for the greater good of our Capital region. |
| **City of Cardiff Council Leader, Councillor Phil Bale** | - 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. |

*Figure 4.* Media press release following signing of the CCR City-Deal, names and title reflect those in post at time ([https://www.gov.uk/government/news/cardiff-capital-region-city-deal-signed](https://www.gov.uk/government/news/cardiff-capital-region-city-deal-signed)).
(Rutherford, 2006) in and through which the city region is envisioned. Figure 4 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 in each other; U.K. government first, then Welsh Government, and finally local government and civil society actors last. Secondly, each of the statements opens the broader policy framework. Interestingly, the first four respondents all focus on very similar things with regard 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 slightly more progressive in terms of how this will benefit the lives of people living in the CCR. Hence the ‘shadow of hierarchy’ (Jessop, 2016) for these ideologies of growth is rather telling with regard 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 legitimize 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 & Phillips, 1996, p. 112)

In designing the city region to focus primarily on economic growth as its primary target, this suggests that concerns with regard 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 2 to be active in the process of building the city region. As Jessop (1990, 2016) 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 & 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 18, 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. This reflects upon the process of city region building as one which purposefully seeks to depoliticize and remove contestation from its implementation (Etherington & Jones, 2018). This is done by closing the representational regime (Jessop, 2016) of the city region to potentially dissenting voices. In highlighting the contested nature as to how the CCR has been implemented and how economic growth is envisioned, the following sections will now discuss the ways in which this has been problematic for civil society members and why despite statutory requirements for their inclusion, they have been left out of the city region building process.

**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, the insight below highlights how the agglomerative model of ‘boostering’ Cardiff may cause further combined and 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 10, Welsh Civil Society Organisation, 2016)

But as has been previously highlighted, 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 & Overman, 2013) is difficult because this requires a deeply critical approach to the market itself. This does not fit with the dominant growth logic presented in the city-deal approach. The extended quotes below, articulate this well as they suggest 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 9, 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 regard 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 9, CCR/Welsh Civil Society Organisation, 2016)

Scale and accountability

Interviews with CCR civil society members also raised an on-going tension between the concept of localism and the city region. The production of the city region changes the relationships of scale between civil society organizations 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 2, CCR Housing Association, 2015)

The process of what Cox (1997) refers to as ‘scale-jumping’, alluded to in the above quote, represents a significant problem to civil society organizations working in the city region. As for the most part civil society organizations 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 can they 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 22, CCR Community, 2016)

This means local voices can be marginalized through what Pemberton (2016) calls ‘scale-craft’ (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, p. 1309)

This is being employed to through the city region to depoliticize its economic intentions (see Etherington & 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 soft space institutions (Haughton, Allmendinger, & Oosterlynck, 2013) that hold power chimes with others observations with regard to how urban governance regimes seek to displace dissent away from their activities as they build towards a hegemonic consensus to create economic development (Burnham, 2014; Etherington & Jones, 2016a, 2016b; Foster et al., 2014; Jessop, 2014). In moving forward, this raises serious questions around how 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 regard to responding to new ‘devolved’ governance structures and reduced local authority 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 organizations are entitled to forms of representation.

Austerity

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., 2015). This has meant that local authorities did not need to cut as deeply and as quickly, initially. Significant cuts have come later to local authorities, 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 20, 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 10, Welsh Civil Society Organisation, 2016)

This has impacted civil society groups in a number ways but primarily it has left them squeezed between reduced national and local state funding opportunities whilst at the same time facing increased demand on the services they offer. For example, the phasing out of Communities First has impacted several local community groups substantially (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 grown, new relationships and those new relationships are probably going to have to be with business. (Interview 6, CCR VCS, 2016)

The above 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 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 6, CCR VCS, 2016)

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

Conclusions

This paper 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. The paper has looked at the ways in which the U.K. state both defines and limits devolution and in this case, the Cardiff Capital Region 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 & Theodore, 2010, 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 have created new geographies of governance and these are playing out differently in Wales as oppose to the rest of the U.K. Welsh City Region building reflects this as devolution, with austerity and local government reorganization creating different structures for city-deals. Although on-the-surface city regions from the U.K. 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: local authority – city region – Welsh Government – U.K. 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’. Again this raises a series of further questions for the notion of ‘scalecraft’ for CCR and the Welsh State.

Specifically, we have sought to empirically demonstrate how both an ‘agent and obstacle’ (Duncan & Goodwin, 1988) relationship has unfolded in Wales, as different governance institutions interact. Therefore, despite their political manoeuvrings to secure a city-deal, the CCR local authorities are still greatly constrained by a lack of fiscal powers and in their subservience to both the Welsh and U.K. 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 whilst still implementing the city-deal. Within in
these processes, the paper has 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 regard to what role or influence civil society will have to shape a more progressive city region.

Notes

1. The empirical research for this paper took place between November 2015 and March 2017. This involved conducting semi-structured interviews with 27 key stakeholders in the CCR. This ranged from those involved with implementing the CCR itself to civil society members based within the city region. The data were openly coded, and from this, quotes were selected to show key points with regard to findings but also those that highlighted representative views.
2. Because devolution is to the Welsh Government, an important differentiation for Wales, compared to England, is that no devolution deal has been offered to the Cardiff Capital Region scale, only a Cardiff City-Deal.

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