The march of governance and the actualities of failure: the case of economic development twenty years on

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Capital never solves its crisis tendencies; it merely moves them around. This is what theory tells us, and this is what the history of the past 40 years has been about. (Harvey 2011, p.11, original emphasis)

Reflections on the governance paradigm

Twenty years ago, Bob Jessop (1998) published a defining piece on the “rise of governance” and the “risks of failure”, using the example of economic development to frame concerns with the nature and shape of capitalism at that time. This classic paper in the social sciences undertook four tasks. It first charted the interest in and rise of governance – namely the role of markets, states, and partnerships in economic coordination and the specifically cyclical modes coordination for economic development mainly in western Europe. Second, this was situated within shifts in the practice of economic, political, and social life and what Jessop (ibid, p.32) called “governance practices”, such as coordination, reflexivity and hierarchical forms of organisation and state restructuring. Third, and substantively, Jessop offered some preliminary reflections on the nature, forms, and logic of “governance failure”, noting alongside the quote above from Harvey (see also Harvey 2016) that:

The growing fascination with governance mechanisms as a solution to market and/or state failure should not lead us to overlook the risks involved in attempts to substitute governance for markets and/or hierarchies and the resulting likelihood of governance failure. However, whilst there are already extensive literatures on market failure and state failure, there is far less direct, explicit, and focused concern with governance failure. Yet, if both market and state failure are recognized in social sciences, we should also thematize governance failure (Jessop 1998, p.38).

Just as markets and states fail, then, Jessop’s prediction was that governance would ultimately fail, though the form(s) that this would take was open-ended at the time. As Jessop noted in conclusion: “Given the growing structural complexity and opacity of the social world, indeed, failure becomes the most likely outcome of most attempts to govern it with reference to multiple objectives over extended spatial and temporal horizons” (Jessop 1998, p.43). Fourth, building on this, Jessop offered initial insights into “metagovernance”, i.e., the governance of governance and the state’s increasing role in managing and mismanaging different modes of coordination. Linked to this are four “dilemmas of governance” (ibid, p.41) facing governance and challenges for governance researchers to uncover, namely cooperation versus competition, openness versus closure, governability versus flexibility, and accountability versus efficiency. Here, Jessop sought out the contradictions of governance, as opposed to the complementarities expressed by Stoker (1998).

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As I have highlighted elsewhere (Etherington and Jones 2018; Jones 1997), the strength of Jessop’s work – pitched at a high-level of abstraction and requiring meso-level geographical and spatial analysis – often requires others to fill in the “in practice” gaps and take things forward theoretically and empirically. This paper, 20 years post-Jessop on governance and its rise and risks, offers this. It tells the narrative of how governance in Britain (and England specifically) has indeed marched on and, building on Jessop (1998), has indeed failed, repeatedly and spectacularly. The paper reveals Jessop’s governance dilemmas in action and specifically how the contradictions and crises tendencies of capitalism have both necessitated the use of, and been played out in and through, geographical space. A vice of perpetual restructuring is eating away at local economic development – where “the whole system is paralysed by uncertainty about who will be left standing when the game of musical chairs comes to an end” (Mulgan 2010, p.1) – is indeed a geographical game. In this sense, the paper demonstrates that Jessop (1998) was predictively right, though thinking critically about governance vis-à-vis space is needed to make the connections between theory and practice. The remaining sections of the paper unpack this.

“All change”: the governance march across space

As noted elsewhere in detail (Jones 2019), the evidence from this paper’s assumptions starts with a particularly hard-hitting and historical significant report published in 2017 by the Institute of Government (IfG) – aptly titled All change: why Britain is so prone to policy reinvention, and what can be done about it – claiming that considerable damage is being done to economic governance by perpetual tinkering, the rationale of which is startlingly unclear. With 28 changes to legislation and 48 Secretaries of State in 30 years, the IfG review looked into the now extremely rapid rate of change to government policies and how this had affected many sectors of governance, including regional government, as well as industrial strategy and further education. The reason for the changes, or an “appalling churn” as the IfG called it, could be put down to a number of factors, including disagreement about the purpose of regional governance, or the appropriate spatial level at which to devolve powers and Whitehall’s unwillingness to trust existing local institutions, but opinions from documentary research were uneven and inconclusive. In short, the “constant reinvention” in these three policy areas, noted as one of “redisorganisation” and “accordionisation” – the need to keep everyone confused by instituting continuous centralisation and decentralisation – could not be adequately explained. “In the space of just over 20 years, the main vehicles for regional governance have included government offices, regional assemblies, regional development agencies and, currently, local enterprise partnerships”, the report stated, with the annual cost of continual reorganisation for a single government department alone costing around £15 million a year (Norris and Adam 2017, p.3).

Put simply, IfG researchers, and a launch panel (held on the 14 March 2017) consisting of former Permanent Secretaries and other senior policy-makers, did not know whether these perpetual and cyclical changes have been taking place due to the new policy challenges facing local and regional economic development in the midst of globalisation, or whether policy change is a response to repeated policy failures, and linked to this, ad hoc political interference vis-à-vis ideological change without an evidence base.

The IfG “patterns of churn” analysis is not isolated; it builds on a key intervention offered by the National Audit Office on the Funding and structures of local growth. This landmark report acknowledges that addressing uneven economic growth between and within regions has been a focus of government policy through governance projects for 40 years and thus a legitimate object of state intervention. Local “growth policy”, though, has seen a sequence of initiatives over a number of decades where structures and funding regimes are often replaced by new schemes (see Fig. 1). With some 38 changes to the landscape of economic development since the inception of urban policy in the early 1970s, again staggering in itself and not explained by the authors (other than that it represents “poor value for money”), the phase of change in place since 2010 is deemed to be “distinctive” because:

it has entailed the almost complete removal of existing structures and funding for local growth, both locally and regionally, and their replacement with new structures and funding, local freedoms and responsibilities. In contrast, previous phases of change have tended to be incremental and overlapping. As we

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Figure 1. Evolution of initiatives for local growth in England, 1975–2015
Source: Pike et al. (2018, 137) based on National Audit Office (2013, 17) analysis of departmental information

have reported previously, reorganisations can be poor value for money due to poorly specified objectives, limited cost and benefit monitoring, and poor implementation planning. (National Audit Office 2013, p.16).

The governance question, which Jessop (1998) started to grapple with, is why, and in what ways, particular policy problems are constructed and the
processes through which spatial scales and regulatory governance mechanisms become codified as the solution to such problems. It is important not only to describe the inability of state intervention to make a difference, given that academic and popular analysis has highlighted the widening and deepening of uneven development across Britain and the extension of a north-south geographical divide (McCann 2016). The challenge post-Jessop (1998) is to offer “explanatory power”, i.e., to draw attention to how seemingly unconnected processes of state restructuring and policy formation are in fact differentiated outcomes of ideologically infused political decision-making that cannot be separated from the inherent crisis tendencies and contradictions of capital accumulation, state formation, and state intervention. Put simply, as Jessop (1998) pointed out, policy failure is not a random and surprising phenomenon; it is the norm and increasingly endemic to advanced capitalism and its late neoliberalism spatial forms.

Following the entry quote from Harvey (2011), I would like to suggest that the risk of economic development and its governance has indeed been continually moved around through space. Contradictions necessitate displacement and geographical transformation, but the crisis management strategies of the state themselves are always subject to new forms of crisis tendency, which points to the always unstable nature of economic governance and economic development. The evidence in Fig. 1 does not point to a coherent institutional fix that supports this neoliberal growth project, but is instead best regarded as heterogeneous, mutable, and involving variegated responses and producing unstable uneven geographical outcomes (Allmendinger and Haughton 2015). Peck denotes this as governance “failing forward” in that “manifest inadequacies have – so far anyway – repeatedly animated further rounds of neoliberal invention. Devolved governance, public-private partnerships, management by audit, neopaternalism . . . all can be seen as examples of institutional reinvention spawned as much by the limits of earlier forms of neoliberalization as by some advancing “logic”” (Peck 2010, pp.6–7). A framework for grappling, and putting governance in its place, (post-Jessop 1998) firstly requires a consideration of the relationship between the state and space. Secondly, a long-run periodisation analysis of the historical specificities, trends, and counter-trends of state intervention through economic development and its governance is needed.

**States, economic governance and geoperiodisation**

The most general feature of the state (pre-modern as well as modern and pre-capitalist as well as capitalist) is that it comprises a set of institutions concerned with the territorialisation of political power. This involves the intersection of politically organised, coercive, and symbolic power, a clearly demarcated core territory, and a fixable population on which political decisions may be made collectively binding. Thus, the key feature of the state is the historically variable ensemble of technologies and practices that produce, naturalise, and manage territorial space as a relatively bounded container within which political power is exercised to achieve various, more or less well-integrated, and changing policy objectives. The state, then, is distinct and different from, say a multinational corporation, by virtue of its territorial integrity and its political legitimacy (see Jones 2009).

The state is also different in the various roles that it can play. As Hudson (1989) above reminds us, states can respond to the contradictions, dilemmas, and problems of capitalism by creating the general conditions for the production and social reproduction of the capital relation, that is, the environment for economic growth and development. The state does this in part by seeking to promote growth and development and/or by responding to the effects of this, that is, uneven growth, change, and restructuring. The state, though, is omnipresent: due to its development and penetration into most spheres of life, it appears to be everywhere and nowhere at the same time.

Following Gramsci (1971), the state is a complex and broad set of institutions and networks that span both political society and civil society in their “inclusive” sense. Building on this insight, states can be viewed as strategic terrains, with emphasis being placed on strategic considerations and strategic actions. Offe (1984, 1985) discusses this arrangement by drawing attention to the state and its circuits of power and policy implementation, which provides a window on the patterning of state intervention and the everyday nature of policy-making under capitalism. Building on Offe and Gramsci, Jessop’s approach to the state, has
significantly moved forward these arguments. For Jessop (1990, 2016a), the state needs to be thought of as “medium and outcome” of policy processes that constitute its many interventions. The state is both a social relation and a producer of strategy and, as such, it does not have any power of its own. State power in relation to the policy process relates to the forces that “act in and through” its apparatus. According to this view, attempts to analyse the policy process need to uncover the strategic contexts, calculations, and practices of actors involved in strategically selective, or privileged, sites. This can be summarised as a framework that demonstrates “systems analyses” for the undertaking of “systematic” forms of public policy analysis – drawing attention to the intricate links between actors and forms of representation, institutions and their interventions and practices, and the range of policy outcomes available. The state, then, is both a strategic and relational concern, forged through the ongoing engagements between agents, institutions and concrete policy circumstances.

Rhodes (2007, p.1254) reminds us that “patterns of rule arise as the contingent products of diverse actions and political struggles informed by the beliefs of agents as they confront dilemmas that are understood differently in contending traditions” (emphasis added). Heeding this call, two crucial elements of statehood and policy-making need to be considered. The first is the notion of “discursive geographies” (Jones 2008). This encourages us to think of the state as not “always-already there”: the relationship between states, ideology and discourse matters in and through the production, dissemination and consumption of ideas and concepts to understand the whereabouts of state intervention and public policy. As the evidence above (Fig. 1) documents, new institutions are continually being built by the state and cadres of “experts” strategically assembled that can be proposed as the appropriate caretakers, teachers, and practitioners of knowledge. As knowledge is transferred though “from one scale to another, the particular social, political, and economic context within which it was produced is stripped away, allowing the presentation of abstract programmatic statements that are valorised as universally applicable” (Dixon and Hapke 2003, p.143).

Second, the “geography of discourse” (Jones 2008) itself matters, i.e., the way objects of regulation and governance are constituted in relation to each other. The construct of policy does not stand independently from the ideas and beliefs of politicians and policy-makers, but has to be always contextualised in relation to concepts and ideas that are unstated. For Dixon and Hapke (2003, p.143), the state is able to establish this line “via the play of binaries for example, free/fettered, family/corporate, rural/urban, welfare/investment, safety/risk, individual/ social, us/them – one side of each of which becomes prioritized to the detriment of its opposite” (Dixon and Hapke 2003, p.143). Jessop and Sum (2013) deploy the notions of “semiosis” and “construal” to combine these twin insights. Semiosis refers to sense-making and meaning-making, whereby policy-makers can give appreciation and meaning to their actions world, which is in turn predicted on “construal” – how a particular policy problem is perceived and the solution constructed in response to this. Put very simply: “Policy makers are not faced with a given problem. Instead they have to identify and formulate their problem” (Lindbolm 1968, p.13). The governance of economic development is no exception here and the nature of the problem and the solutions to this have changed considerably over time and across space – perpetually in a state of flux, as noted above.

These concerns can be further rolled together through the idea of “spatial fixes” (Harvey 2011, 2016) and “spatio-temporal fixes” (see Jessop 2016a,b), concepts deployed to comprehend the dynamics of state spatiality, state spatial restructuring, and the geographies of state intervention specifically. The state performs the role of securing the relative stabilisation of society by endeavouring to manage the various economic and political contradictions within the state system. This is inherently spatial, as state intervention is articulated through the constructions of spaces (scales, levels, horizons, etc.) of intervention, the fixing of borders, the stabilisation of places, and in short, attempts are being continually made to produce and reproduce a territorially coherent and functioning socioeconomic landscape. This has been referred to elsewhere as state “spatial selectivity” – the processes of spatial privileging and articulation in and through which state policies are differentiated across territorial space in order to target particular geographical zones, scales, and interest groups (Jones 1997).

The latter dimension forms an integral element of how legitimation occurs within the state.
apparatus via the creation of territorial coalitions, or what Cox (1998) calls “spaces of engagement”, to mobilise strategically significant actors and exclude others where “spaces of dependency” (interests and attachments) rule out their possibility for incorporation. The tension between engagement and dependency, of course, creates a politics of scale and a scaling of politics, where some localities are either more or less engaged in networks of association beyond their immediate territories than are others (see Jonas and Wood 2012).

As noted previously (Jones 2009), Brenner’s (1998, pp.474–477) work on state spatiality offers a useful geo-periodisation bridge to take this forward and situate the rise and increasing risks of governing economic development. Brenner draws attention to three periods: “encagement” (1890s–1930s), “entrenchment” (1950s–early 1970s), and “de-nationalisation” (post-1970s onwards). This is applied to the British economic development experience, to put governance in its place.

Space of localism: municipal local states

Taking these in turn, until the late nineteenth century there was a distinct polarisation between industrialising city-regions and predominately rural agricultural peripheries, which was reinforced at a global scale through colonialism and imperialist expansion. The global depression of the late 1890s and after, however, drove a search for a state-managed and organised capitalism. With the development of market societies, “states were forced to adopt measures to prevent the self-destruction to which self-adjusting markets were inclined” (Dunford and Perrons 1992, p.391). An emerging “encagement” of socio-economic relations was taking place due to the increasing spatial convergence between the interests of capital and the state, which fueled the development of global urban hierarchies and increasingly territorial states (Brenner 1998, p.473). Geo-economic interests began to dominate here and the continued expansion of capital growth and development drove the search for a spatial symmetry between a national economy, state bureaucracy, civil society, and national culture, all feeding each other. This was secured through mainly public infrastructure development across territorial space, industrial infrastructures, national economic planning, and an expanding state apparatus.

Over a 40-year period, the state thus acquired an increasing role in the construction of numerous interlocking territorial infrastructures – public transportation, education and housing facilities, communication networks, utility supplies, and other aspects of the expanding urban and regional fabric – as market mechanisms of distribution had failed as mechanisms of production and modernisation. Economic development trajectories in England broadly align to this. Victorian “localist” public health legislation, for instance, made possible the expansion of the (local) state’s roles in responsibility for water and sanitation through a combination of local taxation and municipal trading. The context for these local rounds of state intervention was “countering localized market failure” (Hall 2016, p.313) and as the nineteenth century progressed, other services were developed in a similar way, including gas, electricity and public transport.

Spatial Keynesianism: national welfare states

Following the Great Depression of the 1930s, and certainly after the Second World War, this model of statehood was consolidated through modernisation, nationalisation, and rationalisation to make space for a new wave of capitalist expansion, despite the onset of serious and lasting economic crises. Britain, for instance, faced growing international competition and local authorities experienced economic problems that precipitated engagements with industrial promotion activity, which accelerated in the inter-war years. As Mawson points out:

The fact that the burden of addressing the social consequences of mass unemployment was borne at the local level through poor relief further encouraged local municipal leadership to promote the local economy and associated tax base. In some areas this development took places as an adjunct to central government’s emerging regional policies as heralded in the 1934 Special Area Act. (Mawson 2009, p.40).

These emerging regional policies were seeking to deal with the problems of uneven development and rising spatial inequality between a growing south and declining north. Consequently, throughout the Fordist–Keynesian period, roughly from the 1950s to the early 1970s, the role of the territorial state as a geographical container of capital accumulation and social development intensified and solidified (Brenner 1998, p.474). From the 1930s, states had
begun to engage directly in attempts to influence capital through subsidies, grants, loans, tax advantages, public investments, and state ownership of production facilities. In Britain, for instance, the Barlow Commission of 1937–1940 was a landmark event, which placed a national duty on government to govern, control capital to prevent the overheating, and socialise national control of industry through planning (see Hall 1989).

This practice of capital regulation and spatially targeted investment progressed through rounds of regional policy, such as the Local Authorities (Land) Act 1963 and The National Plan, with regional and local state institutions becoming “transmission belts” for interventionist central state policies concerned with addressing “the balance of payments [via] an intensive effort by all concerned” (HMSO 1965, p.A3). Their goal was simultaneously to maximise growth by “overcoming the obstacles to growth” (ibid) and to redistribute its effects as evenly as possible on a national scale. Between the 1950s and the 1970s, further rounds of regional (industrial) policies, such as the Hunt report on intermediate areas, were introduced to promote industrialisation within each state’s underdeveloped peripheries. The spaces mostly outside of declining cities became hosts to industrial estates, employment parks, and other exhibits of fixed-capital investment to attract jobs through inward investment, as well as growing (often failing) local/regional economic talent. This was supported by the expansion of the welfare state, increasing universal rights and social citizenship, and politics predominately related to achieving and raising social benefits. In this style, “the national scale operated as the critical geographical framework for capitalist production and exchange, as the dominant institutional site of sociospatial polarisation, and as the most central arena for addressing sociopolitical contestation” (Brenner 1998, p.475).

The crises and contradictions of capitalism were in effect delicately balanced, or what Dunsire (1993) calls “collibrated”, into a durable spatio-temporal fix. As Lefebvre (1976, p.111) puts it: “the ship of capitalism and its leaders found itself with a motor, a rudder and a fixed course”. The limits to this became apparent during the mid-1970s with the slowing down then collapse of Atlantic-Fordism. Key for Britain was social and political unrest, with the government responding with the raft of state interventions on urban policy ignited by the 1977 Urban White Paper and 1978 Inner Urban Areas Act, where “local economic development was encouraged by the policy vacuum created by the retreat of national regional policy in areas of increasing unemployment and by the introduction of locally delivered national schemes such as the Urban Programme” (Mawson 2009, p.41).

**De-nationalisation scalar relativisation: new localism and new regionalism**

Consequently, “de-nationalisation” (Brenner 1998, p.475) has had more profound implications on geography of world capitalism and the political economic geography of the state than the two preceding waves of spatio-temporal fixing. Shifts within the international division of labour, aided by technical change, brought about intense economic restructuring, which transformed some industrial heartlands into wastelands and provided new post-industrial opportunities for others. Accordingly, on sub-state levels, “interspatial competition” (Brenner 1998, p.475) has intensified among localities competing with one another to attract investment and secure state subsidies. In addition to these globally induced reconfigurations of the national scale, there has been a series of highly contested forms of reterritorialisation involving the state and its interventions, restructuring impacts, and responses to this. Two overarching broad trends have been defining social science research agendas in recent years.

First, scholars have highlighted a “relativisation of statehood” (Collinge 1999). In contrast to the era of Fordism–Keynesianism, described above, there is no privileged level around which the state can influence the unfolding of capitalism. The relativisation of statehood thus implies: (1) an increasingly tangled hierarchy of overlapping, continually changing arrangements associated with multilevel interventions; and (2) the systematic lack of any dominant scale, or system of governance, that encompasses or subsumes competing scales of political-economic organisation. To understand this, the crisis of Fordist capitalism and the subsequent burst of globalisation should be understood as a de-centering of nationally scaled regulatory arrangements, as subnational and supranational scales of political-economic life have acquired a renewed, and in some cases unprecedented, significance through a variety of trial-and-error,
often ad hoc, political initiatives, especially in economic development and regeneration. This often involves the shift from government to governance, as new arrangements for state management now involve an array of different socioeconomic partners and not just those in formalised state structures.

Figure 1 captures some of this, with an increasingly relativisation of scale and an almost “filling-in” (Goodwin et al. 2017) of all horizons (national, regional, local) of state intervention. While the Keynesian welfare national states of the post-war era were intent to harmonise the equalisation of wealth, population, and infrastructure across national territories, contemporary neoliberal state projects are promoting territorial competitiveness within certain strategic subnational sites such as cities, city-regions, and industrial districts, which in turn are to be positioned within supranational and global circuits of economic development. While certain aspects of this entrepreneurial reorientation of governance has occurred from below, as fiscally strained localities have attempted proactively to attract new sources of investment through the actions of “new institutional spaces” (Jones 1999), sub-national economic development must also be construed as a national state projects concerned with providing “new avenues for capital accumulation” (Hadjimachalis 2018, p.xii).

Second, provoked by hegemonic discourses of globalisation and business civilisation alongside a political rhetoric of fiscal prudence, national states have actively sought to reduce commitments to integrated welfare entitlements and redistributive urban and regional policies in favour of supply-side neoliberal initiatives intended to promote technological innovation, labour market flexibility, lean management, and endogenous growth. This is discussed further below.

In governance terms, Metropolitan County Councils were accordingly abolished in Britain, reflecting central government’s hostility to their deemed to be socialist interventionist range of economic development policies, and “new localist” state-sponsored institutions, such as Urban Development Corporations (UDCs) and TECs (see Jones 1999), put in their place. The “patchwork quilt” (Audit Commission 1989) of local complexities was replaced by a “new regionalist” “bowl of spaghetti” (Johnstone and Whitehead 2004) of responding to new market opportunities through new forms of organisational capacity and business leadership through Regional Development Agencies (RDAs), working in tandem with, but also getting tangled up with, Local Learning and Skills Councils. In the words of the Lord Peyton of Yeovil, criticising the government’s Neighbourhood Renewal Unit at that time:

The organization has no fewer than seven divisions and 14 subdivisions. Its habit of breeding which is endemic in the Office of the Deputy Prime Minister, has spread to boroughs. The government has produced an indissoluble union between gobbledy and gook. (Quoted in Weaver 2003, p.17).

Local Strategic Partnerships (LSCs) and later a series of Area-Agreements (Local then Multiple AAs) were deployed so that local stakeholders could work together to agree and deliver local policy priorities, but limited statutory powers and minuscule budgets, the government’s increasingly performance management regime for government programmes largely bypassed the new structures and added to the existing complexity, which is evident by the rapidity of institutional developments in the ensuing complexity, which is evident by the rapidity of institutional developments in Fig. 1, culminating ultimately in what Sullivan and Skelcher (2002) refer to as a “congested state” in which a “considerable amount of time and resources are chewed up in getting new organisations off the ground and in constructing partnership relations so that something might get done” (Corry and Stoker 2003, p.10, emphasis added).

**New new localism: devolution deals and beyond**

The resulting spatio-temporal fix to deal with this dysfunctional multi-scalar complexity increasingly became a “new new localism” of city regions (Jones and Jessop 2010), given the desire to create institutional projects able to hold down the global through functional economic areas. The HM Treasury Sub-National Review (SNR) had proposed Urban Regeneration Companies (URCs) and sub-regions became key spatial units in increasingly devolved contexts (see Ayers and Stafford 2009). Post 2010, a Devolution and Local Government Act and Local Growth agenda pushed functional economic areas further through Local Enterprise Partnerships (LEPs), City Deals and Devolution Deals. The RSA’s City Growth Commission represented a key moment, leasing metro-growth, through a series of city-regions, or...
“metros” – defined as the “larger constellation of cities and towns that constitute a functional economy within built up areas” (RSA 2014, p.11) – with critics noting this city-region building as adding further to the tangled problem of governance complexity; nothing short of an imbroglio of institutional crises that reproduces the labour market’s deep inequalities by focusing only on the most profitable and high-tech sectors of the local and regional economy (Etherington and Jones 2016a). While the principal function of local authorities was the concern with public services, merging LEPS with local government through the various Combined Authorities and Mayoral CAs, twisted and turned the function of the local state towards the ideological and principal purpose of economic growth and also depoliticised debates around this. Critical here is the ongoing process of joining up economic development with the market-making and welfare reform agenda (see Toynbee and Walker 2017), given the surface-level policy desire to have locally sensitive and coordinated approaches (Mawson 2009), drawing on the lessons of the Employment Zones and City Strategy Pathfinders.

Consequently, noting what Peck (2010, p.16) calls “state/market configurations”, these activities have been bringing with them “authoritarian politics”, that is, they can have deep consequences across cities and regions, as inherited and hard-won forms of popular control over welfare state institutions are being gradually eroded. Insofar as they have entailed a “productivist” re-ordering of social policy and the increasing privileging of economic competitiveness, shifts to entrepreneurial governance have also contributed to a reduced commitment to the concerns of collective consumption for poorer sections of the working class. For Harvey (2005, p.76) “a way has been found to integrate state decision-making into the dynamics of capital accumulation and the networks of class power”. Accordingly, the move from RDAs to LEPS effectively removed two-thirds of core regeneration and ended the 40-year history of area-based regeneration initiatives “targeted at the most deprived parts of England” (Crowley et al. 2012; Hetherington 2013). As Hall summarises:

... the Conservatives and Liberal Democrats have pre-sided over the effective cessation of urban regeneration as a form of public policy. Legacy programmes have been allowed to expire without replacement or, in the case of Housing Market Renewal, simply terminated. Total government expenditure on regeneration was reduced by some two-thirds within the financial year 2011/2012. For the first time since the 1960s, there is no national framework of area based regeneration initiatives and supporting financial and institutional resources in the cities of England ... Indeed, it can be argued that the Coalition government has rejected a role for itself in respect of the monitoring and elimination of poverty and social exclusion. (Hall 2016, p.324, emphasis added).

New forms of exclusion, subordination, and resistance are being inscribed into urban and regional space (Ellis and Henderson 2013). One notable ingredient in this political endeavour has been escalating welfare-to-work or “workfare” interventions, which aim to secure a new relationship between the state and its subjects by requiring work or active labour-market activities in return for unemployment benefit and welfare assistance. The discussion on the rollout of Universal Credit, which involves replacing six means-tested benefits for working-age households, is the culmination of this regime, with the National Audit Office (2018) raising serious questions on the operability of a system that is causing hardship and misery for thousands.

Reconciling governance, neoliberalism, and its spatial conditions

This neoliberal growth strategy should neither be seen as an all-encompassing, universal and settled project, nor a binary process of switching one spatial scale with another (local-regional and regional-local). In the words of Brenner et al.:

To speak of neoliberalism “in crisis” needless to say, presupposes an understanding of the character of this elusive dispersed yet deeply embedded form of social rule. A singular, monolithic and unified neoliberalism might indeed be prone to a correspondingly “total” crisis. But neoliberalism has never displayed such a singular, monolithic character. It may be deeply integrated, but it has always been unevenly developed – most notable across nations, cities and regions ... [N]eoliberalism’s proven capacities in the (downward and outward) displacement and (forward) rescheduling of risks and crisis tendencies mean that its associated regulatory landscapes are especially dynamic. (2012, pp.17–18)

It is important, then, to highlight the contingent “mechanisms” or “processses” in and through which this project is being politically made and contested with “some forms of agency” to avoid “over-generalisations” (Le Gales 2016, p.168). Following Offe
(1984, p.37), a “processual” approach is favoured here, which seeks out the mechanisms (“cross-scalar relations” as Brenner et al. (2012, p.60, original emphasis) put it) that generate events and can highlight developmental tendencies and tease out important countering tendencies and opportunities for progressive localisms.

Instances of regulatory failure across cities and regions, though, are becoming apparent, as state policy-making constantly switches economic problems in concerns of state rationality that can be more easily addressed through public policy. State actors appear to be continually reinventing policy initiatives, often in response to the problems and contradictions caused by previous rounds of state intervention, in a search to get things right. As Brenner et al. put it,

the practice of neoliberal statecraft is inescapably, and profoundly, marked by compromise, calculation and contradiction. There is no blueprint. There is not even a map. Crises themselves need not be fatal for this mutable, mongrel model of governance, for to some degree or another neoliberalism has always been a creature of crisis. But selectively exploiting the crisis of Keynesian-welfarist, developmental or state-socialist project has a “deficit in local regulatory capacity” and some state forms and functions have clearly become “counter-regulatory” (Painter and Goodwin 2000).

Governance failure (a response to both state failure and market failure), i.e., the “failure to redefine objectives in the face of continuing disagreement about whether they are still valid for the various partners” (Jessop 2000, p.18), is occurring.

There are a number of dimensions to governance failure, which are embedded in economic development (see Etherington and Jones 2016a, 2018). First, is the apparent tension between devolving responsibilities in relation to policy formation and implementation and the tendency towards centralisation in decision-making, whereby local actors are charged with implementing nationally determined targets and programmes. The challenge here is the adaptation of national programmes to local conditions.

Second is the increasing tendency towards institutional and policy fragmentation at the sub-regional level, with issues of accountability being raised. Governance becomes a new site for conflicts and political mobilisation, as the nature and complexity of partnerships means that involvement of more and more “actors” and “stakeholders” involved in the design and delivery of labour market programmes. Outcomes at one scale may be dependent upon performance at another scale of governance, therefore coordination dilemmas can occur. Furthermore, these coordination mechanisms may have different “temporal horizons” and there may be continuous tensions between short-term and long-term planning goals in policy planning.

Third, and related, is the failure of current policies to address deep-rooted problems of labour market inequalities that are integral to market failure. This is exemplified in many localities by the employment gap and lack of sufficient sustainable employment growth to “revitalise” city-region economies. Finally, governance in the form of economic partnerships, dominated by private sector interests, is continuing to replace elected and representative government in terms of local economic development, which in itself poses a number of problems between government and its elected representation model of democracy and partnerships, and which tend to be elite-forming with blurred lines of accountability, often far removed from those who are disadvantaged and disenfranchised. Depoliticisation is occurring, as opaque

How are state actors dealing with these challenges? How is failure being presented and interpreted, addressed, and new solutions proposed? Provisional answers to these big questions, post-Jessop (1998), are below.

**Multispatial metagovernance and the geographies of economic development**

As pendulum swing effect has been experienced in the governance fields of local and regional economic development, whereby UK state strategy, in turn linked to how the policy problem is constructed and its solution articulated, has moved and oscillated between national, regional, and local patterns of state projects and modes of state interventions. The previous round of state spatial restructuring has been used as the explanation for state intervention failure, with the next round seeking to address this through developing new spatial horizons, also failing in turn. Policy actors, politicians and business leaders are locked into the market model of delivery, neoliberalising modes of representation and subsequent failures in economic regulation. Local and regional economic and social development has a “deficit in local regulatory capacity” and some state forms and functions have clearly become “counter-regulatory” (Painter and Goodwin 2000).
representational structure and lines of accountability close down and restrict possibilities of negotiation and contestation (see Etherington and Jones 2018).

As noted by Bakker (2010), these processes have been neither “tidy in practice” nor “linear in fashion”: market failures, state failures and governance failures coexist, “exhibit a range of failures”, and are used to justify the “problem” requiring ongoing state intervention. It is, therefore, important to consider notions of “crisis metamorphosis”. When talking about financial crises, but also relevant to economic crisis in general, Thompson distinguishes this from the approach of Harvey (above) and Habermas by insisting that:

Metamorphosis implies a change in form; it does not imply, as displacement does, that the crisis has moved from one sphere of social life to another. A financial crisis that metamorphoses into a political crisis or a social crisis does not necessarily cease to be a financial crisis: it simply becomes something else. It changes form and, in doing so, it becomes something more than a financial crisis per se, taking on new characteristics in the process. (Thompson 2013, pp.64–65, original emphasis)

Moreover, as forms of governance become more widespread and constantly change their form (metamorphosis) “the question of governance failure becomes more acute” (Bakker 2010, p.45). The state’s answer to governance failure is to develop forms of metagovernance, which involves attempts to manage the ongoing complexity, plurality and tangled hierarchies characteristic of prevailing modes of coordination (see Jessop 1998, 2000, 2008, 2015, 2016). It involves, then, continually defining and redefining boundary-spanning roles and functions, creating and recreating networking and linkage devices, sponsoring and redesigning new institutions, identifying appropriate lead strategic institutions to coordinate other partners and continually generating discourses and narratives on the economy (the “shaping of context”, according to Jessop, 2011) to facilitate relative geographical coherence through repetition of the “problems” to be addressed and the solutions to these (metamorphosis played out). Government plays an increasing role in metagovernance: providing the ground rules for governance and regulatory order in and through which governance partners can pursue their aims and seek to ensure the compatibility or coherence of different governance mechanisms and regimes; seeking to balance and rebalance power differentials by strengthening weaker forces or systems in the interest of social cohesion or integration; and providing political responsibility in the event of governance failure (Etherington and Jones 2016a; Whitehead 2003). These emerging roles mean that networking, negotiation, noise reduction and negative as well as positive coordination occur “in the shadow of hierarchy”. It also means that, as Jessop reminds us, there is “the need for almost permanent institutional and organizational innovation to maintain the very possibility (however remote) of sustained economic growth” (Jessop 2000, p.24). Economic development initiatives are thus frequently produced through a combination of political fiat, central government diktat and local state opportunism.

Effective governance and metagovernance, in turn, depends on displacing (via the metamorphosis of the problem and its solution) certain governance problems elsewhere and/or on deferring them into a more or less remote future. This is possible because the state can transform its own internal structures and patterns of intervention spatially in an attempt to temporarily reconcile the contradictions inherent in its involvement in economy and society (Hudson 2001). Whereas the positively charged policy context of government policy points to a can-do “steering optimism”, where there is deemed to be a capacity to engage fruitfully and with purpose to produce temporary spatio-temporal fixes, Fig. 1 demonstrates a “steering pessimism” and a “crisis of crisis-management” (Offe 1984). State intervention has come to operate not only as a political strategy for promoting local economic development, but also as a form of crisis management designed to manage the regulatory deficits, dislocations, and conflicts induced through earlier rounds of state spatial restructuring. In short:

... a crisis-induced recalibration has been unfolding since the mid-1990s [whereby] a rescaled layer of state spatial projects and state spatial strategies has been forged whose purpose is to confront some of the major regulatory failures generated through state intervention. (Brenner 2004, p.266).

In turn, there are structural economic obstacles to effective governance and metagovernance, that, “by virtue of the simplication of the conditions of action, so often lead to the ‘revenge’ of problems that get ignored, marginalized, displaced, or deferred” (Jessop 2011, p.117). Fig. 2 summarises the key dimensions of this conceptualisation of
crisis and contradiction theory and points to the importance of the accumulation of, and inescapable intensification of, the unresolved contradictions of doing local and regional economic development. Brenner (2004, pp.263–265) neatly summarises these as the outstanding problems of: inefficiency and waste; chronic short-termism; regulatory undercutting; increasing uneven spatial development and territorial conflicts; problems of inter-scalar and inter-territorial coordination; democratic accountability and legitimation problems. For Fuller and Geddes, this gambit of regulatory problems and crisis tendencies ultimately revolves around:

tensions between nation-state control of urban regulatory spaces and local autonomy and discretion; the challenges created by the focus on “joining up” agents in urban spaces for purposes of addressing deprivation; and issues around the extent to which communities and citizens have the capacity to lead and influence governance arrangements within the context of devolved responsibility. (Fuller and Geddes 2008, p.266).

The solution to metagovernance failure is the state’s ability to further undertake, through acts of spatial movement and geographical displacement, multispatial metagovernance (MSMG). According to Jessop (2016b), MSMG recognises the complex, reciprocal, and independence of several spatio-temporal social fields that the state can draw on to frame its modes of intervention and policy-making capacities. The basis of this rests on earlier work with colleagues on the “TPSN schema” (denoting the concepts of territory, place, scale, and network), which explored the interaction between these four spatial moments of social relations considered both as structuring principles and as fields of socio-spatial organisation (see Jessop et al. 2008). These moments of socio-spatiality, which seek to go beyond analysis of the state in one dimension, can
be combined to produce more concrete–complex analyses of particular socio-spatial configurations, tied to specific substantive relations and processes, and articulated in different kinds of state spatial strategy to intervene in the economy. Each socio-spatial organising principle, then, has its own forms of inclusion–exclusion and entails differential capacities to exercise state powers. This opens a strategic field in which social forces seek to privilege different modes of socio-spatial organisation to privilege their ideal and material interests. Moreover, strategies of crisis resolution involve attempts to reorder the relative importance of the four dimensions and their associated institutional expressions and, hence, to modify the weight of their role in displacing crisis tendencies and contradictions – moving them around as Harvey (2011) put it.

Table 1 accordingly summarises how all the spatial combinations have been used as sites for doing local and regional economic and social development over the past 40 years. A discernible shift can be noted, whereby: place–place state spatial strategies of the Victorians’ localist era existed; territory–place strategies of the spatial Keynesian welfarist era replaced this regulatory fix; place–network and scale–network forms of neoliberal state intervention were dominant the new localism and new regionalism; and network–place state spatial strategies are the preferred face of the new new localism. This generalisation, though similar to other European experiences (see Batchler et al. 2017; Piatonni and Polverari 2016), conceals some of the relativisation tendencies at work (see above). In terms of metagovernance, competing and rivalled socio-spatial strategies have existed and co-exist. Attempts to rebalance the relative weight of the socio-spatial configurations, illustrated by the state project descriptions in these cells, have indeed failed to create a stable economic and social compromise – instead, “intensify[ing] uneven development, especially when declining regions are blamed for their own decline, required to make themselves attractive to capital based on mobilizing their own resources, or left to rot” (Jessop 2018, p.7).

Instead, a lack of symmetry exists between the “spatial division of labour” (Massey 1984) – put simply, the geographical organisation of relationships on production and accumulation – and the “spatial division of the state” – put simply, the relationships horizontally and vertically within and between forms of regulation and governance. Moreover, these two divisions are interrelated, as “[v]ariations in the role of the state are a result of a number of factors, including the structure of industry, administrative organisation, and the character of the ruling political coalition” (Dunford and Perrons 1992, p.391). Building on the notion of “regulatory capacity”, the state, then, is part and parcel of the coordination deficit dilemma of economic development as a result of a problem of “territorial non-correspondence” as Cox (2008, p.342) puts it: the desire and need to have competence, influence, and control is out of reach and exceeded by capacities occurring at other territorial scales. The answer is not to make every instance remaking economic development an act of coterminous boundary drawing (cf. HCLG 2018; Ney 2017), but to challenge the fundamental spatial and geographical logic of the British growth model and the ways in which the forces of capital actively help to produce and reproduce combined and uneven development.

Coda: Brexit impediments and the revenges of uneven development

This paper has suggested that the growth of governance is interlinked with neoliberal modes of state intervention, driven by absorbing market failures into the state apparatus, which in turn leads to state and governance failures in new, and old, institutional and spatial forms. Elsewhere it has been suggested that this would lead to an “impedimenta state” (Jones 2010) – the capitalist state with bag-gage, ambivalence, and disorientation, increasingly weighed down by policy journeys travelled in local and regional economic development. In situations of crisis management, the best that policy-makers can hope for is a series of temporary and temporal “crisis spaces” (Hadjimichalis 2018) of conflict resolution, which can only stall crises for limited moments, as the accumulation of unsolved contradictions mounts up to impedimenta proportions. The state has baggage and is increasingly bag-like in its appearance, actions, and reactions. The trouble with bags, though, is that they demand to be filled, and impedimenta, like some parasitic virus, seem to rapidly replicate geographically. The evidence provided here points to the state carrying its crisis
Table 1. The multispatial metagovernance of economic development

<table>
<thead>
<tr>
<th>Structuring principles</th>
<th>Structuring fields</th>
</tr>
</thead>
<tbody>
<tr>
<td>Territory</td>
<td>Place</td>
</tr>
<tr>
<td>Territorialisation of local authorities, creation of local state institutions (e.g., TECs, LEPs)</td>
<td>Management of uneven development, integrating places into a territory (e.g., urban programme)</td>
</tr>
<tr>
<td>Place</td>
<td></td>
</tr>
<tr>
<td>Scale</td>
<td></td>
</tr>
<tr>
<td>Network</td>
<td></td>
</tr>
<tr>
<td>Filling-in of administrative functions: Unitary, District, Borough institutions</td>
<td>Twinning arrangements, local-global linkages</td>
</tr>
<tr>
<td>Spatial imaginaries, virtual, relational, and cross-border regions (e.g., Northern Powerhouse, Midlands Engine)</td>
<td>Polycentric cities and multi-city regionalism, deal-making policy (e.g., city deals, devolution deals, sector deals)</td>
</tr>
</tbody>
</table>

Source: adaption and application of Jessop et al. (2008: Table 2)

Legacies over time, which like a rucksack is getting heavier and weighing down policy-making abilities. This is being derived from the state responding to problems caused by its own interventions, attempting to leave behind accumulated policy legacies, such that the state has become irrational and a site of and for bureaucratic ponderousness in and through administrative inertia and modes of negative coordination. As predicted some 50 years ago, not dealing with this was predicted to result in both problems of “state rationality” and also a “legitimation crisis” (Offe 1985).

The authoritarian actions of the state cannot resolve either old or new contradictions; they try to evade their impact by reducing problems and possibilities. By utilizing for this irrational and specialized – i.e. reduced and reductive – activities, political action pretending to totality becomes itself reduced and reductive. This gives rise to new contradictions. (Lefebvre 1969, p.136, emphasis removed).

The 23 June 2016 vote in Britain to “Brexit” the European Union was in large part driven by those in distressed rust-belt post-industrial areas, seemingly trapped within an impedimenta “geography of discontent” (Los et al. 2017; MacLeod and Jones 2018), lacking confidence in metropolitan politicians and policy-makers to manage the economy and society through the various rounds of industrial restructuring-induced economic development projects and governance endeavours over the past 40 years. In Elliott’s eyes:

... old industrial Britain is still suffering from the consequences of the closure of factories and pits three or four decades ago. These communities have higher levels of unemployment and higher concentrations of people on disability benefit, and have suffered much more grievously from government welfare cuts. Unsurprisingly, they were also strongly in favour of leave. North of the line that runs from the Severn estuary to the Wash, Brexit was the culmination of a 40-year process of de-industrialisation and casualization of work. It was a protest about dead-end jobs, and about run-down communities being lorded over by London, talked down and bossed around. (Elliott 2017, p.12).

This is the “revenge of the places that don’t matter” as Rodríguez-Pose (2018, p.189) puts it.
British economic development does not have to be this way. The challenge from Jessop’s landmark paper becomes how “participants must recognize the likelihood of failure but proceed as if success were possible” so that economic development retains elements of economic and social value (1998, pp.43–44). I would urge scholars to still consider alternative pathways to this crisis end-point by, firstly, engaging with contemporary analyses of inclusive growth (see Lee 2018), and secondly, bring back to the fore the “negotiated” model of economic governance historically found in Denmark (Etherington and Jones 2004), which I argue remains valid for addressing the contradictions of neoliberalism and the governance crises facing our cities and regions. Thank you Bob Jessop (1998) for being the inspiration for two decades of scholarship on social and economic governance.

Acknowledgements

This paper is an abridged version of arguments appearing in my book Cities and regions in crisis: the political economy of subnational economic development (Edward Elgar 2019). The support of the ESRC (Grant ES/L0090991/1, WISERD Civil Society) and (IAA Grant, Making City-Regions Work: Inclusive Governance, Skills, and Labour Market Disadvantage) is acknowledged. Thanks too for supportive comments from Sebastian Ille, Editor-in-Chief.

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