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In What Sense a Regional Problem?

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MASSEY D. (1979) In what sense a regional problem? *Reg. Studies* **13**, 233–243. The paper discusses the nature of 'regional problems'. It argues that a number of common assumptions about regional inequality are ill-founded. In particular, it argues, many frequently-used approaches imply (implicitly or explicitly) that such problems are purely questions of geographical distribution, and that the crucial questions in their analysis concern the nature of changes in the spatial surface. This position is reflected in the methodology for assessing regional policy, in statistical techniques, in policy formulations, etc. An alternative view of the generation of regional inequality is suggested. This is based on concepts of division of labour, and explicitly relates geographical distribution to production. Examples are elaborated, and it is argued that spatial inequality in the UK may be undergoing a change both in nature and in pattern.

Regional inequality	Division of labour	Regional policy
Structural/locational components	Industrial location	

MASSEY D. (1979) En quel sens un problème est-il régional? *Reg. Studies* **13**, 233–243. Cet article examine la nature des problèmes régionaux et postule que nombre de suppositions communes concernant l'inégalité régionale sont mal fondées. En particulier, il est démontré que de nombreuses approches fréquemment employées suggèrent (implicitement ou explicitement) que de tels problèmes relèvent exclusivement de la distribution géographique et qu'il s'agit essentiellement dans leur analyse de la nature des modifications de la surface spatiale. Cette prise de position est reflétée dans la méthodologie pour évaluer une politique régionale, dans les techniques statistiques, dans les formulations de politique, etc. Une interprétation alternative des origines de l'inégalité régionale est proposée, basée sur des concepts de la division de la main-d'oeuvre et reliant explicitement la distribution géographique à la production. Des exemples sont élaborés et il est suggéré que l'inégalité spatiale au Royaume Uni est peut-être en train de subir un changement de nature et de distribution.

Inégalité régionale	Division de la main-d'oeuvre
Politique régionale	Composantes structurales/locationnelles
Location industrielle	

MASSEY D. (1979) In welchem Sinn ein regionales Problem? *Reg. Studies* **13**, 233–243. Diese Abhandlung erörtert die Art der 'regionalen Probleme'. Es wird eingewendet daß eine Anzahl gemeinsamer Annahmen über regionale Ungleichheiten unbegründet sind. In der Hauptsache unterstellen viele häufig gebrauchte Versuche (unbedingt oder ausdrücklich) daß solche Probleme nur Fragen der geographischen Verteilung sind und das die entscheidenden Fragen in ihrer Analyse die Art der Verlängerungen in der räumlichen Oberfläche ist. Diese Position ist in der Einschätzung der Verfahrensweise der Regionalpolitik gespiegelt, sowie in statistischer Technik und Maßnahmenformulierungen usw. Eine alternative Ansicht der Generation der regionalen Ungleichheit wird vorgeschlagen. Diese ist basiert auf Begriffe von Arbeitsaufteilung und bezieht sich ausdrücklich auf geographische Verteilung zur Herstellung. Beispiele werden ausgearbeitet und es wird erörtert, daß räumliche Ungleichheit in Großbritannien sich in Bezug auf Art und Muster ändern kann.

regionale Ungleichheit	Strukturelle/örtliche Bestandteile
Arbeitsaufteilung	industrielle Niederlassung Regionalpolitik

INTRODUCTION

THE AIM of this paper is to raise some questions about common conceptions of 'regional problems' within capitalist societies. Some of the points to be made are well known, others are raised less frequently; some challenge explicit positions in the established theory, others implicit assumptions in methodology. The hope is that, by collecting these points together, and indicating some of their interrelationships, the implications of each one may be taken more seriously.

'REGIONAL DIFFERENTIATION AND THE CONCEPT OF THE SPATIAL DIVISION OF LABOUR

This section of the paper presents a framework for the analysis of regional differentiation. Such a framework will, of necessity, be rather abstract at this stage, but later sections will attempt to put more flesh on the bones.

One thing should be made clear from the start, and that is that there always has been spatial (or regional) inequality. This is a historical statement, and the kind of general framework to be introduced here is a framework for the analysis of real historical processes. It is only in formal models that one starts with the featureless equality of a clean sheet.

A second point, however, is what one means in such a context by 'inequality'. The word tends to get used indiscriminately in the literature in two rather different ways. First, there is inequality in the degree of attractiveness of a particular area to the dominant form of economic activity; secondly, there is inequality in terms of various indicators of social well-being (rate of unemployment, *per capita* income, degree of external control of production, for example). The two are evidently not necessarily the same. In a crude sense, one is a cause and the other an effect. It is the first with which this paper is concerned at this point—that is: regional inequality in the degree of attractiveness to, and suitability for, economic activity. At any point in time, in other words, there is a given uneven geographical distribution of the conditions necessary for profitable, and competitive, production.

A third point is that such geographical inequality is a historically-relative phenomenon. It is historically-relative (in other words, it will change) as a result of two processes. On the one hand it will respond to

changes in the geographical distribution of the requirements of production—which are frequently called changes in the spatial, or locational, surface—such things as actual changes in the distribution of the population or of resources, or changes in relative distances caused by developments in transport and communication. On the other hand, the pattern of spatial inequality may change as a result of changes in the requirements of the production process itself, in other words because of changes in the locational demands of profitable economic activity. In turn, such changes in the requirements of production are themselves a result, not of neutral technical advance, but of the imperatives of the overall process of accumulation.

However, in any particular period, new investment in economic activity will be geographically distributed in response to such a given pattern of spatial differentiation. A fourth question then arises, however, as to what 'in response to' means, and it is here that I want to introduce the term '*spatial division of labour*'. The term is introduced in order to make a point. The normal assumption is that any economic activity will respond to geographical inequality in the conditions of production, in such a way as to maximise profits. While this is correct, it is also trivial. What it ignores is the variation in the way in which different forms of economic activity incorporate or use the fact of spatial inequality *in order to* maximise profits. This manner of response to geographical unevenness will vary both between sectors and, for any given sector, with changing conditions of production. It may also vary with, for instance, the structure of ownership of capital (depending on, for example, the size and range of production under single ownership). The determination of this manner of response will itself be a product of the interaction between, on the one hand the existing characteristics of spatial differentiation, and on the other hand the requirements at that time of the particular process of production. Moreover, if it is the case that different industries will use spatial variation in different ways, it is also true that these different modes of use will subsequently produce/contribute to different forms of geographical inequality. Different modes of response by industry, implying different spatial divisions of labour within its overall process of production, may thus generate different forms of 'regional problem'.

One schematic way of approaching this as a historical process is to conceive of it as a series of 'rounds' of new investment, in each of

which a new form of spatial division of labour is evolved. In fact, of course, the process of change is much more diversified and incremental (though certainly there are periods of radical redirection). Moreover, at any given historical moment a whole number of different spatial divisions of labour may be being evolved, by different branches of industry. In any empirical work, therefore, it is necessary both to analyse this complexity and to isolate and identify those particular divisions which are dominant in reshaping the spatial structure. The geographical distribution of economic activity which results from the evolution of a new form of division of labour will be overlaid on, and combined with, the pattern produced in previous periods by different forms of division of labour. This combination of successive layers will produce effects which themselves vary over space, thus giving rise to a new form and spatial distribution of inequality in the conditions of production, as a basis for the next 'round' of investment. 'The economy' of any given local area will thus be a complex result of the combination of its succession of roles within the series of wider, national and international, spatial divisions of labour.

DIFFERENT FORMS OF THE SPATIAL DIVISION OF LABOUR IN THE UNITED KINGDOM

As a way of illustrating some of the points already made, and as a basis for discussion in later sections, it is worth at this point running briefly through two forms of spatial division of labour which have been, or are, significant components of the 'regional problem' in the United Kingdom.

The first of these examples is so well known as to warrant only brief attention. It is that form of the spatial division of labour which structured the spatial organisation of the UK during much of the nineteenth century (McCRONE, 1969, p. 16), and which took the form of sectoral spatial specialisation. It was the UK's early dominance of the growth of modern industry, its consequent commitment both to retaining that dominance through free trade and to its own specialisation in manufacturing within the international division of labour, which enabled the burgeoning growth up to the First World War of major exporting industries based on coal, shipbuilding, iron and steel, and textiles. In establishing their spatial pattern of production *within* the UK these industries were

not faced with an undifferentiated geographical surface. The aspects of differentiation which were significant to these industries at that stage of development were such things as access to ports for export, and for import of raw materials (e.g. cotton), a supply of skilled labour, and, to some extent still, access to coal. The form of spatial division of labour to which this conjunction of production requirements and geographical differentiation gave rise was, as already stated, that of sectoral spatial specialisation. The different sectors simply concentrated all their capacity in the areas most propitious in terms of their requirements for production. Moreover, because these were among the dominant industries in terms of new investment and growth in output and employment, they were the structuring elements in the new emerging pattern of regional differentiation. 'Thus Clydeside meant ships and heavy engineering, the North East meant export coal, iron and steel, ships and heavy engineering, Lancashire meant cotton and some engineering; the West Riding meant coal and woollens; South Wales meant export coal and iron and steel' (HALL, 1974, p. 84). From the point of view of the individual localities involved, this led to a situation in which 'several of the major industrial regions had based their prosperity on a very limited economic base' (HALL, p. 83).

The subsequent effects of this particular form of the spatial division of labour are well known, but it is important to emphasise a number of points. First, in itself such a pattern of industrial distribution was not necessarily problematical, in the sense of producing geographical inequality. On the contrary, secondly, the resulting regional *problem* was precipitated by changes in the relation of the UK economy as a whole, and of these particular industries, to the international division of labour. 'It is really to the collapse of this policy (of international specialisation based on industrial dominance and free trade) that the regional problem, at any rate in the industrial areas, owes its origin. The overvaluation of the pound in the 1920's, the emergence of economic blocs in the 'thirties, changes in technology and competition from lower-wage countries, all combined to produce a secular decline in the traditional export industries' (McCRONE, 1969, p. 16). The 'regional problem' which emerged was thus produced by the effects on the spatial division of labour within these industries of the change in imperial relationships and the decline of the United Kingdom as a dominant world

capitalist economy. Third, this process produced a specific form of regional problem. Sectoral decline brought with it specifically *regional* decline, and the indices on which the consequent regional inequality were measured were the well-known ones of rate of unemployment, amount of manufacturing employment, *per capita* earnings, and out-migration.

It has been this form of spatial division of labour which has frequently been analysed as being the root-cause of the 'regional problem' (at least the industrial-region problem) of the UK. Thus the UK background paper for its submission to the European Regional Development Fund announces: 'The United Kingdom's regional problem is primarily one of decline in employment in the traditional industries—coal, steel, shipbuilding, textiles and agriculture, the reasons for the decline varying from industry to industry. Most of these industries are concentrated in a small number of areas and these are, therefore, disproportionately hard hit by their contraction' (TRADE and INDUSTRY, 1977, p. 358). Much present thinking and a number of continuing policy-preoccupations (in particular, for instance, a general commitment to sectoral diversification as a basis for stability) reflect the experience of this early period. Indeed, there are intimations in a number of writings that the demise of this form of spatial division may herald the end (or at least the beginning of the end) of regional problems: 'Yet as time goes on, the structure of the problem regions is gradually becoming more favourable; the declining industries cannot decline for ever, and new industries are playing a larger part in the regional economies. As this process continues the problem should get easier' (MCCRONE, 1969, p. 166). And clearly there have been signs of change. On the one hand, many studies indicate a generally declining degree of sectoral specialisation (see, for instance, CHISHOLM and OEPPEN, 1973; DIXON and THIRLWALL, 1975). On the other hand, there have been changes in the comparative rating of the regions on the indices relevant to this form of regional problem. Thus in a recent article, KEEBLE (1977) writes 'the period since about 1965, and in fact particularly since 1970, has witnessed striking convergence of nearly all these different indices of regional economic performance towards the national average' (p. 4). The indices referred to are share of manufacturing employment, unemployment rate, earnings, and net migration.

Yet, even as this 'convergence' (though

admittedly around lower national norms) is being registered, other indices are being pointed to which imply, not the end of spatial differentiation, but its existence in a different form, in terms both of the nature of spatial inequality and of its geographical base. The new indices refer, for instance, to the degree of external ownership, to the effects of hierarchies of control, and to differentiation in employment type. WESTAWAY (1974) points to a developing spatial hierarchy of ownership and control, and to its consequences for employment-type, with the increasing dominance of multi-plant companies; and the work of NORTH and LEIGH (1976) and of MASSEY (1976) indicates the effects of hierarchisation produced in recent years by the increasing degree of industrial concentration (see also MASSEY and MEEGAN, forthcoming). FIRN (1975) examines evidence on the degree and type of external ownership and control of Scottish manufacturing; the work of MCDERMOTT (1976) is in the same vein. In terms of the changing *geographical* basis of 'spatial problems', it is of course the combination of regional 'convergence' with the new prominence of inner city areas which is the dominant aspect of change.

In a paper of this length there can obviously be no pretence of producing a complete analysis of this spatial restructuring, but it is appropriate briefly to describe one emerging form of spatial division of labour which appears to be at least a contributory component.* While based in certain aspects (though not all) on the impact of the division already described, this form of spatial division of labour is completely different from that of sectoral spatial specialisation. In particular, and perhaps ominously, the 'inequalities' inherent in this division do not appear only on its demise—they are integral to the form of spatial organisation itself. Nor are the evolution and effects of this form dependent only on the ups and downs of whole sectors of the economy; they result also from changes in the form of organisation of production *within* sectors.

Following the framework outlined in the last section, it is first necessary to specify the characteristics and requirements of production which, in combination with particular spatial conditions, form the basis of the development of a new division of labour.

*It must be emphasised that this spatial division of labour *only characterises certain sectors*, but sectors which appear to be important in the present establishment of new aggregate geographical patterns of economic activity.

Such characteristics and requirements include the increasing size of individual firms, and of individual plants (see, for example, DUNFORD, 1977), the separation and hierarchisation of technical, control, and management functions (see WESTAWAY, 1974), and the division, even within production, into separately-functioning stages (see MASSEY, 1976; LIPIETZ, 1977). Within the production process itself, there have also been considerable changes. On the one hand, the growing intensity of competition in recent years has led to increased pressure to cut labour costs and increase productivity, and this in turn has produced an apparent acceleration of the processes of standardisation of the commodities produced (thus reducing both the number of workers for any given level of output, and the levels of skill required of them), of automation (with effects similar to standardisation), and of the introduction of systems such as numerical-control machine tools (again reducing, in general, the number and skill-requirements of the direct labour force, but also needing a small number of more qualified technicians). In terms of the bulk of workers, then, a deskilling process of some significance seems to have been in operation (see, for instance, MASSEY and MEEGAN, forthcoming). At the other end of the scale, both the changing balance between sectors of the economy, and the nature of competition (particularly the reliance on fast rates of technological change) in the newly dominant sectors, such as electronics, have increased the relative importance within the national employment structure of research and development.

Where such developments are occurring in countries in which there is already some degree of spatial differentiation in levels of skill (both within the production workforce, and between them and technical and scientific workers), in the wage levels of the relevant (i.e. increasingly only semi-skilled) sections of production workers, in the degree of organisation and militancy of the labour movement, and in the level of presence of, for instance, the banking, commercial and business-service sectors, a new form of spatial division of labour has, in the last decade or so, begun to take root. Such is the case in most countries of Western Europe, and in the USA.

And it is precisely the changing conditions of production which are enabling industry to take advantage of spatial differentiation in this manner. For one typical 'use' by industry of this particular form of spatial differentiation is increasingly based on the geographical separ-

ation of control and R & D functions from those processes of direct production still requiring skilled labourers, and of these in turn from the increasingly important element of mass-production and assembly work for which only semi-skilled workers are needed. The expanding size of individual companies is central to this process. On the other hand it is necessary in order to finance the huge costs of research and development (see MASSEY, 1976; NEDO, 1972; NEDO, 1973) and on the other hand it increases the number of products within a firm which are produced at a scale sufficient to warrant some degree of automation, and therefore in turn to enable reductions in aggregate labour costs and increases in individual labour productivity. Finally, of course, it is the greater size of individual units which increases the feasibility of separate locations for the different stages in the overall process of production, and consequently enables the establishment of locational hierarchies taking advantage of spatial inequality.

Taking the 'bottom' end of the hierarchy first, the mass-production and assembly stages of production are located increasingly in areas where semi-skilled workers are not only available, but where wages are low, and where there is little tradition amongst these workers of organisation and militancy. Very frequently this will mean location in areas where there are workers with little previous experience of waged work. These may be areas suffering from the collapse of a previously-dominant industrial sector, such as the former coal-mining areas of Northumberland, or the coal or shale-mining areas of Scotland. In such cases, the labour drawn upon will not mainly be that previously employed in the former specialisation, but more typically the women of the area. Other areas favoured for this stage of production include those where workers (again mainly women) do not become totally dependent upon (nor organised around) waged work. Seaside resorts with seasonal or part-time self-employment in tourism are typical of this second type of area. Although the introduction of this new investment in production facilities into such (frequently depressed) areas is new, and often hailed as beneficial, its positive effects may well be small. Wages and skills remain low, and it is not even necessarily the case that much new employment will result—one of the major characteristics of such factories is that they have few local links and stimulate little locally in terms of associated production (see, for

instance, McDERMOTT, 1976; LIPIETZ, 1977; DUNFORD, 1977; and hints in MCCRONE, 1975). FIRN (1975), after documenting the extent and form of occurrence of external control in the Scottish economy, draws some preliminary conclusions about its likely effects. These closely parallel those implied by the argument above. Thus, Firn hypothesises, it is likely that existing disparities in the type of labour available will be exacerbated. Such investment will not expand the local technical, research or managerial strata. Moreover the lack of a R & D component will also, given the presently-dominant nature of formation of new companies, reduce the likelihood of the internal generation of new firms. Again the division of labour exacerbates existing inequalities, in this case further reducing the degree of local control in such regions. Firn's hypotheses also accord with our own evidence (MASSEY and MEEGAN, forthcoming) on the effects on the direct workforce and on *per capita* income. Thus he writes, 'The nature of new jobs provided by external plants has been principally orientated towards female, semi-skilled assembly operations in, for example, electronics plants, whereas the jobs lost have been mainly of male, highly paid, skilled craftsmen. Therefore there seems to have been a net wage reduction per new job provided, as well as an element of deskilling, although this assertion remains to be proved' (p. 411). Finally, in these regions, this form of spatial division of labour 'will express itself in terms of a very open regional economy, with a high degree of integration with other economic systems' (FIRN, 1975, p. 411). DUNFORD (1977) and LIPIETZ (1977) give similar evidence on this from Italy and from France.

The 'second-stage' of production (that is, those processes not yet automated, reduced to assembly-work, or producing standardised products) is still typically located in the old centres of skilled labour—primarily nineteenth century industrial towns and cities. The critical characteristic of this stage, however, is its decreasing quantitative importance. More and more, the de-skilling processes already referred to are enabling industry to be locationally freed from its old ties to skilled labour and (consequently, one might add, from well-unionised workers). The effect of the relationship between such changes in the production process and the possibilities open to industry *as a result of* the spatial differentiation of labour, is one component of the present industrial decline of the inner cities (see COMMUNITY

DEVELOPMENT PROJECT, 1977; MASSEY and MEEGAN, 1978).

Finally, at the 'top' of the hierarchy, the central metropolises (which still include European cities such as London and Paris) are typified by the presence of control functions (including the allocation of production to other regions), research, design and development, and by the significant presence of managerial and technical strata (it is this presence, rather than the absence of manual work, which is distinctive).

In order to clarify the content of the term 'spatial division of labour' it is worth elaborating in what ways this is a different form of use by capital of spatial differentiation from the form described as sectoral spatial specialisation. First, and most obviously, it is not a sectoral geographical division. It is an intra-sectoral division of labour within the overall process of production of an individual capital. Second, as already mentioned, regional inequality is inherent in its very nature, and not merely a consequence of its demise, as was the case with sectoral spatial specialisation.

Third, and most importantly, its effects are different. Thus, although some of the 'indices of inequality' to which we have become accustomed may still be relevant, not all of them will be, and it may be necessary to devise others to capture the effects of this new form of differentiation. The important aspects of disparities in skill, control and wage-levels have already been referred to. Perhaps the effect most commonly cited, however, is that, as a result of the high degree of external control at the 'bottom' end of the locational hierarchy, such regions have extremely 'open' economies. There are a number of implications of this openness. The first is that the regional economy is at the mercy of external economic changes. This is often argued to be a new effect, but in fact, as the 1930's showed, internally-controlled sectoral specialisation has similar implications. But in two other ways, the effects of openness in this spatial division of labour *are* very different from in the case sectoral spatial specialisation. Moreover, both are related to the fact that openness is here a result of external control. The first is the likelihood of a very low local employment multiplier effect. The second is the probability of remissions of interest, profits and dividends to a parent plant outside the region of production.

The fourth way in which this form of spatial division differs from the first is that it

implies a rather different geographical configuration of 'problem-areas'—as has been mentioned, it is a component of the present collapse of inner-cities, both within and outside of the assisted areas.

Fifthly, and finally, a similarity: the development of this new spatial division of labour is once again a product of changes in production which are themselves a response to wider economic forces. The present crises of profitability and of markets have considerably reinforced both the pressure to increase the size of individual companies (with the implications already mentioned) and the pressure to reduce the costs of labour (see MASSEY, 1976; MASSEY and MEEGAN, forthcoming).

SOME IMPLICATIONS

It is quite possible that what has been discussed so far seems unexceptionable. However, if such an approach is taken seriously, it would appear to have substantial implications for certain assumptions commonly made at the moment about the nature and causes of 'regional problems'.

Perhaps the major point to be made is that questions of regional problems and policy are normally analysed as problems solely of geographical distribution. The previous framework and examples, however, emphasised their basis in the form and level of the process of *production*, and its relation to the existing pattern of geographical inequality. The normal emphasis simply on geographical distributional outcome goes along with a predisposition for analysis to concentrate only on space, on spatial differentiation, and on changes in the spatial surface. In fact, while spatial changes are most certainly important, the foregoing discussion has indicated that one should not assume that the rest of the relevant world remains constant over time. The requirements of production also change—in response to the pressures of the international and national economic system—and, therefore, so does the relevance to production of any given form of spatial differentiation.

An example is in order, so as to avoid any impression that only straw people are being attacked here. We shall concentrate on the issue of 'convergence' already referred to (and documented in KEEBLE, 1976; 1977). As has already been said, such convergence refers only to certain indicators, and by no means foreshadows the end of the regional pro-

blem, but clearly some changes are under-way. Why?

In fact, most studies which cover this period (mid-1960's to early 1970's) are absolutely clear on the matter—the convergence was due to regional policy. Now, while I do *not* wish to argue that policy did not have an effect, it is interesting to examine a bit more closely how this conclusion is frequently reached. A common procedure is to project through time some notion of 'what would have happened', and then to analyse deviations from this putative behaviour pattern. The variable which is projected in this way is normally industrial location behaviour—or some effect of it, such as the inter-regional distribution of manufacturing employment—with appropriate proxy adjustments, for instance for cyclical variations in pressure of demand. The question asked is: did this effect of locational behaviour show any significant change around the mid-1960's—in other words at the period when regional policy was strengthened?

The method of enquiry, therefore, is couched entirely in terms of an explanation of changes in the locational behaviour of industry which relies on changes, not in industry itself, but only in the environment within which the locational decision takes place (the locational surface). Insofar as production is considered, it is dealt with by trend-projections. Such a method does not allow for account to be taken of any structural shifts within the economy. Neither does quantitative trend projection yield any information on the mechanisms underlying those trends. But it is precisely those mechanisms which may imply significant changes in the locational requirements of industry.* In contrast, the application of regional policy is seen as having increased in intensity relatively suddenly in the mid-1960's.

Now regional policy *was* certainly increased in intensity in the mid-1960's, and it certainly did alter the locational surface—for instance by changing the distribution of costs.

*This criticism applies also to the normal method of assessing the effect on regional employment distribution of the absolute decline in manufacturing employment. This decline is normally considered simply as a quantitative constraint (for instance on the availability of mobile manufacturing employment). In fact it is itself only a reflection, but a reflection of important underlying changes—of increasingly critical conditions facing manufacturing industry, and of its response in terms both of declining rate of growth of output and of relatively increasing growth of labour productivity—with all the attendant implications for production and locational requirements.

But it is also true that over this period enormous changes have taken place within industry itself. Moreover, some of these changes increased in importance in the mid-1960's—precisely the period from which the phases both of intensive regional policy, and of convergence, also date. There have been structural changes both in the world economy and in the UK's relation to it. Competition has become more severe. There has been a collapse of profitability and a decline of markets. There is at the present moment in the UK the most serious economic crisis since the 1930's. It can hardly be expected that these events would fail to have an effect on production. The relevant point here is that these developments have increased the relative importance of changes within the production processes of a number of sectors of industry. Moreover, our own research indicates clearly that these changes in production have in turn changed the locational requirements of the sectors concerned, and changed them in a manner which would indicate some tendency, quite independent of regional policy, towards convergence (see, for a detailed report on this, MASSEY and MEEGAN, forthcoming; and MASSEY, 1976). The 'labour factor' is a case in point. Thus, as already indicated in the consideration of spatial divisions of labour, recent changes in production in some sectors have tended to reduce the general level of skill-requirements, and thus to free industry from former locational constraints. Relatively, availability and low cost of labour are increasing in importance for many direct-production processes, in comparison with skill and adaptability. And it is in availability and low cost that peripheral regions have an advantage (see the review of evidence presented in KEEBLE, 1976, ch. 4). In other words, as well as the spatial surface changing, the response of certain industries to a *given* form of regional inequality—the nature of their spatial division of labour—may be being redefined. Given that some of the sectors affected in this way are quantitatively significant in the present evolution of spatial employment patterns, such changes could well be important components of the process of convergence which has been registered on certain indices of employment and unemployment.

The changes in regional distribution of employment, therefore, could be being contributed to, not only by regional policy, but also by the effects of the present crisis on industry's requirements. But many approaches to regional policy evaluation do not

even include this as a possibility. Regional policy—i.e. the spatial surface—emerges as the only explanation because it is the only explanatory factor which is allowed to vary over time. The demands of industry are held constant. In fact, from the evidence I have examined, I should argue that it is likely that the *combination* of changes, in industry and in policy has been mutually reinforcing.* But the point which really emerges out of this illustrative example is that, commonly, the regional distribution of employment (and consequently the 'regional problem') is not just seen as a spatial *phenomenon*, it is also (if only implicitly) interpreted as being the result of purely spatial *processes*.

Something of an aside is necessary here. It should not be thought that the above discussion is intended to present an alternative analysis of changing regional patterns. It merely indicates an important component not considered by most current approaches. The changing use of space by a number of important sectors, and the emergence of new forms of spatial division of labour, has not on its own produced the considerable changes in spatial pattern at present under way. It has been combined with other effects of the economic crisis. In particular, it has been increased in relative importance—and consequently in its impact—by the slackening of the rate of growth of a number of sectors of manufacturing output. In such a situation, while new investment in capacity embodying new technology may continue, in response to competitive pressures to reduce costs, it will now—more than in a period of fast growth—be 'compensated for' by the scrapping of the least profitable capacity. (In a period of fast growth, in contrast, such new investment could simply add to capacity.) There is thus a double spatial effect. The new technology embodied in the new investment may enable, and require, a changed location, while employment is lost at the original point of production. Empirical investigation of such behaviour, and a detailed formal framework for its analysis is at present being elaborated in work by the present author and Richard

*By 'mutually-reinforcing' is meant more than simply the operation of industry and policy changes as additive factors. In particular, changes in production may have been one of the pre-conditions for advantage to be taken of regional policy. It is also possible, of course, as a number of authors argue, that the combination worked also the other way around—that regional policy (through the grants available at a period of restricted company liquidity) in turn encouraged or even enabled some of the investment in new processes of production.

Meegan at CES. The points to note in relation to the present argument are the following. First, *even* if the new investment is located in Development Areas entirely as a result of regional policy (which the previous argument about production technology would at least throw open to question) it is not this alone which would account for convergence. If the original location is in a Development Area there will of course not necessarily *be* convergence. And if the original location is in a non-assisted part of the country, it is not the location of the new investment alone, but its combination with a loss of jobs in the non-assisted area, which produces convergence. Second, it is necessary, if such phenomena are occurring, to be careful about the claims made for the effect of regional policy (or, in other words, purely spatial changes). While it will be true, on these assumptions, that the Development Areas will have more jobs than otherwise, this is not the same as regional policy accounting for convergence. Still less does it mean that regional policy has been a success. The regional problem continues. But third, and most important, is that such developments are crucially a result of changes, not in spatial configuration within the UK, but in the relation of the UK to the world economy as a whole.

In summary, I am not at all arguing that regional policy has had no effect (and certainly not that it should be discontinued). It is, however, important that assessments of this effect do not fail to take account of the changes going on in industry itself. Too many current interpretations of changing regional patterns ignore this relation to production and to the overall economic system. Too frequently spatial distribution is given its own autonomous existence. The fact that each form of distribution is the result of specific forms of production, is lost. This, in turn, enables problems which are in fact direct results of the productive system to be treated as matters entirely of spatial arrangement. The second thread of what is being argued is that, in any case, the convergence of regions on certain indices does not *in any way* imply an end to regional inequality. It is not merely that this is a convergence in a context of overall decline, but that, with the emergence of new forms of use of spatial unevenness by industry, the very *form* of regional inequality may to some degree be changing.

In what sense, then, are 'regional' problems *regional* problems? Clearly such inequalities do not result from a simple absolute deficiency. They are, rather, the outcome of the

changing relationship between the requirements of private production for profit and the spatial surface. Again, while such a statement may appear as the essence of the obvious, its implications are frequently ignored. How many times has the 'inner city problem' been 'explained' in terms of characteristics totally internal to those areas?—to a supposed lack of skilled labour (the bulk of the evidence being to the contrary—see, for instance, MASSEY and MEEGAN, 1978), to the actions of planners (hardly likely, anyway, to be a dominant cause), or, worst of all, to the psychological propensities and sociological characteristics of their inhabitants? In fact, the reasons have changed over time, but the recent dramatic decline has resulted from pressures similar to those already mentioned—pressures for rationalisation and restructuring which derive from the crisis of the economy as a whole (see also FALK and MARTINOS, 1975). Again, how often are the problems of peripheral regions laid at the door of 'a lack of native entrepreneurship', a 'deficiency of atmosphere of growth'? But these are effects, not causes (and indeed if they are causes the policy implications are hard to imagine); FIRN (1975) gives some hints of the mechanisms involved.

By this means, regional problems are conceptualised, not as problems *experienced* by regions, but as problems for which, somehow, those regions are to blame. Moreover, this subtle substitution of geographical distribution alone for its combination with the changing requirements of production has a political effect. As with all purely 'distributional struggles', it is divisive: it sets one region against another, the inner cities against the peripheral regions, when the real problem lies at the aggregate level, in an overall deficiency of jobs, for instance, or an overall problem of deskilling.

A further, and rather different, point is that the conceptualisation of spatial differentiation as a 'spatial division of labour' challenges the frequent disaggregation of the regional problem into structural and locational components. Strictly, this disaggregation is merely a statistical exercise and may well help to disentangle processes, and suggest further questions. But frequently its status is extended—into summarising the regional problem, identifying it, even analysing it. Thus, to quote one example, but one which does offer a very clear definition: 'If one is to consider the ways in which regional policy might be developed so as to become more effective, ... the right starting point is to consider the underlying causes of the problem

... inadequate growth may be thought to be the problem. But why should growth be inadequate?... There are two alternative hypotheses... According to the traditional view... the prime cause of the problem is that the regions have inherited an unfavourable economic structure, and that there is no reason why other industries should not be established in these regions to provide the necessary growth... Alternatively, it could be suggested that the problem regions, because of some endemic disadvantage such as their peripheral situation as regards the centre of the British economy, do not provide a satisfactory environment for the modern growth industries, that this is why these industries did not establish themselves in these areas in the first place and why it requires so much effort to persuade them to go there now' (McCRONE, 1969, p. 169). Clearly, the first spatial division of labour discussed, that of sectoral spatial specialisation, does conform to the structural component of such a disaggregation (it might even be the case that the preoccupation with this form of disaggregation may stem from here). Evidently, too, there are still elements of this form of problem in many regional economies—see the TOOTHILL REPORT, 1961; ODBER, 1965; BROWN, 1967 (all quoted in McCRONE, 1969). It is equally clear, however, that the second form of spatial division of labour, that based on locational hierarchies of production, can *not* be encapsulated in either of these products of statistical manipulation. Plants may be established within all regions in the hierarchy by a single company-division (certainly falling within one Minimum List Heading). This is evidently not a problem of sectoral industrial structure. Such a hierarchy is, moreover, likely to be established precisely in 'the modern growth industries' referred to by McCrone. Neither, therefore, is it a problem of this aspect of the locational component. Finally, because of the existence of such a hierarchy, it is unlikely that simple inter-regional comparisons of sectoral rates of growth will have much meaning.

The aim of this discussion is not, however, simply to point to some disadvantages of the structural/locational dichotomy, but to indicate that once again commonly-used statistical procedures fail even to address questions of the organisation of production, or of the dynamic of the economic system.

For what is at issue is the changing form of creation, and of use, by industry of specific types of spatial differentiation. Regional inequality is not a frictional or abnormal

outcome of capitalist production. As the first example of a spatial division of labour indicated, the process of capital investment has historically normally been one of the opening up of some areas, and the desertion of others. The inner cities, at this moment, are being deserted. They are, moreover, being deserted for reasons relating directly to the requirements of internationally competitive and profitable production. THE COMMUNITY DEVELOPMENT PROJECT (1977) put it well:

'It is clear that there are similarities between the way in which the urban problem is being discovered, defined and tackled now and the way the regional problem was taken up during and after the depression. Both are ways of defining particular problems of capital as problems of certain spatial areas, due to the characteristics of those areas. The importance of this technique is that it diverts attention from the way in which the problems that appear in particular places are really particular manifestations of general problems—problems of the way the economic system operates.

Such an approach also puts across the problems of these areas, regions, inner cities and so on, so that they seem *marginal*—not in the sense of unimportant, but certainly peculiar to these areas; while things in general, of course, are fundamentally alright and "normal". All that remains to be done is to equalise indices of deprivation, achieve a "balanced" population, and so on' (p. 55).

I would suggest, however, that the problem goes deeper than that. For it is also the case that spatial inequity may be positively *useful* for unplanned private production for profit. It may be the fact of spatial separation which enables the preservation for a longer period than otherwise of certain favourable conditions of production—low wages and lack of militancy may be easier to ensure in isolated areas, dependent maybe on only one or two sources of employment. The ability of a firm to move, say from an area in which labour is well-organised to an area in which it is not, may well make easier—for the firm—the introduction of new production methods which involve a change of workforce. The analysis by SECCHI (1977) of the Italian 'regional problem' reports on work which argues that 'the existence and growth of regional inequalities made the Italian economic system more flexible in terms of labour supply than it would have been in a better-balanced regional situation, given an equal rate of employment in the various sectors of the economy; or, in other words, that it gave the Italian economic system the possibility of a higher rate of technical progress for a given investment rate, than would have occurred in a well-balanced regional situation' (p. 36).

Finally, some comments on policy. While clearly the analysis so far indicates that the

problem is not simply soluble, neither does that mean one can do nothing. First, at the simplest level of all, it is important to recognise that the problem will change—in nature and in geography. My contention is that something of that order is happening now. But it will only be possible to get to grips with analysing what is happening now if an effort is made to go beyond essentially statistical techniques and distributional outcomes to understand theoretically the mechanisms behind the numbers. Second, if the 'regional problem' is not a problem produced by regions, but by the organisation of production itself, neither is its solution simply a technical question. If production for profit may actually both imply and require such

inequality, the issue of policy must be 'who pays?' There is a need to make explicit, political choices. Finally, the implication of this analysis is that intervention in spatial distribution cannot be divorced from issues of intervention at the level of production. To see regional policy and regional problems as simply questions of spatial distribution is completely inadequate.

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