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Third Sector Employment and Training Initiatives:

An analysis of institutional influences on success and failure

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Richard Bromiley



18 DEC 2002

Thesis submitted in accordance with the regulations for the degree of Doctor of Philosophy in the University of Durham, Department of Geography, 2001.

Abstract

Third Sector Employment and Training Initiatives: An analysis of Institutional influences on success and failure

Richard Bromiley

PhD Thesis, University of Durham, Department of Geography, 2001

This thesis presents a multi-scalar analysis of the institutional influences upon Third Sector Employment and Training Initiatives (TSEIs) which have become de rigueur as a response to the seemingly intractable unemployment problems of many localities in the UK. To address the efficacy of third sector initiatives in the development of local economies, previous evaluations have attempted to define the features of 'best practice' initiatives in the UK. However, such analyses focus upon the internal organisation of TSEIs and are biased towards what are regarded as successful organisations while neglecting the impacts of failure. Consequently, this thesis addresses the institutional influences upon TSEIs within a comparative analysis of successful and failing initiatives, while recognising that 'success' and 'failure' are relative rather than absolute concepts. The thesis combines approaches from the social sciences in order to create an informed theoretical basis which is able to incorporate broader explanatory issues of social change and structure that are explored through empirical study. An approach is therefore applied which emphasises the multiple scales at which theories operate, from the essentially grand meta-theories of the regulation approach to the more locally contingent theories of governance and institutions. This subsequently informs the debate into changes in economic, social, political and governance structures which affect labour markets and job creation strategies in the UK. The thesis suggests a number of common factors which influence the development of TSEIs, allied to a number of specific factors which are related to the aims of particular initiatives. The need for flexibility within frameworks leads to a conceptualisation of the key organisational factor influencing TSEIs as *Structured Flexibility*. From this, I suggest a number of policy directions which ought to facilitate the third sector's attempts to develop local economic growth.

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Signed: R. Browley

Date: 13/11/2002

Acknowledgements

I am indebted to the University of Durham Department of Geography for funding this project. In addition, the research for this thesis would have been impossible without the support of a number of key individuals.

Most importantly, I would like to express gratitude to my supervisors, Ray Hudson and Ash Amin. Ray has been an endless source of advice, inspiration, encouragement and motivation as he ploughed through early drafts of this thesis. I am particularly thankful to Ray for persevering with my 'miserly' style of writing over the past 18 months. I also acknowledge a great debt to Angus Cameron, whose work alongside Professors Amin and Hudson for the EU's Local Initiatives to Combat Social Exclusion (LOCIN) study helped facilitate the case study research undertaken here.

A great deal of thanks are also due to the members and representatives of the case studies initiatives which form the backbone for this thesis. Each and every one of the contributors to this thesis has given me a fantastic insight into how their efforts to develop communities are organised and how important they are to the lives and employment prospects of people within their communities. I hope that this thesis does justice to their efforts, which so often go unrewarded, and their stories, which they related to me while taking time from more pressing needs. A special mention must go to Gloria Williams, Dave Adamson, and Peter Brookes for their time spent with me and efforts they made on my behalf. I would also like to thank the Slugg family for their kind hospitality while in South Wales.

I would like to thank my family and friends for their unwavering support over the last four years. My parents and brother – Geoffrey, Angela and James Bromiley- have been wonderful, kindly putting up with me living at home until the tender age of 26, and providing plentiful food in the fridge for when things got too tough. An extra special mention goes out to Sarah Hamilton, who has kept me smiling through this long process with her love and support, as well as dreams of Australia. Of friends and colleagues – John Thompson, Rich Johnson, Andy Mills, Joe Holden, Matt Wright, Nick Rosser, Kathrine Blaufuss, Cate Noble, Lars Frederiksen, James Garland, Lieve van Espen, Tanya Gray, Lidia Greco and of course the Shinca lads, Q, Dave, Jaff, Jesse and countless others – I owe a great deal of thanks and probably several drinks.

I should also like to acknowledge the support of the individuals in the Department of Geography, University of Durham who helped along the way. Colleagues and friends such as, Stella Henderson, Joan Andrews, Trudy Graham, Joan Dresser and Derek Hudspeth have all helped smooth this tortuous path. Thanks to you all.

For anyone else that should have been mentioned in these pages, I apologise, but I will for ever be indebted.

Third Sector Employment and Training Initiatives: an Analysis of the Institutional Influences on Success and Failure

Introduction

The last quarter of the 20th Century has witnessed a dramatic change in the level and hence political focus on unemployment and job creation throughout Europe. The era of full employment experienced in the post-war era is behind us, and a systemically produced lack of work is producing intense spatial concentration of unemployment within and between cities and regions. Despite the elevation of unemployment issues to the top of the political agenda (see for example European Commission, 1994, 1998), the structural readjustment of the majority of Western Economies has resulted in a general deepening of the unemployment rates both at the macro-scale and at the more local level. As older and less dynamic industries such as coal, steel and shipbuilding have been in relative decline, so some of the local economies dependent upon them have entered into a vicious circle of job losses and closures. As levels of unemployment have remained persistently high, successive governments have felt pressure to introduce new schemes and initiatives to tackle this problem and its consequence for localities.

The focus of current UK government job creation schemes rests primarily on economic regeneration through the creation of jobs in the formal or private sector, often depending on inward investment from multinational corporations (Cooke 1995), with the multiplier effects supposedly “trickling down” to help to revive or sustain community development. However, the premise that individual communities will gain maximum benefit through job creation in the formal sector has been challenged by third sector initiatives which attempt to utilise the resources available to the community in such a manner as to improve quality of life via the creation of alternative forms of work. This policy shift away from reliance upon inward investment schemes and macro-scale employment policies has recently been noted by a broad consensus



of academics and policy makers (see for example Cooke and Morgan 1998; Lovering 1999; Lagendijk and Cornford 2000). Parallel to this, there has been an upsurge in interest in community-based regeneration as an innovative and effective way to deal with social and economic exclusion (see for example SEU 1998; Amin 1999).

Two trends are clear here, and these will form the basis of this introduction. First, I argue that economic expediency has been the impetus for change in the face of growing global economic pressures. Governments in the developed world now seek primarily to achieve economic growth via the conduit of competitiveness in a global marketplace, thus providing the impetus for shifts seen in political and social environments. National governments perceive themselves to be losing the absolute control over their economic destiny, leading to a reassessment of the role of the state as a means to pre-empt potential crisis tendencies associated with the shift from Fordism to post-Fordism. However, the variable ability to adapt to the evolving economic environment has shown itself in the differential impact on regions and localities. Consequently, there is a renewal of interest in the locality (or community) as a new scalar fix at which to tackle economic problems as opposed to the predominantly national scale of Keynesian demand management and blanket regional-scale policy tools (see for example Goetz and Clarke 1993).

Second, there is a political interest in the Third Sector as a means for economic renewal. This has been given weight in the UK through the writings of Giddens (1998, 2000) amongst others, providing a philosophical reasoning for a revised relationship between state and civil society in which rights and obligations are expected to be reciprocated. This is evident in the development of policies which are directly targeted in order that the government may be *seen* to be acting, while concurrently placing the emphasis upon society in an explicit rejection of the individualism of the Thatcher years and the statism of 'Old' Labour (see for example Gordon Brown 2000). It is these economic and policy themes which have developed in the late 20th century, culminating in the policies of the New Labour government elected in 1997, which sets out the basis for the study of Third Sector Employment and Training Initiatives (known hereafter as TSEIs) which I will elucidate further in this thesis.

The reasons behind the decline in the traditional manufacturing bases of Western economies are many-fold, but the globalisation of economic activity has undoubtedly played its part. Drawing on neo-Marxist analyses, it is possible to suggest that the globalised capitalist economic system has the impact of concentrating wealth and poverty not only on a global scale but also at the national and regional levels as the structural aspects of regional economies lead to differential abilities to adapt to the global economy. As a result, “the islands of prosperity are growing steadily smaller in an otherwise sick, dilapidated and hungry world” (Douthwaite 1992: 95). While some countries and regions are favoured by the second industrial divide (Piore and Sabel 1984) and are able to adapt to the evolving economic structure, others have suffered economic decline at the same time as the welfare state has been to some extent withdrawn (Mingione, 1991: 462). Recent closures have demonstrated that even those areas which have attempted to re-establish their economic bases via inward investment in the so-called ‘sunrise’ industries of the high-tech electronics sectors are subject to global economic forces.¹

Allied to the analysis of globalisation of economic activity, there has also been a political shift which has become associated with the shift from Fordism to post-Fordism. In the light of this, chapter 3 attempts to employ a regulationist approach (RA) to analyse the contemporary change in economic, political and social structures associated with the movement from Fordism to post-Fordism. The UK has experienced its own version of this shift. Alongside shifts in the mechanism of capitalist production, strategic and structural change within the state was given impetus in the UK by the ideological position of the Conservative government of 1979-1997, whose perception of an over-paternalistic state which was stifling entrepreneurial activity led to attacks on the state mechanism (Cochrane 1993).² Chapter 3 will therefore seek to address, via the regulation approach, the macro-scale change which influences the structures around TSEIs which will be addressed in the later chapters.

The speed and scale of changes in the state structure in the 1980s onwards has to some observers been a reorganization of the state, of which the

¹ This has been demonstrated by the recent closures of Siemens and Fujitsu factories in North-East England.

² See also, for example, Deakin 1987, Johnson, 1990, Hills, 1990, Lowe 1993

rolling back or 'hollowing out' of the state has been one movement (Jessop 1990a, 1994a, 1997b). However, macro-scale economic and political change has therefore had an impact upon the structure of governance in the UK, encompassing a perceived shift away from the direct control of central and local government towards a broader range of governance institutions. These governance institutions operate without the democratic accountability of the local government, but adhere to stricter financial accountability criteria to compensate.

While chapter 3 sets the political, economic and social background for TSEIs, chapter 4 will outline the historical development of TSEIs as a response to the perceived economic problems of the late 20th Century and an alternative means through which to address these problems. This will concentrate upon the policy shift away from reliance upon inward investment schemes and macro-scale employment policies which is supported by a broad consensus of academics and policy makers who regard community-based regeneration as an innovative and effective way to deal with social and economic exclusion (see for example Birkhölzer 1998; Twelvetrees 1998). There is an increasing acceptance that excluded or economically underdeveloped communities are structurally and institutionally differentiated and as such may not respond in the same way to traditional trickle-down regeneration schemes. As a result, there is a need for more spatially targeted regeneration strategies, to achieve a 'direct rather than trickled-down contribution to economic and social well-being' (EC 1996:18; see also Twelvetrees 1998; Adamson 1998b; Amin et al 1999). As part of this, the third sector (also referred to as the social economy or more narrowly Community Economic Development) has therefore attracted attention as it is perceived as offering a more *appropriate* scale for regeneration schemes in contrast to top-down export-base led models of development (Goetz and Clarke, 1993; Birkhölzer 1998).

This acceptance of the third sector as the primary basis for regeneration activities is based in two notions. First, the policies pursued which are either wholly state or market oriented are inadequate to meet the employment needs of economically excluded communities. Second, and more positively, there is a role to be played by third sector organisations and more broadly civic society in bringing about economic and social change. As Hargreaves (1998) notes,

“Given the right financial and legal framework, it [the third sector] is capable of a level of flexibility and innovation - often operating at a very small scale but capable also of managing large systems - that too often eludes the governmental machine. At the same time, it is morally motivated to tackle what the private sector shuns: difficult social issues and unpromising locations. In the deprived urban community, good, entrepreneurial third sector organisations can get closer to the problem, communicate better with people and negotiate permission to act” (Hargreaves 1998: 31).

Taken together, these two bases provide a philosophical and economic rationale for the propagation of the third sector and the ‘Third Way’ as a cornerstone of New Labour Policy in the UK (see chapter 6). However, the pre-eminence of the Third Sector as the desirable, indeed only solution for some communities, will be evaluated throughout this thesis. I argue that to confer the status of saviour for economically restructuring communities upon the third sector is both politically driven and economically unsound. Whilst the third sector may have some impact on the economic fortunes of economically restructuring localities, I urge caution at this stage against a view of its worth as a panacea with which to solve the ills of all underdeveloped or lagging communities. Crucially, the academic and policy lessons which have been gleaned from a relatively small number of case studies are not necessarily immediately transferable. Localities differ and as such must be viewed as historically and culturally constructed entities which mediate pressures to produce divergent outcomes. As such, care must be taken with knowledge not to assume the blanket applicability of ‘one size fits all’ solutions, nor must research be blind to the qualities of localities which produce such outcomes.

The role of the third sector in employment creation is therefore dependent upon the institutional structures within any area, in particular the role and attitudes of the local authority towards the third sector. However, the 1990s in particular have seen a shift away from the predominance of the local state towards one in which governance, as opposed to government, has emerged as the conceptual framework through which to study the institutional milieu in which Third Sector Employment and Training Initiatives (TSEIs) are located. Moving beyond narrow notions of government, there is the potential to address the variety of state, quasi-state and partnership institutions which develop in particular regions and localities, and which subsequently influence the institutional context for TSEIs. This is in part to study, as Painter and Goodwin

note, “how the social practices of local governance are constituted in geographical and institutional contexts, and how these contexts influence that constitution” (Painter and Goodwin 1995: 354).

This shift in the role of government within the UK has precipitated a re-working of the roles of the state, private and third sectors. There has been a formalisation of this relationship through the *Compact on Relations Between Government and the Voluntary and Community Sector* (Home Office 1998), which has attempted to set out the responsibilities and obligation of the parties involved in the context of a pluralist delivery of welfare services. This is a continuation of the ‘enabling’ state concept introduced by Margaret Thatcher and Nicholas Ridley, in which services are organised and monitored, with direct provision of services carried out by other agencies (see for example Cochrane 1993). Such an approach was predominantly brought about by New Right thinking in the 1980s, and involved a radical re-appraisal of the role of the local state and the services it provides, particularly within a harsher funding climate (see for example King, 1987).³

The resulting pressures on local authorities to become ‘enablers’ has had uneven spatial and social consequences. As noted above in the discussion of regulation theory, historical attitudes and political mediation have an impact upon the actually existing mosaic of service provision. As a result, there is a range of resulting patterns of provision; authorities “can be placed at points along a dimension or continuum, the ends of which can be seen as ideal types against which the real world might be examined” (Goodlad 1994: 578). At each end of the spectrum are the extreme positions, which may be described a ‘top-down’ or ‘interventionist’ provision as opposed to ‘bottom-up’ or more recently ‘community-based’ or ‘grassroots’ provision.⁴

This local⁵ variation in the response to national policies and pressures demonstrates that the spatially configured mosaic of regulatory frameworks is

³ For a fuller analysis of the ideas involved in ‘enabling’ see Cochrane 1993, ch 4

⁴ For a fuller discussion of the role of ‘bottom up’ force in local government relations in the UK, see for example Harding 1990; Roberts, Russell, Parkinson and Harding 1994; Bailey, Barker and McDonald, 1995

⁵ Within this thesis, I employ the term ‘local’ to refer to a scale of enquiry and process which I regard along with the general vernacular, as being a sub-unit of the (regional) scale (in this case north-east England and South Wales). Local therefore addresses a scale of enquiry which refers to neighbourhoods up to a scale of local government, as opposed to Swyngedouw’s definition of local as sub-global. I accept the lack of a clear definition here, a fact which has led to the now-common (and at times utterly meaningless) usage of the phrase ‘local communities’ in policy and journalistic vernacular.

crucial, and the local state is perhaps the most important element by which national regulatory processes are mediated and put into practice at the local level (Lipietz 1988). As Goodwin et al (1993: 73) state, at the “local level the local state becomes a vital instrument in these processes, and plays a key role in attempting to maintain these local spaces of regulation, both socially and economically.”

These key contextual factors, alongside the areas for research, form the basis for the methodological analysis in chapter 5. Chapter 6 subsequently analyses the actually existing contexts in which the case study research for this thesis was undertaken. This focuses upon the policy context of the 1990s and the subsequent focus of the New Labour government elected in 1997. Allied to this, the regional and local characteristics of the case study localities will be outlined, notably in terms of the governance structures which exist in the regions.

Beyond this, there is a need to address not only the formal institutional context as defined by studies of governance but also the informal institutions, attitudes and ethoses which form the social basis for TSEIs. This, as will be seen in the following chapter, can be viewed through the lens of institutional theories which focus on forms of social capital as the basis for economic interactions and which may be used to analyse the third sector. Through the analysis of the manner in which locally formed and historically influenced attitudes develop, this will provide a key to the understanding of the potential of TSEIs to address the economic problems described here. It is this key role of local institutions which gives rise to the basis for the empirical studies undertaken in chapters 7 and 8.

The review of literatures outlined here will provide the theoretical context in which to analyse empirically the role of third sector partnerships in job creation and training as a response to the unemployment crisis of the late 20th century. To achieve this, chapters 7 and 8 will address the structures and processes which influence, without determining, the potential success or failure of TSEIs. This will focus upon two main themes: the ‘external’ governance structures supporting third sector employment initiatives (chapter 7), and their internal organisation (chapter 8). By studying TSEIs in situ, the importance of local dynamics both within and around initiatives can be analysed. This will be done in a manner which emphasises not only the effects of potentially

supportive but also of the unsupportive environments,⁶ examining the potential of the third sector to provide beneficial outcomes for excluded communities and the lessons which may be learned. Consequently, this problematises the notions of 'success' and 'failure' which are addressed here. This will produce some answers to the analytical questions raised by the literatures, which I will now discuss in detail beginning with the institutional framework for the thesis in chapter 2.

⁶ See chapter 5 for a more detailed explanation of this methodological viewpoint

Chapter 2

Institutional Theory and Third Sector Employment and Training Initiatives

Introduction

Establishing the crucial dynamics which influence the potential success or failure of third sector initiatives has become a key element of research. However, despite this interest there is currently a paucity of study into the *processes* through which certain initiatives succeed despite appearing to have significant factors undermining their chances of success. Consequently, this thesis aims to fill this niche by studying the processes which help to overcome institutional obstacles, thus revealing the organisational structures which offer resilience in the face of unpropitious circumstances. These structures may be particularly significant in areas in which the institutional structures to support third sector organisations are at their weakest. In particular, areas of the highest unemployment, and therefore where the need is greatest due to the inadequacies of private sector employment, may demonstrate the best of institutional configurations to support TSEIs.⁷ I intend here to address these structures through the notions of 'institutional thickness' and social capital.

The 1980s and 1990s have seen an 'institutional turn' within the social sciences in part as a means to analyse spatial inequalities in economic development as crucial dynamics of national and regional economies undergoing industrial restructuring (see for example Storper 1997). Alongside this, the study of the role of institutions in economic development has re-emerged from a number of distinct, yet complementary, disciplines, in the main

⁷'Institutions' refers not only to the formal, observable organizations of government and commerce but also to the informal institutions of society. Healey et al (1999) note that, "The term 'institution' is given a sociological meaning as an 'enduring feature' of social life, giving 'solidity' across time and space' (Giddens 1984: 24), that is, it extends beyond formal organisations, to encompass cultural patterns (such as kinship relations, religious life, other 'moral communities' and informal civic associations of all kinds)" (1999: 119).

derived from institutional economics and economic sociology (see for example Smelser and Swedburg 1994, Samuels 1995, Hodgson 1998). This body of literatures draws on many key ideas, based in the notions of *social embeddedness* of market activity and the role of locally configured institutions in creating historically contingent development paths for regional economies. This constitutes the notion that regional economic development is contingent on the institutional context in which firms and labour markets operate.

It is this re-emphasis on formal and informal institutions which I will draw upon as a tool for developing an understanding of the elements of the external environment which lead to propitious (or unpropitious) circumstances for the creation and development of TSEIs. The fusion of economics and sociology has, I believe, significant potential to extend beyond its relatively narrow recent use within studies of the firm and regional economic development. In this chapter, I adopt this theoretical framework to analyse the nature and circumstance under which third sector initiatives are likely to be pursued, and then to succeed or fail. This has been done for three reasons. First, it places the development of TSEIs within the socially and economically contingent institutional framework in which actors operate to produce outcomes. Second, it is able to locate the milieu in which TSEIs find themselves within the historically contingent and path-dependent nature of the industrial and social attitudes prevalent within localities. It is these particular milieux, incorporating the spheres of private, public and civil society, which produce and reinforce the dominant economic and social imperatives at the local and regional scales, thus creating a particular environment for TSEIs. Third, institution-based theories are able to examine the ability of institutions to adapt to evolving economic circumstances and to influence the path of local development in such a manner as to privilege or undermine third sector initiatives as a means of economic development. This section will unpack these key features of this renewed interest in institutional economics and sociology to conceptualise and contextualise the environment of TSEIs in responding to, and contesting, path-dependent economic development.

MacLeod (2001) notes several aspects of the current turn towards institutionalism which are pertinent in the discussion here. This seeks to address the use of an institutionalist framework as the key structural factor in seeking to define the elements which lead towards the success or failure of TSEIs. I will

seek to address these critiques by first of all presenting the received notion of what an institutionalist approach entails. I will then introduce the critiques of such an approach, before examining the manner in which the approach I have undertaken seeks to transcend those critiques.

Institutionalists reject the tendency of neo-classicists to isolate the truly economic, instead, they “seek to redefine what is considered to be ‘the economic’ through the progression of an emerging socio-economics” (MacLeod 2001:1147). Jessop (2001) notes the three potential facets to this institutional turn: a thematic and methodological turn have been noted; whether this extends to an ontological turn is less clear. Overall, Hodgson (1998) notes that, “institutionalists bring a different perspective to the analysis of learning by seeing it, in part, as a transformative and reconstitutive process, involving the creation of new habits propensities, and conceptual frameworks” (Hodgson 1998: 175).

From this original conception of the institutionalist approach, Wood and Valler (2001) have outlined the more recent developments in the institutionalist approach. They note 5 common methodological developments.

1. Recent literature has problematised what is meant by institutions, by extending the focus of regional analyses into the range of additional ordering structures as well as the formal concrete organisations whose geographies have been analysed. This serves, according to Wood and Valler, to recognize, “the importance of extra-economic structures and institutions in accounting for economic change” (Wood and Valler 2001: 1140). Indeed, this view of economic practices and forms as embedded in broader social and cultural relations is one of the hallmarks of recent institutionalist work, although such ideas clearly have a long lineage, to Polanyi and beyond.⁸
2. The institutional framework offers a shift from a traditional concern with single individual organisations or institutions to a more complex institutional ensembles and regulatory networks (Valler et al 2000: 417). This concern

⁸ This parallels with a lively contemporary debate in geography (if not economics) on the relationship between culture and economy (see for example Amin and Thrift 2000)

therefore links to a revitalised interest in the scale of interactions between different institutions, which offer a network of resources and powers which are not linked to one single location.

3. This is “also coupled with a concern for questions of governance and the manner in which institutional ensembles regulate, order, and steer economic practices and relations.” (Wood and Valler 2001: 1140). This interest in governance has emerged from a number of intellectual backgrounds (see chapter 4), but have synthesised tighter to broaden the range of organisational forms for enquiry, while adding a specifically geographical edge to that enquiry.
4. In addition, there has been a move “from questions of institutional form and configuration to a concern with *processes* of institutionalisation and the constitution, construction, and performance of institutions” (Wood and Valler 2001: 1140-1141). This therefore seeks to analyse the process through which such institutions are created and reflexively reinforced by the dominant institutional framework.
5. Wood and Valler note the “wider recognition of the mutual constitution and evolution of economic, cultural, and political forms and practices and their varied institutional expressions” (Wood and Valler 2001:1141).

Together these five elements produce two potential strengths of the institutional forms, and it is these that I wish to draw upon in this thesis. First, it offers the prospects of a multi-scalar approach, which views the institutions themselves as multiply scaled. In addition, the approach allows for some explanatory leverage to address questions of the historical development of institutions and institutional changer. It is these two concepts which I bring forward to produce the conceptual framework and theoretical and methodological lenses which I employ in this thesis.

However, MacLeod (2001) notes two key critiques of the institutional turn as it stands today, based in the conceptual difficulties of institutionalism which developed without adequate critical revision. First, he notes a tendency towards

a thin political economy, with a potential lack of appreciation of the role played by the state in shaping governance. Second, he notes the danger of 'soft institutionalism', in which the mere presence of institutional 'thickness' (Amin and Thrift 1994) or social capital is in itself adequate to explain economic development.

However, despite these significant criticism of the body of work produced recently within the institutionalist paradigm, I feel it retains a usefulness both in terms of its ontological stance and the potential it has for use as a tool through which to analyse and examine real-world phenomena. As a result of this, I intend to use a number of theoretical perspectives centred around the Regulation Approach (RA) as a means for institutionalists to conceptualise the relationship of economy, politics and society.

MacLeod suggests the RA as a key framework for institutionalists to view the economy. However, there are a number of conceptual frameworks which I feel it desirable to address, and which offer the potential to synthesise as a complete institutional framework. These are, most notably, the RA and the literatures relating to governance as the manifestation of structurally produced and local mediation of the exercise of power. In addition, I seek to employ the literatures on social capital which have emerged vigorously over the past decade to address the unevenness of economic development.

As MacLeod notes, these perspectives "draw us deeply into the nature of the governance organisations and 'soft' geographically embedded institutions that help to shape the economic process" (MacLeod 2001: 1153). As part of this, I wish to adopt a multi-channel research posture which is able to embrace a multitude of theoretical perspectives in order to appreciate the intricacies of the institutions which help to shape economic, and hence, social, processes.

Despite this, academic and policy evaluations of TSEIs have emphasised the internal governance processes which can lead to success in separation from the environment in which initiatives are embedded. In contrast, existing notions of social capital (see for example Putnam 1993) and institutional governance have the shortcoming of privileging the territorial aspects of any locality over the internal governance structures within any TSEI. As such, ideas of social capital or internal governance are both individually necessary, but by themselves inadequate, to provide a comprehensive understanding of the causal mechanisms

and processes which lead to the successful governance of TSEIs. Consequently, there is an academic imperative to gauge the success and failure of initiatives within the framework of the dynamic *interaction* of these two levels of process. It is this interaction of territorially distinct configurations of social capital allied to the initiative-specific governance mechanisms which forms the basis of empirical research outlined in this thesis. This chapter aims to provide a theoretical grounding for the manner in which the levels (regional, local and intra-initiative) interact to produce beneficial outcomes.

TSEIs and Internal Governance.

Academic and policy evaluation of third sector initiatives has thus far focused on the internal workings of initiatives as the crucial level at which success and failure is determined. This analysis is informed through a synthesis of sociology, economics and management studies which draws upon theories of the firm to suggest the intra-firm dynamics which lead to success through the development of a dynamic, competitive and learning-based environment. Firm-centred research (see for example Foss 1993, 1996; Hodgson 1998) suggests that it is not just the contractual nature of firms but the *competence* of firms in terms of adopting and adapting the abilities of employees to produce successful outcomes. While TSEIs have their own managerial and legal structures, due to their particular funding and output criteria, their operation in terms of employees and often size is often comparable to that of formal sector SMEs. The ability of TSEIs to adopt particular management strategies to produce the best possible outcomes within the restrictions imposed therefore depends on several organisational factors which have been posited in the management literatures and theories of the firm.

Firms may be categorised as ‘cognitive’ or ‘learning’ organizations, the basis of which emanates from an organizational culture and style of management which seeks to unlock this potential. To do so, firms seek to promote corporate cultures in which knowledge (which may be tacit- Polanyi 1967; see also Maskell et al 1998) can be shared and utilised. More specifically, Hodgson notes that through the “shared practices and habits of thought it [corporate culture] provides the method, context, values and language of learning and the evolution of both group and individual competences” (Hodgson

1998: 190). To address the influence of corporate culture in explaining differentiated success and response to change, Schoenberger (1997) studied corporate cultures at the firm level in California. While of limited application through its inability to look beyond the managerial levels in the firm as the site of contestation, Schoenberger nonetheless noted the managerial identities which “structured and narrowed the possibilities of transformation” (Sadler and Thompson 1999: 2). Consequently, we can imply that the managerial ethos is key to understanding the possibilities of success and failure of TSEIs within a structured context.

Harrison (1997) suggests that third sector initiatives may adopt lessons from the managerial literatures to form development strategies based on the benefits of cohesion and learning. She suggests that third sector initiatives may advance themselves through a number of intertwined philosophies and processes:

- A philosophy based in mutuality of endeavour, of interest and of benefit.
- A philosophy that does not favour one kind of knowledge over another
- A recognition that knowledge is embedded in a community’s grass roots
- A recognition that learning must be a shared task
- The presence of local champions who are respected in the community
- A continuous search for best practice, outside as well as within the firm
- A commitment to being ‘in it for the long haul’
- Continuous, incremental and integrative expansion of individual and collective capacity and competence
- A durable infrastructure to ensure stability.

(Adapted from Harrison 1997)

While this set of ideas offers a broad template, this cannot be considered a comprehensive analysis as it inevitably involves a degree of abstraction of themes from a limited empirical study. In practice, as will be seen in chapter 8, the complexity of organisational aims and the structures required to meet those aims influences the management ethos. Crucially, this is where empirical evidence is required to identify the governance structures within particular initiatives which lead to success in relation to aims. However, an analysis based on the internal workings of any third sector initiatives in a similar vein to those performed on formal sector firms is, while necessary, inadequate to fully understand the reasons why TSEIs may succeed or fail.

Third sector initiatives depend heavily upon the operation of funding and support networks; the presence and/or absence of elements of such networks may help to influence success or failure. These structures are in part a function of the formal and informal institutional environments which operate at the national, regional and local scales. The recognition of institutional factors operating beyond the firm has drawn attention to the significance of territory and proximity in learning processes, principally studied in relation to regional economies. Notions of a 'learning economy' or 'learning region' (Morgan 1997) have been suggested where the capacity to learn and the employment of knowledge as a strategic resource are seen as critical to economic success. This form of learning is therefore seen as territorially bounded, based on the significance of ostensibly non-economic resources to produce outcomes which aid regional economic development. This feature will now be discussed in relation to notions of social capital from the studies of regional economies. This in turn, later in the chapter, will be allied to notions of the third sector and the manner in which 'social capital' or learning may produce beneficial structures or attitudes to aid third sector development.

Economic Sociology, Institutional Economics and Embeddedness

It has become accepted that capital accumulation produces national, regional and local economies which differ in terms of their abilities to adapt to evolving economic circumstances (see for example Amin and Thrift 1994). This has led to significant bodies of academic literature which have analysed the processes which are responsible for the variety of distinct, yet contested and time and place-specific configurations of economic success. Mainstream economics (within the neo-classical school) focuses upon the rationalities of action and models to explain path-dependent growth. This has a theoretical basis in the free movement of factors of production and hence suggests that, in a pure form, regional inequality will be eventually resolved through the free hand of the market. However, this view represents an inadequate reflection of the real world through its abstraction of place and space onto a simple plane of reference. As such, there has been a shift towards acceptance of variable rationalities and societal values as key to stimulating economic fortunes (see

table 1.1). This is by no means new, but represents a ‘reawakening’ from a slumber of fifty years which can be traced to the (artificial) separation of economics and sociology emanating from the work of Parsons and Robbins (see Velthius 1999 for a review)

Table 1.1: Comparison of Economic Sociology and Mainstream Economics

	Economic sociology	Mainstream economics
Concept of the actor	The actor is influenced by other actors and is part of groups and society	The actor is uninfluenced by other actors (“methodological individualism”)
Economic action	Many different types of economic action are used, including rational ones; rationality as <i>variable</i>	All economic actions are assumed to be rational; rationality as <i>assumption</i>
Constraints on the action	Economic actions are constrained by the scarcity of resources, by the social structure, and by meaning structures	Economic actions are constrained by tastes and by the scarcity of resources, including technology
The economy in relation to society	The economy is seen as an integral part of society; society is always the basic reference	The market and the economy are the basic references; society is a “given”
Goals of the analysis	Description and explanation; rarely prediction	Prediction and explanation; rarely description
Method used	Many different methods area used, including historical and comparative ones; the data are often produced by the analyst (“dirty hands”)	Formal, especially mathematical model building; no data or official data are often used (“clean models”)
Intellectual tradition	Marx-Weber-Durkheim-Schumpeter-Polanyi-Parsons/Smelser; the classics are constantly reinterpreted and taught	Smith-Ricardo-Mill-Marshall-Keynes-Samuelson; the classics belong to the past; emphasis is on current theory and achievements

(Source: Smelser and Swedburg 1994: 4)

The separation of economics and sociology, whereby economics has become the study of the ‘process’ and sociology as the ‘values behind the process’ of economic decision making led to the sidelining of Weberian

Institutional Economics until the last quarter of the 20th century.⁹ However, this period has seen the re-emergence of institution-centred research, in either the study of Institutional Economics or Economic Sociology. Institutional Economics suggests the notion of the social embeddedness of economic activity within institutions as the embodiment of values. Economic Sociology, in a similar vein, stresses the manner in which markets are socially constructed (Amin 1999) through a network of cultures and norms which actively shape economic outcomes (see for example Dore 1992; Granovetter 1985; Grabher 1993; Smelser and Swedburg 1994). It is this new economic sociology that Swedburg (1997) refers to as “[o]ne of the most important developments in modern social science...the race to fill the void created by mainstream economics’ failure to do research on economic institutions” (Swedburg 1997: 161).

These two interconnected disciplines, “stress that economic life is both an instituted process and a socially embedded activity and therefore context-specific and path-dependent in its evolution” (Amin 1999: 366). This ‘new synthesis’ (Krier 1999) therefore has the potential to provide a reading of the institutional literatures to produce an eclectic but coherent institutional paradigm in which to study the intersection of economic and sociological phenomena.¹⁰

The renewed interest in the relationship between market and society can be in part traced to a reinterpretation of Karl Polanyi’s writings on the ‘Great Transformation’ (1944). Polanyi’s analysis of the historical relationships of markets and society suggests that pre-industrial economies were embedded within societal structures which were given cohesion through collective forces and frameworks which therefore maintained a dominance of society over the ‘tyranny’ of the economy. However, what Polanyi refers to as the ‘Great Transformation’ broke this notion of market being contingent upon social structures by disembedding itself from the structures of society. The market system subsequently attained a dominance over society such that society, rather than providing a framework for reference, is now re-embedded and reconstituted as a component of the market-driven economy. While this transformation did

⁹ I note Weber here as key to the discussion of Institutional Economics despite Granovetter (1990) being scathing of Weber’s unwillingness to attack the central tenets of the mainstream economics.

¹⁰ Krier (1999) is wary of the hitherto economic nature of the ‘new synthesis’ which lacks analysis of the traditionally sociological themes of class, exploitation and inequality

not occur without significant contestation, the economy has achieved a hegemonic position such that politics and society are subordinate to it.¹¹ Crucially, this does not deny the importance of socially embedded institutions in shaping the dominance and path of the capitalist economy, yet it accepts this as a predominantly *economic* rather than a *social* process. How these economic processes are mediated and re-articulated through societal processes will now be discussed in relation to institution-centred theoretical accounts.

Capacity, Capital and Actor Rationalities

The revision of the relationship of economy and society within the institutional paradigm has led to a resurgence in the study of the formal and non-formal structures which can influence the development of regional and local economies. Spatially differentiated economic outcomes may be produced through the influence of what Storper (1997) refers to as 'relational assets' or untraded interdependencies', while Putnam's (1993) studies of Italy led him to conclude that the key factor in developing successful economies is what he refers to as 'social capital' embedded within civic institutions. The evolution of such structures similarly has implications for the types of assets which can produce supportive environments for TSEIs

These institutional assets are complex, being formed at many different scales through attitudes and social norms as well as through the formal legal and institutional structures. To clarify this, Healey et al (1999) note that there is a potential separation of the concepts of institutional capacity and capital. The first of these, institutional capacity, is defined as a web of relations which provide the linkage between the formal institutions which participate in governance, whether they be public, quasi-public, private, or voluntary sector. This suggests an *archive* of knowledge (Amin and Thrift 1994) embedded within institutions which affects their ability to produce successful outcomes. Drawing on Amin and Thrift's (1994, 1995) notion of institutional thickness, Healey et al note four characteristics of the institutional capacity of localities which could produce this beneficial synthesis:

¹¹ For a more detailed discussion of the basis of Polanyi's assertions regarding the Great Transformation, see Olofsson (1995)

“...a plethora of civic associations, a high level of interaction between social groups, coalitions which crossed individual interests, and a strong sense of common purpose”
(Amin and Thrift 1995: 101, cited in Healey et al 1999: 119)

However, the existence of webs and networks of relations is not sufficient to produce successful outcomes per se, and is in part a function of the institutional or social *capital* of a locality. This is what Putnam et al (1993) refer to as a ‘stock of capital’ which is constructed through trust, social networks and social interactions.¹² In contrast to the notions in economics of the autonomous, material-advantage maximising rational actor, Healey et al (1999) suggest that individuals nonetheless,

“...depend on and value social relations with others, into which they are bound by relations of reciprocal trust (in families, religious groups, friendship networks, craft work groups etc.). These relations are infused with moral conceptions and draw on often deep-rooted traditions which shape, typically implicitly, cultural expectations. The term ‘social capital’ refers to these relational webs, or networks, and the ways of thinking and acting which bind them together.” (Healey 1999: 120)¹³

These positive forms of human capital equate to a social ‘glue’ which can help to produce socially cohesive milieux; conversely, a paucity of human capital may lead to disruptive milieux which produce unpropitious environments for economic development. However, there is a need to deconstruct what is meant by the rather eclectic term ‘social capital’. This does not emerge as a particularly coherent form of analysis; nor does it represent a fully developed means through which to identify the mixture of capitals which have emerged—social, physical, and human, both collective and individual, as an unproblematic schema for addressing real world examples.

Woolcock (1998) notes 4 potential critiques of the set of theorisations of social capital in recent academic literatures. First, he notes the problem of rationalities, suggesting that different conceptualisations and applications stemming from social capital suggest it must have various forms or dimensions. Second, he notes a difference in whether social capital represents ‘ties’ and norms within large organisations or institutional realms or a moral or trust resource— a cultural mechanism. Third, he notes the all-encompassing potential

¹² Despite Healey et al’s (1999) separation of the concepts of capital and capacity, I feel it desirable here to employ the generic phrase ‘social capital’ emanating from Putnam’s work, to define the myriad of formal and informal institutions which have been studied at the regional scale.

¹³ See also Fukuyama’s equating of culture and social capital (1995)

of social capital as a means to justify contradictory public-policy measures. Fourth, most discussions of social capital regard it as an unqualified 'good' and therefore do not adequately address potentially negative forms of social capital or the need to optimise as opposed to maximise the presence of social capital.

However, this is not to say that social capital has emerged as a meaningless concept with a lack of conceptual rigour. Indeed, Woolcock notes that, "Social capital provides sociologists in particular with a fruitful conceptual and policy device by which to get beyond exhausted modernization and world-systems theories and make potentially important contributions to questions of economic development, contributions that complement orthodox economic approaches in some respects and challenge them in others. Social capital's greatest merit, however, is that it provides a credible point of entry for sociopolitical issues into a comprehensive multi- and interdisciplinary approach to some of the most pressing issues of our time" (Woolcock 1998: 188).

As a result, I seek to employ the notion of social capital as just one explanatory element of the study of the institutional structures which operate around TSEIs. To do this, I find the template drawn up by Healey et al (1999) to be a useful framework in which to place the interactions of social, human and physical capital in its influences on TSEIs. In parallel to this discussion of institutional capacity and capital, I will draw upon the notion of social capital within the social sciences to help produce a framework for the empirical work studied later.

The manner in which these connections and networks are employed by individuals to make sense of economic connections depends upon the power of individuals and the manner in which power is expressed. This may be allied to notions of 'institutional embeddedness' of inter-organizational relations (cf. Grabher, ed., 1993). As such, the economic sociologists are drawing upon the work of evolutionary and cognitive psychology (Cosmides and Tooby 1994; Plotkin 1994) to understand the manner in which different rationalities, bounded by social structures, can produce different forms of decision making and behaviours (see Amin 1999: 367).¹⁴ Saxenian (1994) notes the values of different cultural contexts as key to the development of inter-firm trusts and

¹⁴ See also the concept of Actor-Network Theory (Callon 1998)

collaboration, and hence contrasting economic performance. Through her studies of firms in the Silicon Valley and route 128 near Boston, she noted the regionally-specific variations in trust and co-operation which add potential economic benefits to the firm involved.

These concepts of social capital and capacity, or the 'informal institutions' allied to the formal institutions of governance, have been brought into focus through their usage to explain to some extent the economic successes of particular regions within Europe (see for example Maskell and Malmberg 1997). Exactly how the presence of particular institutional features can produce beneficial outcomes will now be discussed in relation to regional economic development, leading to a discussion of the implications of the lack of particular institutional forms, or more importantly the presence of blocking forms, for the development potential of the region. However, I also believe this institutional analysis may also offer a new paradigm in which to address the key factors which produce successful or unsuccessful TSEIs. In the next section, I wish to address how the notion of social capital is applied to regional economic development. These lessons will then be employed as a new facet of third sector research later in the chapter.

(Re)Integrating Geography: Regional Economic Development and Social Capital

The studies emanating from the new synthesis of economics and sociology are informed by an empirical grounding in key case studies of regions such as the industrial districts of the Third Italy (Amin and Thrift 1994), Emilia-Romagna (Cooke and Morgan, 1991) and Silicon Valley and Boston (Saxenian, 1994). This has led to an interest in the particular formal and informal institutional configurations as qualities within milieux which are able to create propitious environments for economic development.¹⁵ Sadler and Thompson (1999) note that this notion of embeddedness, which they cite as, "key to rediscovery of the region as an object of analysis – has shifted over time from economic factors (including the vertical disintegration of the division of labour)

¹⁵ Indeed, which may be a *product* of economic development.

to social and cultural explanations...In short, there is now a view that understanding regional success involves - at least in part - acknowledgement of a region's *social atmosphere*, built around a series of inherited traditions and practices which have created both tangible and intangible institutional characteristics"(Sadler and Thompson 1999: 2).

Consequently, Amin and Thrift's (1994) notion of 'institutional thickness' provides a conceptualisation of such institutions as a means to influence and steer the development of regional economies. From this, notions of 'institutions' as a key element of regional competitiveness have led to their use as a means to reinvigorate less favoured regions. This focus on institutions is, according to Amin (1999), a response to regional policy devices which have been "firm-centred, standardized, incentive-based and state-driven" (Amin 1999: 365) and which have been "modest in terms of stimulating sustained improvements in the economic competitiveness and developmental potential of the LFRs [less favoured regions]" (Amin 1999: 365). The inadequacies of the 'regional policy' approach to regional economic development within the UK and more broadly within Europe has therefore led to an (incomplete and geographically concentrated) shift towards more 'bottom-up' approaches to economic development which stress long-term capacity building as key to growth and regional adaptability.¹⁶

Amin (1999) notes five key policy actions to develop the capacity of regions to adapt and respond to the pressures of an evolving economic context:

1. A preference for policy actions designed to strengthen networks of association, instead of actions which focus on individual actors alone
2. Encouragement of voice, negotiation and the emergence of procedural and recursive rationalities of behaviour, in order to secure strategic vision, learning and adaptation
3. Mobilization of a plurality of autonomous organizations, since effective economic governance extends beyond the reach of both state and market institutions
4. Stress in intermediate forms of governance extends to a preference for building up a broad-based local 'institutional thickness' that might include enterprise support systems, political institutions and social citizenship

¹⁶ This is an exemplar of the shift which reflects the institutional turn in the social sciences, and which has become a persuasive force in the development of policy (see for example MacLeod 2001)

5. Solutions have to be context-specific and sensitive to local path-dependencies.

(adapted from Amin 1999: 368)

However, such a use for social capital is problematised by Fine (1999). He notes the use of social capital is distinguished from physical, financial and human capital, with these “generally being interpreted from within neoclassical orthodoxy. Although it can require the use of economic resources, it has to be able to be *anything* ranging over public goods, networks, culture etc. The only proviso is that social capital should be attached to the economy in a functionally positive way for economic performance, especially growth” (Fine 1999:5, emphasis original).

Fine is also critical of the manner in which individual attainment is perceived to be affected by “family or other aspects of the micro-social environment, readily interpreted as (individual possession of) social capital” (Fine 1999: 5). Fine is also critical of the use of essentially mathematical models to define and quantify social capital, noting that “such endeavours have nothing new to contribute through appeal to social capital which merely serves as a convenient peg on which to hang collections of dull and mechanistic empiricism” (Fine 1999: 6).

Fine is therefore wary of the uses of social capital to ‘explain’ or be the ‘vital ingredient’ in economic development around the world. This is essentially problematised where imprecision exists due to the notions of what constitutes ‘social and capital’ is present. This is in part due to the theoretical positions, and the policy actions attached to them, emanating from a set of case studies which focus on the more economically successful regions of the EU and North America and which emphasise the positive roles of formal and informal institutions. These case studies therefore demonstrate the validity of social interactions as a means to facilitating economic growth *in particular contexts*. However, the transferability of lessons gleaned from a set of successful case studies has been called into question due to the inherently path-dependent nature of institutional growth.

Intuitively we realise that regions have distinct institutional configurations, which are the legacies of past industrial and social development.

Therefore, the ability of regions to come to terms with economic circumstance is dependent upon what Grabher and Stark (1997) refer to as the notions of adaptation and adaptability. Sadler and Thompson (1999) suggest that adaptation “signifies a capacity to change incrementally within a framework of relatively narrow and largely unquestioned parameters (to adapt to change without posing deep questions), whilst [adaptability] denotes the ability to ask radically different questions and to experiment with different responses” (Sadler and Thompson 1999: 3).¹⁷ Regions which possess an adaptability to new circumstances (such as those posited by the globalisation of economic activity) therefore possess a long-term versatility which will produce potentially proactive rather than reactive responses to change as suggested by adaptation. In contrast, a highly developed yet inappropriate institutional framework and social ethos may attempt to evolve through adaptation and hence not ask deep questions of the economic framework. This may potentially stifle or suppress efforts to attain economic growth through the types of institutional forms demonstrated in the currently ‘competitive’ regions of Europe. It is this potential of formal and informal institutions to encourage, block or slow economic adjustment which will now be discussed in terms of the ‘older’ industrial regions which form the basis for empirical study in this thesis when applied to TSEIs.

Institutions Within Older Industrial Areas

Institutional legacies are key elements of ‘older’ industrial areas, whose institutional matrix has been reinforced and layered over a number of years to produce and reflect systemic dependencies at the local level. The localised nature of institutional forms produces configurations which may be finely adapted to certain industrial forms. As such, the lack of adaptability towards new challenges of the global economy calls into question the blanket application

¹⁷ This therefore parallels the arguments put forward by organizational learning theorists regarding the existence of single and double-loop learning. In this, single loop learning refers to a form of organisational learning which changes the strategies of action or the assumptions underlying these without challenging the actual theory of action behind these. As such, errors or failures in the regional economy are addressed within the parameters set out and as such do not fundamentally examine the values behind that strategy of action. In contrast, double-loop learning refers to organisational learning which changes the values of the theory in use, as well as the strategies and assumptions (see of example Argyris and Schön 1978; Hodgson 1998)

of policies seeking to apply lessons gleaned from more successful regions. A need remains to find the particular intersection of industrial and institutional configurations most suited to the historical path of any locality to promote development (Gertler 1997; Hudson 1997; Morgan 1997). This section will analyse how locally-produced institutional configurations potentially differ from the classic case studies cited above, and will discuss the implications of this for analyses of social capital in regional development studies. As Amin (1999) notes, it is the “enduring ability and framing influence on action by individuals and actor networks that force recognition of the path- and context- dependent nature of economic life, or, from a governance perspective, the wide field of institutions which need to be addressed by policies seeking to alter the economic trajectory” (Amin 1999: 367).

This localism is typified within the older industrial areas of the UK, which were (and still are) typified by the deeply embedded industrial (or firm) cultures where “dominant capitalist firms developed institutional forms and linkages through which their interests could be organized and relationships between them regulated” (Hudson 1994: 196). Consequently, the ‘institutional tissues’ (Hudson 1994) created a bounded relation in which the dominant industrial ethos delineated the bounds of accepted behaviour and practice. However, this relation was embedded beyond the workplace within the social and government spheres to produce an all-encompassing reflection of the industrial-social complex. Martin et al (1996)note that,

“The union and industrial relations traditions of key groups of workers, firms and industries in a region are not self-contained, but rather generate spillovers to other workers, firms and industries in the region through the course of time. Although the specific mechanisms involved are complex and are themselves influenced by the process and path of local economic development, the result is that the attitudes, expectations and behaviour of employees and employers in other industries in the region are influenced by the historical traditions and contemporary proximity of those locally dominant industries and their workforces...[O]nce this regional externality effect begins to develop, it becomes self-reproducing through a process of local institutionalisation and socialisation, thereby generating a regionally embedded set of industrial relations traditions and cultures” (Martin *et al* 1996: 118-9).¹⁸

¹⁸ Similarly, Hudson (1994) states that, “the often profoundly paternalistic social relationships within the workplace became extended into mechanisms for social ordering and control in the community beyond the workplace, transmitted and communicated through the institutions of local civil society and/or the state. In this way, a social fabric of community evolved, with its constitutive institutional tissue, through which people came to know and understand their area, the world around them, and their place within it as wage workers or dependants of wage workers” (Hudson 1994: 197).

As a result, the collective response of populations towards third sector activities or entrepreneurialism may be conditioned by this industrial heritage (see for example Strangleman et al 1999). The implication of this typology of older industrial cultures, while generalistic, is that such socio-political settlements are suited to and configured by particular industrial uses. With the removal or decline in dominance of the economic base through an evolution in economic (or more pertinently) *political* attitudes, the ability of the socio-political configurations to adapt to this new environment has been called into question. It seems unlikely that an industrial heritage with its particular configuration of institutions will be able to adapt to new economic circumstances and opportunities such as the knowledge-based economy. Hudson notes evidence from Derwentside, County Durham, which suggests that, "The particular *types* of thick institutional structure that had been evolved within them were simply not appropriate, repelling rather than attracting such activities" (Hudson 1994: 198). As such, a 'thick' institutional tissue associated with dominatory local elites may stifle economic innovation. As Healey et al note, "Some qualities of institutional thickness/richness thus seem to promote economic growth and innovation." They continue to note that in contrast, "Others may be more effective at fostering social cohesion" (Healey et al 1999: 119-120).

Two points are raised here. First, Healey et al are suggesting that there is a trade-off between an innovative milieu and social cohesion. While some may suggest this is the case under a capitalist structure, I regard this as a simplistic argument and believe there is no functional separation of development and cohesion. Second, Healey et al suggest there are institutional structures, both within favoured and less favoured regions, which may support the development of *alternative* forms of economic growth. Conversely, there will be institutional arrangements which are less effective at creating alternative development. There is a potential separation of the form of industrial and social capital which promotes the development of the private and third sectors. Consequently, support for TSEIs as a means to aid economic renewal within LFRs may also be dependent or upon the institutional legacy and willingness to adapt.

It is under these conditions, Hudson suggests, that this deeply embedded and interconnected legacy of networks may have two results. First, it may stifle attempts to create a radical alternative through the exploration of alternative economic trajectories. Second, it will shape and form new institutions which are tasked with the challenge to renew the economic base of the region. These two factors can combine together as the phenomenon of 'institutional blockage' (see for example Hudson 1994; Sadler and Thompson 1999). In this, the institutional structures which have evolved for a particular industrial or political purpose become agents to narrow the potential development path of a region or to slow the process of adjustment to evolving economic circumstances. This, notes Cooke's study of the rustbelt of North America, is based on a "culture of defensiveness and dependence [derived] from long years of class-based solidaristic struggle". He identified a need for, "cultural change in the mentalities of members of civil society, their elected representatives and managers of business enterprises" (Cooke 1995: 245). Consequently, the institutional inability to adapt successfully to new economic circumstances may be hindered through a level of 'blockage' formed through the peculiarities of the political-economic system. The result, notes Hudson, could be that "localized institutional thinness may have held greater emancipatory and radical transformatory potential" (Hudson 1994: 212).¹⁹

Through the co-operative or corporatist configurations of trade unions, industrial and political forces, dominant industrial cultures have been able to strongly condition the path of local institutional development. This moved beyond the workplace into social spheres, which were deeply embedded within the local ethos of the industrial culture. As a result, the dominant interests could be maintained, with a potentially detrimental impact upon the vibrancy of local democracy.²⁰ The existence of tightly bounded social structures, whether dependent upon the formal institutions of the local state or regulated social interaction can reduce the potential for positive expressions of activity, such that

¹⁹ The potential resonance of this discussion has been informed by a number of case studies which have attempted to analyse the local dynamics of institutions (see for example, Hudson and Sadler 1989; Dicken, 1990; Beynon and Hudson 1993; see also chapter 7 for specific case studies of the North-East of England and Wales).

²⁰ The denotation of industrial cultures as inclusive, yet potentially stifling, cultures has leads to a potential discussion of the role of interstices, described as the spaces in which there is a weakness of the dominant ethos, leading to a resistance to this culture in a manner which contests and contends the local hegemony (Mann 1986; Amin 1996)

“Putnam’s good citizenship ends up, perhaps inadvertently, as a denial of civil society as an arena of social contestation” (Amin 1996: 327). There is therefore a potentially positive role for contestation to reduce associationalist trends towards elite hegemony within and embedded in localities. As a democratic movement, these oppositional movements represent a challenge to the notion of civil society as embedded in the industrial complex as a single uncontested movement. Amin (1996) suggests that in contrast to Putnam’s notion of civil society, contestation can be an essential element of civic virtue, when allied to tolerance and democracy, producing a dynamic yet progressive social environment. As such, Amin contests that “Putnam may well be right in asserting that ‘building social capital ... is the key to making democracy work’, but then why not look at movements...as incipient forms of social capital? Does social capital have to take only the form of ‘choral societies and soccer teams and bird-watching clubs and Rotary clubs’” (Amin 1996: 329-330). This implies that certain forms of civil society, bounded within industrial movements, may have significantly differing potential in terms of their transformative power and ability to produce vibrant third sector institutions. Exactly how this social ethos may lead to participatory norms in which the presence of a form of civil society benefits the third sector or individualist/passive norms in which there is less engagement with the third sector is a key site for empirical enquiry in chapter 7.

Institutional Economics and the Third Sector.

From the institutionalist perspective, studies of social capacity and capital within regions are useful for providing a potential framework for understanding why certain institutional configurations should support a particular industrial complex. However, they fail to study how such institutional frameworks may aid or negate the possibilities of other economic configurations involving private, public and third sector agencies coming to the fore. The literatures relating to the importance of social capital involve the making of a value judgement, in which the industrial form of development is given precedence over others as the means to producing successful regional economic development strategies. However, this privileges the formal economy over the possibilities of the informal, third sector as a means to developing endogenous

growth within regions. Empirically, this provides a basis of the study of regions to determine whether there is a potential match or mis-match between the vibrancy of the institutional structures and social capital allied to particular industrial-social complexes and the vibrancy of the third sector. The same institutional configurations which flourish around a particular industrial base may support or negate the ability of the third sector to achieve its potential as a means to economic development either as a complement to the formal economy or as a substitute in particular circumstances. As such, the challenge is to determine the crucial dynamics of institutional configurations which create propitious environments for TSEIs to flourish.

Conclusions

The above discussion of the institutional configurations leading to the 'uniqueness' of places suggests that "questions of contingency, contextuality, and cultural complexity when analyzing space, place and locality" (MacLeod 1999: 248) must be adhered to (see also Beynon and Hudson, 1993; Warf, 1993). Informal institutions, constituted as social capital, therefore must be acknowledged due to their key role in shaping the context in which TSEIs operate. However, this context is also produced by the configuration of formal institutions of government (and more recently, governance) at the national, regional and local scales. Governance is therefore an element of the localised contingency which underlies concerns regarding social capital as an element of economic (and by implication political) performance (Putnam, 1993). In the following chapter this role of local governance in producing locally-specific outcomes will be placed within the context of globalisation and the consequent economic imperatives of the state.

Chapter 3

The Post-Fordist State: Contextualising Governance

Introduction

In chapter 2, the case was put for the analysis of institutions, both formal and informal, as key to understanding the frameworks in which TSEIs operate. However, such an analysis draws upon limited empirical evidence, notably in relation to the scale of institutional alliances and pressures. The discussion of social capital and institutional approaches provides a framework to analyse inter-personal and inter-institutional relations within a regional context. These interactions are placed within the institutions of the territorially and historically bounded 'region' and as such give little acknowledgement of multi-scalar influences upon these relations. To do this, I will now outline a parallel trend within the social sciences which is concerned with structures (operating in a neo-Marxist sense) which influence (or at the extreme, control) individual actions and hence social relations within localised contexts (see for example Sayer 1984, 2000; Cooke 1997). I suggest here that a key structural factor has been the impact of globalisation and the allied change in the structure of the state in a post-Fordist, post-Keynesian capitalist system. It is the *articulation* of such processes at the national, regional and local scales which ultimately may influence the environments in which TSEIs operate, and as such it will form the basis for this chapter.

Globalisation, a much used (and abused) term within the social sciences of the late 20th Century, is employed to denote a perceived up-scaling of activity in the understanding of contemporary change in economic, social, political and landscapes. Broadly constructed, globalisation can be construed as a shift away from an emphasis upon the mechanism of the nation state as the sole arbiter of

its own space and represents increased permeability of political, economic social and legal structures (see for example Meiksins-Wood 1997). The nation state within this globalisation 'process' or set of 'interrelated tendencies' (Dicken et al 1997: 159) is destined to undergo revision under the force of these pressures. Despite lacking a clear and coherent trend of substantive processes which operate at a number of scales, globalisation's potency as a cognitive concept has been noted (Cameron 1999). Through a reflexive loop of substantive and speculative leaps, the globalisation thesis has achieved the status of a (perceived) trend or project which nation states feel obliged to counter or adapt to.²¹ This breakdown of the dominance of the nation state has led to a perceived (though contested) reduction of its role as the prime site of regulatory practices. As part of this, the state mechanism has been referred to as being reorganised or 'hollowed out' (Jessop 1994a, 1997b), as powers have been devolved to both upper- and lower-level institutions both within and external to the state mechanism.

This having been said, this chapter does not regard globalisation as an autonomous process which operates *upon* nation states, but more as a process which is mediated and challenged at a number of scales. From this starting point, I employ the regulation approach, which owes its modern origins to the French School of political-economic research (Aglietta, 1979, see also Boyer 1990; Jessop 2001a)²² to provide a theoretical grounding to the discourses of globalisation briefly outlined above. As a (contested and as yet incomplete) theoretical standpoint it is concerned with the manner in which capitalist accumulation may, despite its contradictions, continue in a form which retains or cements the hegemonic status of capital. This is achieved by the *regulation* or *normalisation* of relations between capital, labour and the factors of production to permit the conditions for continued accumulation. Through political, economic, legal and welfare structures discontent in the system may be tempered until a new perturbation or crisis is reached and the capitalist system has to realign itself to create the conditions for a potentially new phase of

²¹ Sayer (2000:25) notes "some commentators argue that globalization is not so much an inexorable force impinging on national governments but a discourse used by those governments to reduce their responsibilities...realists...do not reduce globalization to nothing more than a discourse, but argue that at least in part the discourse is dealing with something real."

²² See also the American SSA (Social Structure of Accumulation) school (Jessop 1990b, 2001b; Kotz et al 1994).

accumulation. Consequently, “expanded social reproduction of capitalism is never guaranteed, but has to be continually secured thorough a range of social norms, mechanisms and institutions which help to stabilise the system’s inherent contradiction around a particular regime of accumulation” (Goodwin et al 1993: 68). Such mechanisms and institutions, known broadly as the MoR (Mode of Regulation)²³ act to (temporarily) counterbalance the crisis tendencies of capitalist accumulation. This chapter will discuss the main tenets of the regulation approach, before applying these concepts to contemporary social and political changes in relation to the governance of economic development strategies and by extension TSEIs.

Parallel to these concerns with the influence of global forces upon national-scale structures, there have been significant strands within the social sciences situating the importance of the specificities of localities within the global (See for example Swyngedouw, 1992; Amin and Thrift 1994, MacLeod 1999). How these broader tensions are articulated at the regional and local levels, through a reflexive process of challenge and mediation, may be key to the production of territorially specific institutional forms as seen in chapter 2. Keil (1998) notes that the acceptance of the importance of the local does not remove the national state as an institution, but rather transforms its scalar functions. As such, the state does not disappear under globalisation; it remains the primary social, political and economic spatial scale at which regulation is articulated (Dicken et al 1997). It is therefore the task of this chapter to integrate “elements of state theories with regulationist perspectives [to] allow a fuller and more nuanced understanding of capitalist states, their policies, and limits to them” (Hudson 2001: 92).

Local governance forms will be analysed through the lens of neo-Gramscian studies (for example Jessop 1990a, 1997a), which suggest that local governance forms are a reflection of national state structure. In contrast, Foucauldian-inspired analyses focus on the capacity of the state to steer local institutional forms through the employment of managerial technologies (MacKinnon, 2000), via the crucial notion of governmentality. This provides a

²³ This is alternatively known as the Mode of Social Regulation (MSR).

basis for the understanding of formal state and governance institutions and how they affect TSEIs.

This chapter will briefly assess the theoretical and substantive characteristics of the concept of post-Fordism in the social science literatures to provide a basis for the discussion of the manner in which national states and localities mediate and reflexively shape multi-scalar pressures through regulatory processes. Finally, the application of the new urban political theory of regime theory and its antecedents in elite theory and pluralism will be assessed as an analytic tool to understand empirically the locally formed governance structures which may create the specific environment in which TSEIs succeed or fail.

The Regulation Approach and the Post-Fordist State

The regulation approach has the potential to provide a theoretical underpinning for the manner in which global, national, regional and local systems combine to produce observed outcomes (see for example Aglietta 1979; Boyer 1990; Jessop 1997c, 2001a, b). The theoretical underpinning provided by a regulation-theoretic approach suggests that capitalist forces produce a dynamic and contested framework into which observed phenomena may be placed. Far from being a homogenous experience, contestation and mediation lead to a situation where there are “critical variations in the ways in which these [are] transmitted and felt at the local level” (Goodwin et al 1993: 69). On this scale, political mediation and social and institutional structures define the exact impact of regulatory pressures upon economies at all scales. This section will utilise this theoretical framework to create an understanding of the regional and local factors which produce a contested economic, social and political context in which TSEIs operate.

The notion of ‘regulation’, as a translation of the French *réglementation*, refers to a ‘regularisation’ or ‘normalisation’ of relations between capital and the agents of production. It therefore addresses the manner in which institutions and social norms are configured in such a way as to maintain the interests of capitalist accumulation. This therefore refers to the “prevailing or dominant

institutions and practices sustaining this; those, for instance, of exploitation, authority, and negotiation in the workplace, of exchange and contract in the market, of family in the home, and of citizenship and equality in the state”(Goodwin et al 1993: 71). As such, this represents a view of the state in its inclusive senses (Gramsci’s *Economie Integrale*) which encompasses all the elements of the state.

The regime of accumulation has two distinct parts: the Mode of Production and the Mode of Regulation (MoR). The mode of production refers to the methods of production themselves, be they Fordist or Taylorist mass production or another form in the post-Fordist era (Just-in-Time as opposed to Fordist Just-in-Case, CAD, numerical and functional flexibility; see for example Amin (1994)). However, to sustain any regime of accumulation, a Mode of Regulation is required to balance the contradictions inherent within the mode of production. This notion of the MoR is defined by Aglietta (1979) as “a codified set of relations which have the effect of guarding and sustaining the accumulation process” (Aglietta 1979: 382). Jessop (1992) similarly defines the MoR as the social context in which expanded economic reproduction occurs. Such definitions are vague as to the *mechanisms* which are operating, and Peck and Tickell are thus conscious of this when they define the MoR as “state forms, social norms, political practices and institutional networks” (Peck and Tickell 1995: 357-358) which are operating to maintain the dominance of capitalism.

Jessop (1990b) suggested that regulation has two parts, referred to as the structural and strategic elements of regulation; “the former [structural] refers to the actual organisation[s], the latter to the strategic perspectives and discourses which are currently dominant” (cited in Goodwin et al 1993: 71). Regulation is not therefore purely concerned with economics; it lays equal emphasis upon the social conditions which are necessary for capitalist reproduction. While the structural elements refer to the day-to day means for expanding welfare services and allowing growth (perceived here in a Fordist socio-political framework), the strategic elements refer to the acceptance of public services provided within the regime of accumulation.

The MoR therefore reproduces the norms and social practices which support and permit a regime of accumulation. Hudson (2001) notes that the “‘problem’ for the state is to ‘discover’ or invent a mode of regulation appropriate

to a particular macro-economic growth model, a particular régime of accumulation” (Hudson 2001: 60). This support is essential because the state is “neither an arbiter, nor a regulator nor an uncritical supporter of capitalism but it is “enmeshed” - and *unavoidably* so - in its contradictions (Held, 1989: 71)” (Hudson 2001: 63).

MacLeod (2001), drawing on the work of Boyer (1990), Jessop (1997d) and Swyngedouw (1997) brings together five core, interconnected levels of the MoR:

1. The wage relation (or wage nexus) which abstracts relations between the labour process, labour-forces reproduction, labour market governance, and lifestyles;
2. Forms of competition, or relations between autonomous and fragmented centres of accumulation and how this manifests as corporate ties and links to banking capital;
3. Monetary and financial regulation vis-à-vis the dominant banking and credit system and the relative allocation to sectors;
4. The state and governance including the state’s internal structures, its system of representation, patterns of intervention (for example public versus private) and the institutionalization of its social bases of popular support;
5. The international regime or the way in which trade, investment, monetary settlements and political arrangements help to integrate national and regional economies, nation-states, and the world system.

Together, these factors of the MoR seek to avert crisis and to maintain the legitimation of the regime of accumulation and the politico-economic structures which underpin it. As Hudson (2001) notes, “Resolving fiscal crises is perhaps the most difficult operation in crisis avoidance and management but one that must be attempted; otherwise, there is a risk that burgeoning state borrowing or public expenditure could trigger a much more generalised economic crisis” (Hudson 2001: 63). However, Hudson notes that the partial retreat of the state from the spheres of economy and civil society in the last quarter of the 20th century demonstrates the limits to the capacities of national states to manage and resolve such crises.²⁴

²⁴ This, however, is not consistent as has been shown over the past decade. The extent to which state-run public services ought to constitute a part of the state system has been questioned, with successive right-leaning Conservative governments portraying the ‘nanny state’ as inefficient and wasteful, a drain on the entrepreneurial economy (Goodwin et al 1993: 71. See also Jessop 1995 for a discussion of this element; Peck and Tickell 1995; Taylor-Gooby 1997).

However, capitalism, as noted by Marx and Engels, is a dynamic system. Periodically, regimes of accumulation may enter stages of *crisis* which require a new institutional fix to allow the resumption of accumulation. Hay (1995) notes that crisis is a moment of decisive intervention, ruptures and transformation. However, this is not always the case: failure may be *perceived* by those in power so that remedies to crises are implemented before crisis point is reached. Hay therefore states that “Crisis refers to *failure perceived*, and hence failure *politically* motivated” (Hay 1995: 389, emphasis original). Crisis tendencies and the response of institutions to the challenge to the dominance of the Fordist MoR will now be discussed.

Fordist Regulation and After-Fordist Crisis

In recent years, much debate has focused upon the use of Regulation Theory to attempt to make sense of contemporary change in economic, political and social structures which have been described as the move from Fordism to *post-Fordism*.²⁵ Concentrating analysis within the notion of Fordism as a mode of regulation, (Goodwin et al 1993: 70), it is possible to study the regulatory aspects of the UK post-war settlement. Taking as a point of departure Poulantzas’ notion that the post-war state and capitalism were ‘immanent and mutually constitutive’ (1978: 17), subsequent process and regulation can be structured within this context. Poulantzas suggests that the extension of the power of the nation state within bounded territorial spaces was a necessary step to overcome the crisis of regulation within a *national* Fordist context as opposed to previously *local*, feudal economic context.

Fordism required a transformation of the social consumption norm to one of mass consumption (Painter 1991: 29). As such, the Mode of Regulation sought to institutionalise class structures, in such a way that wage earners purchased as the means of consumption (Painter 1991: 25). To do this, the economic system was seen to be underpinned by a welfare state which could appease and temper class struggles to ensure the continuation of growth. As a result, under the post-war consensus, public services and expenditure were

²⁵ However, MacLeod (2001: 1156) notes that, “the RA was neither predictive of nor reducible to the thesis of post-Fordism.”

dramatically increased to maintain the hegemony of the Fordist regime of capital accumulation. This involved the active participation of the state to provide services and to justify them. As David Harvey notes, "Fordism depended, evidently, upon the nation state taking - much as Gramsci predicted - a very special role within the overall system of social regulation" (Harvey 1989: 135).

The Fordist MoR was broadly able to cope with the contradictions of the mode of production, alleviating serious crisis tendencies until the 1970s. Since then, much research has been done into the perceived shifts in economic and institutional structures from the Fordist system to a new 'post-Fordist' regime (see for example Painter 1991; Peck and Tickell 1992, 1995; Jessop 1995). This new shift has been central to developments of Regulationist debates, and renewed interest in the regulation approach has been put down to its being "closely related to the crisis in Atlantic Fordism and the search for a new social mode of regulation" (Jessop 1995: 311).

The interest in post-Fordism prompted Aglietta in 1979 to note that a "new cohesion" would be the result of the transitional phase from Fordism to a post-Fordist structure for capitalism. Aglietta noted that this would not purely entail a shift in production methods but also a great change to the role of public services in the new regime (Aglietta 1979: 385). Hoggett (1987) similarly noted that in what he refers to as neo-Fordism, decentralisation and organisational change in both the public and private sectors occurred. However, whether this represents Aglietta's 'new cohesion' or whether this is, as David Harvey (1989) puts it, 'crisis rescheduled' is open to question.

The notion of a new economic and social order which constitutes a coherent regime of accumulation has been criticised by a number of authors (see for example Painter 1991; Peck and Tickell, 1992, 1995; Jessop 1992, 1995; Goodwin et al 1993). Peck and Tickell refer to contemporary changes as the *After-Fordist* crisis, where crisis tendencies have not yet been fully resolved to create a new stable regime of accumulation. They note, "We cannot, therefore, speak of a post-Fordist *regime of accumulation* because such a system has yet to be comprehensively identified" (Peck and Tickell 1995: 358, emphasis original). They also state that "prevailing conceptions of post-Fordism are straightforwardly inconsistent with the central tenets of a regulationist *method*" (ibid: 357, emphasis original). As such, current changes are

inconsistent with a new regime of accumulation, with Peck and Tickell noting that recent years have been a period of sustained crisis; what is required is “not only a new macro-economic regime but, crucially, a new ‘institutional fix’”(ibid, p357). These are the geographies of crisis, with no stable form to maintain an order required properly to identify a post-Fordist regime of accumulation. Indeed, further destabilising forces may be further reducing the likelihood of the emergence of a new stability; tensions from both globalisation of economic and political activities, alongside localisation of some aspects, may maintain the transitional stage. With neo-liberal economics remaining in the ascendancy, Peck and Tickell note, “the geography of glocalization is the geography of the *after*-Fordist crisis, not the geography of stable post-Fordism” (1995: 381, emphasis original).²⁶

Similarly, Hübner (1991) suggests that regulatory bodies (supra-national and international institutions which have neo-liberal agendas) will lead to greater economic instability. This suggests that these will be the destabilising forces of the future, with rapid changes in the economic and political environment delaying a truly stable post-Fordist regime of accumulation. This will require a full reassessment of the MoR, not just the shift in production techniques which for some observers equated to a post-Fordist system. As Rustin suggests, stable post-Fordism will occur due to, “the resolution of conflicts at the level of social relations, not as the automatic outcomes of the technological imperatives of ‘mass production’ or its information based successor” (Rustin 1989: 63). The search for a post-Fordist mode of regulation therefore still remains, but the continued crisis of after-Fordism demands an analysis of the impacts of the neo-liberal agenda at various spatial levels.²⁷

This inadequacy requires analysis due to the assertion that national and regional government, as part of the broader institutional framework outlined above, are not benign agents but also help to shape the regime of accumulation themselves. As MacLeod notes, “the local does not merely react to global economic ‘realities’” (MacLeod 2001: 1151). As such, institutional and geographical variability within regions leads to a mosaic of MoRs which may be

²⁶ For a more detailed study of Glocalisation debates, see Swyngedouw 1992.

²⁷ See chapter 6 for a discussion of the continued ascendancy of the neo-liberal economics within the UK context.

very diverse (Jessop, 1992). By extension, the mediation of regulatory processes refers not only to the process of *government* but also of *governance* of local institutional and industrial structures. It is this emphasis within the regulation approach upon regulatory frameworks aligned to the interplay of global forces and local units which I will now discuss.

Governance and the Post-Fordist State

The regulation-theoretical approach outlined above presents an analytical tool with which to analyse at a relatively abstract level the meta-scale change associated with globalisation. However, as Jones (1997) notes, the regulation approach, in its earlier readings, presented an inadequate conceptualisation of the state (see also Jessop 1990b). Hay (1995: 401) also notes that regulation theory can be seen as inadequate, noting that it is “not, and further lacks, a theory of the state”. As regulation theory is “necessary, but *insufficient* to explain new modes of local governance” (ibid, 1995: 403, emphasis original) a new mode of regulation theory is required which is able to theorise the state and its influences (see for example Painter and Goodwin 1995). To fill this theoretical gap, Jessop (1995: 398) suggests that the regulation approach and theories of governance are similar enough for comparison and complementary use, although he also notes problems in combining notions of Fordism and post-Fordism with new forms of economic and political governance. This notion is countered by Jones (1997) who suggests that the ‘third level’ of regulation theory applies a more concrete and complex level of abstraction, concerned with the state, political factors and the role of space²⁸. As such, Jones argues, there is a need to analyse the state in more concrete terms to understand the nature and dynamic of the political economy of the state. Here I intend to elaborate on this by analysing the academic writing on state restructuring informed by post-Fordist, neo-Gramscian and neo-Foucaultian writings. This re-formulation of the state apparatus will be elaborated through a discussion of the key tenets of this shift, at the national, regional and local scales, followed by a discussion of regime theory as a tool to

²⁸ Jones notes the 1st level was concerned with national accumulation, the wage relation, and competition. The 2nd level was more complex level of abstraction based on international regulation and nation-states (Jones 1997).

understand the nature of the emergent coalitions and partnerships at the local level which can influence the operation of TSEIs and regeneration strategies.

Fordism, Scale and Politics

The shift to post-Fordism attributed in part to globalisation has significantly impacted on the function of the state. MacLeod (1999) notes the multitude of analyses of the reconfiguration of the state in the form of 'hollowing out' (see Jessop, 1994a; 1997b), Marks' (1993) 'multi-level' governance, or Tömmel's (1997) 'three-tier system' of regulation (MacLeod 1999: 231). The current interest in multi-level governance has emerged thanks to the writings of Marks (1993), and followed up in Hooghe and Marks (2000). Briefly, multi-level governance describes a complexity of scale in the creation of policies, their implementation and the accounting process to underpin their use. This has involved the movement of some key aspects of policy making 'up' to the regional level Euro-level institutions. Concurrently, a greater regionalisation has shifted authority away from national to subnational levels of government.

The very core of this argument, that the twin processes of Europeanisation and regionalisation are occurring, is contested due to the problem that authority cannot be observed directly. However, the notion of multi-level governance, contrasted with its alternative of state-centrism, has emerged. The result, therefore, is the need to determine the permeability of state governance and the consequence of restructuring on the forms of governance which operate at local scales. Through the lens of the regulation approach, it is therefore necessary to analyse this multi-level governance structures which operate and which influence the development of TSEIs.

Key debates also revolve around Jessop's (1994a; 1997b) notion of a 'hollowed out' state in which the central functions remain, yet are limited in capacity through a "complex replacement of powers" to both the market and the supra-national level (Keil 1998). This 'hollowing out' thesis reflects a growing malcontent with the analysis of the 'nation' state as the key (or only) frame for reference for academic enquiry. The central notion is that the power once held by and employed by the 'monolith' of the state is undermined by globalisation

and associated regulatory crises, leading to a displacement of functions to upper and lower-level bodies. As such, the state is being “reincarnated in myriad forms on many spatio-social levels” (Keil 1998: 617). He continues to argue that globalisation “makes states, but different kinds from the ones we have been used to” (ibid: 617).

However, this notion of hollowing out does not imply that the state has disappeared, nor become redundant as an object or scale of enquiry (see Anderson 1995; Aglietta 1999). Hudson therefore notes that, “The ‘hollowed out’ metaphor is a partial account of a shift in, rather than a diminution of, the role of the national state, with complex new relationships emerging between and within different institutions at different scales” (Hudson 2001: 72).

As Peters (1998) notes, “The fundamental argument put forward here is that the State is not dead but rather remains a useful analytic concept, as well as a viable actor in the governance of society. Again, this is not to deny that there have been significant changes in our understanding of the role of the state, along with some real changes in the way in which governance functions”.²⁹ Similarly, Jessop notes that changes,

“Do not exclude a continuing and central political role for the national state. But it is a role which is redefined as a result of the more general rearticulation of the local regional, national and supranational levels of economic and political organization. Unless or until supra-national political organization acquires not only governmental powers but also some measure of popular-democratic legitimacy, the national state will remain a key political factor as the highest instance of bourgeois democratic political accountability” (Jessop 1997b: 576).

The changes referred to by Jessop are informed by a rearticulation of this ‘hollowing out’ thesis, in which Jessop (1997b) notes three distinct yet interconnected trends which are combining to re-make the nation state. First, he notes the *denationalisation of the state*, in which hollowing out is the key process, wherein the state apparatus is being “reorganized territorially and functionally on sub-national, national, supranational and Trans-local levels” (Jessop 1997b: 573-574). Second, he notes the *internationalisation of policy regimes*. Third, there has been a *destatization of the political system*, reflected empirically in the move from government to governance wherein the centrality

²⁹ Peters (1998), available online at <http://www.iue.it/RSC/Peters.htm>.

of the state as the sole site of political and managerial power has been undermined. Hudson (2001) goes on to state that, "Regulatory capacities have been shifted "outwards" to non-state organisations, broadening the focus from issues of the state and regulation to those of social practices, civil society and governance" (Hudson 2001: 72). It is this shift in scales and from government to governance which influence the structures which exist around TSEIs, and which I will now address.

Theorising Governance

This shift from government to governance has been a key element of academic enquiry in the 1990s, most notably in the form of the Economic and Social Research Council (ESRC) - funded local governance research which was launched in 1993 (for reviews of the programme, see Rhodes 1996; Stoker 1998). As part of an empirically- based attempt to understand the new state forms which result as states have responded to and mediated global pressures, the shift from government to governance achieved a dominance within political-economic discourses such that it has become an 'intellectual commonplace' (Ward 1997).

However, the academic roots of governance are varied and disjointed (Jessop 1995). Stoker (1998) notes theoretical roots from "institutional economics, international relations, organizational studies, development studies, political science, public administration and Foucauldian-inspired theorists" (Stoker 1998: 18). It therefore acknowledges, as do institutional economics and socio-economics, the complexity of economic interactions. Broadly, the term 'governance' is employed to understand governing styles in which the "boundaries between and within public and private sectors have become blurred" (ibid: 17). Mayntz (1998) notes two broad shifts:

1. A new mode of governing that is distinct from the hierarchical control model, a more cooperative mode where state and non-state actors participate in mixed public/ private networks.
2. "Discovery" of forms of coordination not only different from hierarchy, but also different from the pure market form, that led to the generalization of the term "governance" to cover all forms of social coordination - not only in the economy, but also in other sectors.

Hudson therefore notes that, “There has been a change in the mode of operation of national states. Rather than directly (or indirectly) providing goods and services on a de-commodified basis *for* people, the state is now more concerned to provide an enabling and facilitating environment. This allows social partners to provide goods and services *for themselves* with state assistance and support. Such forms of self-help are partly a response to the void left by the retreat of the interventionist state, partly a response to new and previously unmet (and unarticulated) social needs” (Hudson 2001: 75).

Defined in this way, governance therefore accepts the complexity of relations, beyond an explicitly state-imposed structure towards a more politically directed but diverse structure which is the result of the interaction of a multiplicity of governing forms and actors. The result is to produce an order which is a “restricting but also an enabling or reinforcing condition for social-political action” (Kooiman and Van Vliet 1993: 64).

Research into local governance has employed Neo-Gramscian state theory (see Jessop 1990a, 1997a) to provide a broader framework to understand how governance is “channelled and delivered through local state institutions” (MacKinnon 2000: 294; see also Jones 1998; MacLeod and Goodwin 1999a, 1999b). Neo-Gramscian state theory provides a tool to analyse the shift from Fordist to post-Fordist regulatory mechanisms; the crisis of Fordism has wide ranging repercussions for the ‘Economie Integrale’ (the state in its most inclusive sense). As such an equally broad restructuring of the MoR, incorporating state mechanism and civil institutions is required to help foster a new and stable regime of accumulation. As part of a response to crisis through the application of neo-liberal economic policies, governments have sought to pre-empt governance failure through the creation of a new and accepted hegemonic economic and institutional ‘fix’ (Peck and Tickell 1995: 357; Hudson 2001)

The shift from government to governance could therefore be regarded as part of this ‘institutional fix’ as attempts to are made to avert crisis in the regime of accumulation. This has been given impetus through the political will of governments in the UK to reformulate their roles as enablers of government

rather than all-encompassing service providers (see Cochrane, 1993). Similarly, the US has seen a 'reinvention of government' where it takes a catalytic rather than a direct provision role (Osborne and Gaebler, 1992; Stoker and Mossberger 1995). The implication of this shift is a reformation of the relative powers of governing forces within the UK. This has subsequently influenced the development of 'partnerships', which have become a key element of government policies and which in turn have implications for the organisation of TSEIs in the UK, as will be seen in chapter 6.

Governmentality and the Analytics of Government

In contrast to neo-Gramscian theories, MacKinnon (2000; see also Rose, 1999) suggests that the neo-Foucaultian notion of governmentality (a neologism for government rationality) may be employed to inform the managerial stance associated with the neo-liberal government politics. Foucaultian analyses of governmentality refer to the manner in which power is exercised through an ensemble of institutions, procedures and analyses. Dean (1999) notes some of the critical features of governmentality, which I aim to employ within this thesis to conceptualise the shifts within the role of the state and the relationship this has with the governmental technologies employed by the state in relation to the third sector.

To understand governmentality, we must first define what we mean by government. Dean produces a catch-all definition that states, "government is any more or less calculated and rational activity, undertaken by a multiplicity of authorities and agencies, employing a variety of techniques and forms of knowledge, that seeks to shape conduct by working through our desires, aspirations, interests and beliefs, for definite but shifting ends and with a diverse set of relatively unpredictable consequences, effects and outcomes" (Dean 1999: 11). This notion of government is underlined by issues of human conduct, and the manner in which it can be framed as a moral and ethical considerations: the government of the self. The notion of government is also framed by an understanding of rationality, whatever form of rationality that may take. As Dean notes, "there is a multiplicity of rationalities, of different ways of thinking

in a fairly systematic manner, of making calculations, of defining purposes and employing knowledge” (Dean 1999:11).

The result of this discussion, and the links it has to governmentality, is to note the practices concerned with the government of others, a narrower sense than the ‘conduct of conduct’ which encompasses more the practices of government of the self. However, this is not to overlook the manner in which practices of the self can be relatively autonomous from practices of government, and also means of resistance to forms of government.

Government is therefore concerned with the shaping of human conduct, and hence the governed are therefore implicitly able to act independently. This is particularly the case with liberal modes of government, such that it can regard the freedom of the individual as one means to secure the ends of the government. Therefore, Dean notes that, “liberal mentalities of rule generally attempt to define the nature, source, effects and possible utility of these capacities of acting and thinking” (Dean 1999:13). Dean continues to note that this is a function of the conception of freedom; this is key to the discussion to be held later in that the freedom (and disciplines) of the market are key to understanding contemporary attitudes towards the third sector and the third way.

A key element of this capacity to govern is the nature of and capacity for thought, and the manner in which this is exercised, individually and collectively—namely, governmentality. Dean distinguishes two elements to this, the first dealing with the manner in which we think about governing. This notes thinking as a collective activity, one which is represented by the “bodies of knowledge, belief and opinion in which we are immersed” (Dean 1999:16).

Thus, mentalities are bounded, not readily examined from within, and hence difficult to comprehend from within their own perspective. As a result, Dean suggests that mentalities of government emphasise “the way in which the thought involved in practices of government is collective and relatively taken for granted, i.e. not usually open to questioning by practitioners” (Dean 1999:16). This knowledge, particularly within a western liberal context, is drawn from economic discourses which emphasise specialist knowledge of economic theories, techniques, and modelling. However, underlying the potential choices in terms of the management of the economy through different techniques, it is

still understood and not questioned that the role of the state should be to seek to manage the economy in the first place.

In contrast to studies of government and production of collective thought that emphasise the social, political and economic conditions of its production, governmentality is more concerned with how thought “operates within our organized ways of doing things, or *regimes of practices*, and with its ambitions and effects” (Dean 2000:18, emphasis original). Therefore, an analytics of government is concerned with how collective thought becomes embedded in programmes of government which seek to direct and reform conduct. The technical means therefore come to the fore, and the manner in which mentalities are made practical or put into operation is key. Therefore, I wish to focus on, in parallel with the studies of the regulation approach and governance, the manner in which policy choices have come to the fore as part of a broader government rationality. This, according to Isin, is bound up with a new regime of governmentality of ‘advanced liberalism’ whose “tactics, strategies and rationalities [are] ‘neo-liberal’”(Isin 2000).

This theoretical position suggests that through the technologies of the state mechanism, the political response to crisis can be directed to achieve a dominance of enterprise and competition as the key ethos of the state as opposed to the welfarism and corporatism of the post-war settlement (see chapter 6 for the empirical application of this in the UK). As such, the state is not completely disempowered and so may retain the capability to act directly through its institutions and indirectly through policy to direct the trajectory of policy and institutions.³⁰

Hindess notes that governing, “is not restricted to the work of *the* government and the agencies it controls. Much of it will also be performed by agencies of other kinds, by elements of what is now called civil society: churches, employers, financial institutions, legal and medical professionals, voluntary associations. The work of governing the state as a whole, then,

³⁰ By extension, there has been a concentration upon the ‘local’ as the site for intervention (see chapter 4) so as to address inequality. The irony is that the implications of competition and marketisation in the formal sector have suggested to some observers the need for Community Economic Development and Social Economy as a means to address the economic inequality produced. By introducing market principles and the mainstream into the third sector, the same forms of inequalities may present themselves.

extends far beyond the institutions of the state itself” (Hindess 2000).³¹ This therefore corresponds to the creation and sustaining of a value system which informs and interacts with more explicit policy decisions. As will be seen in later chapters, this theoretical perspective can therefore inform the policy objectives and their underlying philosophies as a means to develop a governance framework beyond the limits of the policy process.

Dean employs the notion of an analytics of government to examine “the conditions under which regimes of practices come into being, are maintained and are transformed” (Dean 1999: 21). He goes on to note that an analytics of government examines how a regime “gives rise to and depends upon particular forms of knowledge and how, as a consequence of this, it becomes the target of various programmes of reform and change. It considers how this regime has a technical or technological dimension and analyses the characteristic techniques, instrumentalities and mechanisms through which such practices operate, by which they attempt to realize their goals, and through which they have a range of effects” (Dean 1999:21).

Of crucial importance here and in chapter 6 is the notion of how regimes, such as that of the calculation emanating from auditing and accountability have been able to subjugate other norms drawn from other professional fields. How such regimes of accountability have become dominant is key to the work of Power (1994), who notes that the system of auditing has become central to particular liberal rationality. This is particularly relevant to the discussion here of governmentality in that Power suggests that the audit and accountability mechanisms are technologies of a regime of governmentality. Audit sustains traditional hopes of control by a subtle translation: impossibly costly technologies of inspection are displaced by something more distant which acts upon local sub-systems of control. Audit has thereby become the ‘control of control’ and the constitutive principle of the audit society exemplifies certain postmodern motifs of the ‘loss of reference’. As a result, audit is symptomatic of “centripetal pressures to retain control over newly autonomized services inform[ing] a new governmental rationality in which intervention can be accomplished by indirect means” (Power 1994: 302). Consequently, audit is a

³¹ Barry Hindess, *Politics and Governmentality*, available online at: <http://www.cddc.vt.edu/workshop/hindess1.htm>; see also Hindess (1997).

reponsibilising technology, one which will be analysed in more detail in section 6 with reference to competitive funding, and in section 7 and 8 as a means through which central government influence is maintained upon TSEIs.

Notions of governmentality may therefore conceptualise the basis behind the structures which are put into place to influence, directly and indirectly, the development of TSEIs and their legitimisation.³² The consequence of this for the study of TSEIs is therefore to produce a focus upon the manner in which neo-liberalism and the dominance of the scientific method in evaluation have become enshrined as the government technology. This acts alongside legislation to remove conflict and promote solutions (in this case the third sector) as an accepted means by which to undertake neighbourhood and community economic development.

As will be seen in the following chapter, it is possible to note the schema through which some structures directly influence TSEIs, thus partly circumventing the mediatory factors at the regional and local government levels. As such, governmentality represents an implicitly political process by which the technologies of government influence the structures around TSEIs. However, this managerial stance is still subject to significant mediation at the local level.

Regulating and Governing Localities

Far from being a homogenous process which occurs at differing spatial scales, the regulation and governance of the post-Fordist political economy produces differing experiences dependent upon many local factors. What is happening is not one crisis of Fordism but “a multitude of nationally and locally mediated crises of Fordism” (Hay 1995: 391). This transition to new forms of state activity is taking on an uneven character, broadly informed at the national level but not nationally determined, in what Goodwin et al (1993) refer to as a “a series of diverse and contested changes in the form of local regulation, rather than...some nationally determined shift” (1993: 83).

³² As a result, the concept of governmentality may stimulate research into the policy processes through which successive governments have been seen to employ government institutions, notably the Social Exclusion Unit, with specifically guided political, social and economic aims and remits. These therefore produce particular policies to deal with the real and perceived problems of social exclusion (or inclusion), by promoting and *legitimising* a particular conditioned and channelled response to these ‘problems’.

Local institutions, therefore, have a significant impact upon the type and nature of any regulatory system operating on a local scale.³³ At the local level, political mediation and social and institutional structures influence the exact impact of regulatory structures upon the local economy and population. These organisational forms may combine to create a 'structured coherence' (Harvey, 1985) and result in the "local objectification of an abstract mode of regulation, based on an ensemble of cultural, economic, social, and political norms, as well as networks and institutions" (Goodwin et al 1993:73). This leads to what Peck and Tickell refer to as 'processes of local social regulation', which are the products of the dynamics of *local* production systems, leading to the formation of new social norms or the mobilisation of new political and institutional forms (Peck and Tickell 1992: 347). Regulation, therefore, is locally determined and mediated by political, economic and social characteristics as implied by institution-based theories. As noted in chapter 2, localities have historically distinct forms of institutional and societal attitudes which influence outcomes of crisis and contested economic and political pressures. Peck and Tickell (1995: 264) note that "history, institutions and geography matter"; crises and regimes are therefore unique events, albeit simultaneously expressing structural processes.

Local mediation of regulatory processes is therefore central to the outcomes of transitional processes. Painter and Goodwin (1995) suggest that regulation varies between spatial scales and that the resulting mosaic is therefore a "complex set of intersecting and overlapping geographies of regulation" (1995: 336). Regulation, therefore, combines a series of pressures and spatial scales to produce outcomes.³⁴ As Goodwin et al state, "We cannot speak of some undifferentiated move away from one type of regulation and towards another. Instead, we need to conceive a whole series of movements between the differing structures and strategies of regulation operating at overlapping scales"(Goodwin et al 1993: 83; see also Peck and Tickell 1992).

The concern with scale can be attributed to the fact that the local state is, according to Lipietz, the "most important element in mode of regulation"

³³ Indeed, even at the national scale discrepancies are found: there is no one global regulatory system within developed capitalist countries, but a series of 'national Fordisms', whose regulatory theory and space varies from state to state (Peck and Tickell 1995: 373).

³⁴ Though whether such outcomes are observable depends upon ontological stances- see chapter 5.

(Lipietz 1988: 18) due to it being the means by which national regulatory processes are mediated and put into practice at the local level. As Goodwin et al (1993: 73) state, at the "local level the local state becomes a vital instrument in these processes, and plays a key role in attempting to maintain these local spaces of regulation, both socially and economically" (see also Duncan and Goodwin, 1988; Painter 1991; Hollingsworth et al 1994). The local state therefore has an important role to play, although this impact may be gradually diminishing relative to new forms of governance which are gradually becoming more powerful. As Training and Employment Councils (TECs), Quangos and Regional Development Agencies (RDAs) grow and become responsible for the distribution of funds and the implementation of national policies, the local state in its traditional form may be by-passed and its influence upon the local mode of regulation diminished. While suggestions that we are witnessing the development of a post-Fordist state form may be premature, this shift to a broader governance structure could potentially become part of a transitional phase towards some new regulatory system.

Alongside this, the distinction of public and private is becoming blurred, with partnership schemes which employ private finance and contracts becoming widespread. What, therefore, does this mean for the local state? Painter (1991) suggests that new management ideologies are being introduced into the local state system, alongside their application in the private sector. Parallel to this, Painter suggests that democracy has been constrained in terms of local authority independence, and that as a result the local has been influenced more and more by the national government and regulatory mechanisms.

However, suggestions that the national scale of regulation can dominate and subsume the local are premature. As noted above, the uneven development of regulation has occurred at many spatial scales, with the local state being the prime site of the mediation of regulatory pressures and their application as locally specific practices. Goodwin et al note that, "the local state [is] at once an agent and an obstacle to central government" (Goodwin et al 1993: 70). As such, the local state continues to be a key source of contention, with the decentralised local government tier having an impact upon the unevenness of regulation (Painter and Goodwin 1995: 336). The role of state and governance, therefore, is implicit in regulatory practices. However, a regulation theoretical account of the

local state is inadequate fully to understand the processes which are operating. There is therefore a need for a theoretical approach which can provide a more concrete analysis of the changes in the state governance mechanisms. Regime-theoretical approaches will therefore be explored as a means to understand empirically observed change in governance at the local scale.

Regime Theory

Regime theory can be used to help understand meta-scale political and economic change in that it provides a link to both local and regional institutional configurations and the reorganising national state. It provides an analysis of how coalitions are formed at the local scale in particular configurations related to historically and territorially sited institutional forms, therefore permitting an understanding of how broader factors are mediated by local actors. By briefly outlining regime theory I seek to understand how notions of multi-scalar governance can be applied to the analysis of local governance and policy formation through the mediation of broader national and global change. This will subsequently provide a basis for understanding the actually existing structures which influence TSEIs.

Regime theory originated as a one of the new theories of urban politics which attempt to circumvent the “stalled debates on conventionally conceptualised tensions like those between elite hegemony and pluralist interest group politics, between economic determinism and political machination, and between structural determinants and local choices” (Anttiroiko and Kainulainen 1998).³⁵ As such, regime theory has an advantage in that it can provide a basis for the assessment of the inter-institutional power relations within governing coalitions at the local level in non-urban contexts.³⁶

Unlike elite theories of urban government and pluralist theories, regime theory is concerned with the *capacity to act and how this is formed*; how groups

³⁵ Regime theory therefore provides a structured framework for the analysis of regimes in contrast to the ‘growth machine’ thesis, which has a tendency to overemphasise the use of land by businesses and local growth elites, allied to the auxiliary agents of capital, politicians, media and quangos.

³⁶ Despite the empirical bases of a significant proportion of the governance literature in specifically urban contexts, I believe it provides a significant input into the conceptualisation of coalitions as specifically local or regional entities. I therefore intend to employ it to provide a grounding for the empirically observed configurations of local state, quangos and other interested parties to produce a context for the development of potential grounds for TSEIs.

emerge with power to *do*, rather than having power *over* (Stoker and Mossberger 1994).³⁷ In contrast to elite theories, regime theory suggests that no group will be likely to exercise dominance; similarly, the regime perspective suggests that governance is not purely reactive to electoral demands. As such, coalition building is a core element and regime theorists therefore “emphasise how the structure of society privileges the participation of certain elements in coalitions” (Stoker and Mossberger 1994: 197).

Regime theory provides a framework in which to understand in which contexts governing coalitions emerge, consolidate, and achieve dominant positions and transform themselves. Stoker (1995) notes that regime theory holds,

“substantial promise for understanding variety of responses to urban change. It emphasizes the interdependence of governmental and non-governmental forces in meeting economic and social challenges. This is why it pays attention to the problem of cooperation and co-ordination between government, business community, and the third sector or civil society” (Stoker 1995: 54).

As such, regime theory suggests that coalitions may be assembled to promote collective interests. The implication of this is that, unlike elite theory, local politics may play a role in defining and shaping rather than simply legitimising a decision-making nexus. However, Wolman (1996) and Stoker (1995) note the difficulty of any participant in actively defining their role and destiny in the complex dynamic of global economic restructuring and government change.

This theoretical context requires a grounding in the actual regimes which exist to provide a template for the observed phenomena in chapters 7 and 8. This final section of the chapter will address this by defining and suggesting a categorisation of regimes to contrast with real-world types. A regime, notes Stone (1989)

“is an informal yet relatively stable group with access to institutional resources that enable it to have a sustained role in making governing decisions” (Stone 1989: 4).

³⁷ See Mollenkopf (1983) and Stone (1989) for a critique of elite and pluralist theories of urban government.

As such, a regime may not necessarily be a coherent organisation or association, but a grouping of influential individuals and institutions with differing powers and interests, who may share some policy objectives (Anttiroiko and Kainulainen 1998).

US work on coalition building suggests that two key participants may play a part in coalitions: elected members and business parties.³⁸ However, there are also key powers brought to bear by community interests and by 'officials' (see Harloe 1990) who may be employed by elected local government or work for various non-elected agencies. It is the knowledge resource that they bring to bear upon the coalition which provides their power. As such, the internal dynamics suggest that a number of regimes may form, dependent upon the relative strengths and the 'selective incentives' (Deas and Ward 2000) which are brought to regimes by particular institutions and members.³⁹

Anttiroiko and Kainulainen (1998) note that regimes, as noted above with institutional configurations, cover a broad spectrum and are dependent upon local factors. Such interdependence leads to four key types of regimes:

- **Pluralist regimes** in which strong political leaders bring together a mixed set of private actors.
- **Elitist regimes** which are run primarily by cohesive business elite.
- **Corporatist regimes**, which Anttiroiko and Kainulainen assume to be relevant in the context of Northern countries,⁴⁰ combine both strong political leaders and a relatively unified business elite.
- **Hyperpluralist regimes** in which any governing coalitions can hardly be identified.

(adapted from Anttiroiko and Kainulainen, 1998)⁴¹

As Jessop (1997c) notes, complexity is a key factor in the determination and outcomes of governance at the local level. There are complex webs and networks of relationships, with economic and political pressures from the global, national, regional and local levels challenging the nature of regimes and

³⁸ Stoker (1995) therefore notes that urban regimes are dominated by two groups- the business elite (where it has a coherent voice), and political forces which "operate within a wider institutional and corporatist setting" (Stoker 1995: 63). The implication of this for regime theory is that the removal of an active coherent business elite, albeit with a residual influence, can condition the local responses to broader pressures through the leadership of local government.

³⁹ Ward (1997) notes an observable hierarchy of partners: those outside Local Authorities, Chambers of Commerce and TECs are generally consulted later in the policy formation process.

⁴⁰ i.e. Scandinavian Countries.

⁴¹ Stoker and Mossberger (1994) also note a categorisation of regimes dependent upon targets: Instrumental regimes which have short-term goals related to concrete projects; Symbolic regimes which revolve around ideological or image-building concerns; Transformative regimes whose prime concerns are expressive.

limiting autonomy and authority at the local level. Stoker and Mossberger therefore note that “the wider political context is critical in determining the terms of the relationship. The central state can be oppressive, or it can be a resource allowing localities to escape other forms of dependence... this, in turn, depends on the weight of local elites in the national political system and their ability to forge coalitions to extract resources on their own terms” (Stoker and Mossberger 1994: 199). The notion of regimes, I believe, allied to broader change in the national state form, provides a potential conceptual tool in which to place the governance structures which are articulated on the ground to govern TSEIs. Alongside (and informed by) notions of social capital outlined above, a locally-based yet nationally and locally informed methodology can be formulated to understand the reasons why TSEIs succeed or fail. This will be analysed empirically in chapters 7 and 8.

Conclusion

This chapter has outlined a multi-scale framework to analyse the political, social and economic environments which influence the operation of TSEIs at the local level. Such a framework is contested and mediated through a number of scales, resulting in the institutional environment which directly influences the TSEI being a local composite of these macro-scale pressures. By employing the regulation approach, I have outlined the academic basis for understanding the manner in which global pressures may be mediated through national structures to promote a particular context which attempts to maintain the interests of capital accumulation. In turn, the shifts in the regulatory mechanism associated with the move from Fordism to after-Fordism have influenced the style and form of governance which has emerged in developed economies. This subsequently influences the governance structures which both directly and indirectly influence the operation of TSEIs. This stems most notably from the manner in which states, “seek to support initiatives from within civil society to provide new sources of employment and service provision in interstices from which the state has retreated and which the private sector previously found unattractive” (Hudson 2001: 67). This framework, and the pressures and tensions which result from it, will now be applied to the

development of the third sector as both a response to crisis in local regulatory systems and as a means to develop local economies and civil society.

Chapter 4

Community Economic Development and Third Sector Employment and Training Initiatives.

Introduction

The previous two chapters have suggested a broad framework in which to place the workings of the third sector, which I will now analyse in this chapter. Chapter two noted the institutional turn within the academic literature, and the application of institutional approaches within regional economic development, to explain the institutional focus which may aid development. This subsequently has an impact upon the types of structures which may benefit TSEIs. Chapter three attempted to outline the political, economic and social framework in which a complex dynamic of global, national and regional forces interact to produce observable outcomes. These have been most notably a shift in the form of state and political economy which have evolved alongside and in response to the legitimating crises of the state in an after-Fordist global economic context. This has subsequently led to a change in the desired function and form of the state, to produce a shift from government to governance. Together, these different strands produce an institutional framework for a dominant view of the desired form of economic development, in which the space-specific features of economies have been targeted.

It is in this context that a perceived and indeed real interest has emerged in the *local* as a scale for economic development, particularly in economically underdeveloped or 'excluded' localities (see for example DETR 1998b). This scalar shift is informed by the discussion of social capital and regulation theory which suggests that, in economic development, *geography matters*. The result of this, I contend, has been a re-scaling of economic development efforts towards the local scale alongside (and perhaps in response

to) the limited success of top-down, inward- investment-led models of economic development. This draws upon arguments in chapter two regarding the status of social capital as a key institutional factor in determining the likelihood of success or failure of TSEIs alongside the formal institutions of governance and the changes in the state.

Parallel to this re-emphasis on the local scale has been a debate concerning the role of the state and the mechanisms of service delivery. As noted above, the hollowing out of the welfare state mechanism towards a more 'enabling' notion of local governance has shifted emphasis away from elected government towards non-state units as conduit for economic development strategies. This in turn has led to a renewal of interest in local endogenous growth potential as a means to develop excluded communities. As a function of this, the third sector, and more specifically Community Economic Development (CED), have become prominent over the last 20 years as there has been a re-scaling of attempts to create local solutions to problems which are perceived to be locally-based.

Together, these factors represent a significant shift in the focus of economic development, borne out of economic expediency in the light of international and local pressures. As the regulation approach suggests, the shift towards the social economy and third sector as a means to regenerate localities may be as much a response to crisis tendencies as a tentative move to a locally-specific alternative to the Fordist economic organisational forms.

To understand this shift, the historical evolution of community economic development will be briefly outlined, concentrating on the configurations in the late 20th century as CED became a key tenet of public policy in the UK and Europe. First, the reasoning behind the renewal of localism as the key area for economic development will be assessed. Second, I will examine the development of the sector to examine how and why this sector has come to be at the forefront of policy within developed economies. Third, the key claims made for the third sector as a means to regenerate economies either as an alternative to or as part of the economic mainstream will be examined. As part of this, I will draw on discourses emanating from the regulation approach outlined in chapter 3, to examine the possibility of the third sector or community economic development as a means to create local regulatory mechanisms

Accepting a role for CED as a legitimate, if confused, element of economic renewal requires a study of the key factors which influence the workings of the sector. The chapter will conclude with an outline of the current thought with regard to the factors which support CED as a means to spearhead community revival. It is this potential revival of the third sector as a key means of reinvigorating local economies which provides a theoretical and policy grounding for the empirical studies undertaken in chapters 7 and 8.

Localism : the Re-Scaling of Economic Intervention

The policy shift away from reliance upon inward investment schemes and macro-scale employment policies is supported by a broad consensus of academics and policy makers who regard community-based regeneration as an innovative and effective way to deal with social and economic exclusion.⁴² There is increasing acceptance that excluded or economically underdeveloped communities are structurally and institutionally disadvantaged and as such may not respond equally to traditional trickle-down regeneration schemes. As a result, there is a need for more spatially targeted regeneration strategies, which are locally defined and responsive. As part of this, the third sector therefore has an attraction as a more appropriate sectoral focus for regeneration schemes than the top-down export-base led models of development (Goetz and Clarke 1993; Birkhölzer 1998). It is this synthesis of a sectoral and scalar shift which I will investigate in the remainder of this chapter.

There has recently been an observed shift from regional or nationally-targeted regeneration policies in the UK towards locally-based (and predominantly urban) schemes such as City Challenge and Single Regeneration Budget (SRB). This concentration by government is underlined by a conviction that spatial targeting will help mitigate problems in areas facing extreme and highly localised unemployment (European Commission 1996). Similarly, at the European scale the European Commission's White Paper, *Growth, Competitiveness, Employment* (1994) cites the localised spatial nature of

⁴² The local scale is becoming increasingly important in employment policy - see, for example, OECD (1998 1999), Commission of the European Communities (1998); Campbell et al (1998); Campbell (1999).

unemployment as a key element in increasing disparities throughout the EU. As such, the *local* has begun to head the top of the research and policy agenda, under the rationale that, “‘people’ and ‘places’ should be taken together in the context of activities to tackle the problem - and that addressing social exclusion at the local level is one of the principal keys to stimulating the reconversion process more generally...Tackling directly the internal regional geography of social exclusion should, therefore, have visible and significant results for the region itself” (European Commission 1996: 17).⁴³ The reassertion that ‘geography matters’ is crucial in determining both the perceived political and economic necessity for a third sector approach and the policy environment in which TSEIs operate.

Robertson (1993; 1998) notes that the centralisation (or more accurately the up-scaling) of powers associated with internationalisation may lead to a separation of production and managerial functions of capital. As a result, a polarised economic environment is being created within an EU context where crisis areas or ‘losers’ (Dunford 1994) form alongside and within a range of successful regions or ‘winners’ such as those described above in chapter two. While some regions are able to adapt to the evolving economic environment, others have been hit both by the twin processes of deindustrialisation and the dismantling of the welfare state (Mingione 1991: 462).

Robertson suggests that this tendency of polarisation is exacerbated by a macroeconomic policy management which stresses international competitiveness as the key tool of economic regeneration. Informed by an emphasis on inflation as a key economic target, Robertson notes a lack of sensitivity to local problems, stating that this single level of control “cannot avoid imposing irrational, dysfunctional and inefficient dependencies and rigidities” (1998: 304).

⁴³ Similarly, Campbell (1999) notes 7 reasons for this renewed localism: -

- The empirical existence of extensive spatial variations in employment/unemployment problems, making it essential to align actions to local needs.
- The need for local ‘intelligence’ in tailoring actions to meet local needs.
- Enhanced focus, targeting and flexibility in approach.
- Greater involvement of local actors, increased ‘ownership’ and legitimacy for actions taken.
- ‘Closeness’ to target groups and understanding their needs.
- Implementation benefits deriving from information exchange, development of trust relations, more effective networking and interaction between agencies/groups.
- Development of partnerships to provide ‘joined up’ solutions to multidimensional problems.

The result, notes Robertson, is a need for a multi-scalar analysis of development policies which can incorporate not only macro-scale economic policy but also an acceptance of the local as a means to regenerate localities through a locally appropriate process. He states, "The solution depends on developing a multilevel system of macroeconomic management, at subnational and supranational levels, as well as the national level. A twin-track approach, localising and internationalising, is needed to make local economic wellbeing a goal of economic policy, and to help create a more sustainable world economy" (1998: 301).

CED and more broadly the third sector therefore represent a means to achieve two aims. First, it relieves pressure on the state as the sole focus of work creation, something which has become both politically and economically unsustainable in the hollowed-out post-Keynesian state. Consequently, there is political backing for a project which is seen to represent an alternative to mainstream public sector provision and its associated political and economic costs. Second, it represents a more locally targeted employment of resources which parallels notions of the more minimal post-Fordist welfare state. By attempting to utilise the resources of the community, this also represents a locally-defined and applied form of development which is perceived to be responsive to local needs. Taken together this represents a potentially new local fix to go alongside the perceived or real crisis in the economic system under international pressures.

Exactly what is meant by these local, community based development initiatives is crucial to the understanding of how this sector has grown and become a key facet of local economic strategies. In the rest of this chapter, I will assess the features of the 'third sector' and examine how it has entered the policy and popular vernacular. Second, I will examine the contribution of Community Economic Development - the process by which the potential of the third sector as an economic solution is put into practice. Following this, I will focus on the academic and policy claims behind third sector employment initiatives as a means to regenerate economies.

Defining the Third Sector

This acceptance and propagation of the third sector as the primary basis for regeneration activities is based in two premises. First, policies which are either wholly state or market oriented are inadequate to meet the employment needs of economically excluded communities. The private sector will not rationally operate in the absence of profit as incentive. Consequently, Campbell (1999) suggests that, "Third System organisations, whose objective is not profit maximisation, have intrinsic advantages. They are able to internalise negative externalities and produce positive externalities- this applies both to its [sic] ability to stimulate and connect supply and demand in consumption and its ability to produce 'employability' as a result of its integration activities. In short, they tackle market failure" (Campbell 1999: 28; see also Hudson 1995; Anheier and Ben-Ner 1997). In addition, the perceived limitations of public sector agencies as efficient service providers is leading to governments wishing to delegate responsibility for the management of services. As an acceptance of the realities of the global economy and the crisis of the welfare state (see for example Esping-Anderson, 1990), this therefore provides a compelling rationale for policymakers to explore the potential of the third sector.

Second, there is a notion that the third sector offers a qualitatively better means to deliver certain welfare services. There is therefore a perceived role to be played by third sector organisations and more broadly civil society in bringing about economic and social change. Taken together, these two bases provide a philosophical and economic rationale for the propagation of the third sector as a cornerstone of New Labour policy which be analysed in chapter 6.

The 'third sector' is not a modern phenomenon; Hudson (1995) traces its origins back to early Egyptian ideas of a strong moral code founded on social justice.⁴⁴ As a visible facet of altruism in the UK, typically church-oriented charities played a role in service provision up until 1948. However Hudson states, "as state provision expanded, the role of the voluntary sector was seen as supplementary to state provision and not as the parallel system that had been envisaged earlier...for a period the third sector played second fiddle" (1995: 24).

⁴⁴ It is not the intention to engage in an exhaustive account of the development of the third sector; for fuller accounts, see Anheier and Seibel (1990); Hudson (1995); Borzaga et al (1999).

This dominance of the state, as associated with a welfare settlement in the Fordist regime of accumulation, has been eroded for a number of reasons as demonstrated in chapter 3. Consequently, the “possibility of engaging with the third sector has depended upon the ‘invention’ or ‘discovery’ of such a grouping” (Kendall 2000: 555).

The modern roots of the third sector emanate from US scholars in the 1970s (for example, Etzioni 1973). The term ‘third sector’ was then given weight by the influential *Filer Commission* (1975) which was initiated by J.D. Rockefeller as a means to describe and bring into common usage the 2.2 % of the US GDP in the 1970s which was not accounted for by the public and private sectors (Anheier and Seibel 1990).⁴⁵ In the EU, Kendall and Anheier (1999) trace recent interest in the third sector to the so-called Fontaine report published in 1987 (EC 1987). This paved the way for the acceptance of the 19 fields of work which have been cited by the EU as potential job creation areas.⁴⁶

In the UK, Kendall (2000) notes that the third sector was re-discovered in the late 1970s in the language of a sectoral partnership, but this was only used by key officials and bodies at the periphery of power (Kendall 2000: 555). The subsequent growth of the third sector over the last 20 years in the UK has been matched by a confusion regarding the definitions of the aims, features and forms of the sector and its components. The features of the third sector are often difficult to define, as it encompasses a number of activities and organisations, which by definition are not wholly state or market-led, but which may combine elements of state, market and voluntary sector within them. As such, the sector contains a vast range of activities outside or at the boundary of the traditional (but over-simplified) state-market dichotomy. It is unhelpful to characterise the third sector as a separate sphere altogether, either between or adjacent to the public and private sectors. This definition is inevitably inadequate as it fails to comprehend the myriad of cross-sectoral linkages of organisations which do not fall wholly within the public or private sectors.

⁴⁵ As such the term ‘third sector’ is proscriptive in that it was rediscovered at a time “when politicians and policymakers in most Western societies began to reconsider the division of labor between the public and the private sectors, and to examine ways of reducing state responsibilities” (Anheier and Seibel 1990: 8).

⁴⁶ See Kendall and Anheier (1999: 287) for a chronological description of the key events shaping EU policy towards the third sector.

The third sector is therefore often conceptualised through a study of the types of organisations which it encompasses. However, the third sector is a varied and confused grouping of organisations with a variety of sizes, aims, historical development and alliances with the public and private spheres.⁴⁷ Some such organisations may have primarily social functions, broadly intended to improve the quality of life within a community, however defined. Alternatively, organisations may have a role in enhancing the economic status of a community, be it through the creation of community businesses, services, support networks or directly via local job creation initiatives.⁴⁸ However this remains inadequate as a definition as it does not fully comprehend the interrelationships of organisations across sectors. Indeed, the dynamic nature of each sector suggests that there is a fluidity of movement between and across sectors as policy changes, organisations change legal status, and contracting brings organisations towards public/private status.

Consequently a workable definition of the third sector is difficult to establish, but Anheier and Seibel (1990) use the term third sector to “designate all organisations which are neither profit-oriented businesses nor governmental agencies or bureaucracies”(1990: 7).⁴⁹ This is similar in context to the US/UK definitions of the non-profit sector, located between private, for-profit and public sectors. In a European context, however, the definition of the third sector and its complementary facets varies significantly over space: each national version is dependent upon historical contingencies and legal structures. This complexity, note Kendall and Anheier (1999), stems from the fact that individual states have over time treated differently the organizations which fall between or outside the state and market. (For example, the Italian third sector is notable for its unique legal status – see Borzaga and Maiello 1998). As a result, this lack of precision necessitates a clearer definition of what is meant by the third sector.

⁴⁷ A vast array of organisations have been cited as being part of the third sector, including: charities, voluntary organisations, co-operatives, credit unions, LETS, trade unions, church groupings, sporting clubs, community associations, tenants and residents organisations, ethnic or interest-based groupings (Hudson 1995; Salaman and Anheier 1996).

⁴⁸ Hudson (1995) suggests that this incorporates 3 key overlapping areas: charities (as legally defined); voluntary organisations (as charities but not legally registered); NGOs which can be either voluntary or charitable.

⁴⁹ This residual view is slightly unsatisfactory as it defines the sector by what it is not. Kendall (2000) suggests that the third sector has “benefited in part by what it can claim *not* to be – neither the market nor the state – rather than from what it is, or has actually achieved” (Kendall 2000: 555).

Substantively, Anheier and Seibel (1990) note 3 potential criteria by which to define third sector organisations. First, they note the *Institutional Characteristics of Organisations* through the criteria of private, not for profit and non-governmental sectors. However, such a definition, as Anheier and Seibel note, is difficult both due to the fact that societies define such sectors with different criteria, and to the shifting and contested place of organisations within these criteria, particularly organisations with several arms.

Second, Anheier and Seibel draw on the notion of *Organisational Rationale* to place public and private sectors. They note that third sector organisations tend to be driven by altruism as a foremost but not overriding concern. Drawing on Reichard's (1988) 4 variables of means rationality, formality, solidarity, and type of exchange they suggest that "third sector organizations tend to be characterized by lower degrees of means rationality and formality, and higher degrees of solidarity and direct exchange" (Anheier and Seibel 1990: 12).

Third, Anheier and Seibel note the *Sectoral Function* of the third sector as a means to supply goods and services which cannot or will not be provided by other sectors. Drawing on American micro-economic school (Hansmann 1987) they suggest that third sector organisations fill niches where market failure has shown the public and private spheres to be inadequate. Taking this argument further, Neo-corporatist theories suggests that the third sector offers a buffer zone to reduce tensions and societal conflicts. Through the third sector's particular organisational capabilities it can fill niches which are thought to be 'unsolvable' by the public/private (and family) spheres.⁵⁰

An alternative description of the 'non profit' sector is provided by Salaman and Anheier (1996: 13-15):

- The organisation is formally constituted, it has an 'institutional reality'. This does not necessarily imply legal incorporation but does imply a degree of organisational permanence.
- It is organisationally separate from government and has the legal form of a private institution.
- It is non profit distributing (this was originally defined as 'non profit-seeking'). Profits can be made but are not distributed to its 'owners' or

⁵⁰ As such, the third sector is regarded as a key element in retaining social cohesion (see for example Anheier 2000). As an extension of this, see Rolfs (1995) on the role of US non-profits as a placatory economic tool.

board. The organisation is in that sense non commercial in purpose, but rather seeks a wider 'public' purpose.

- It is self governing.
- It involves a degree of voluntary participation in its conduct or management

The exact size of the non-state/ non market sector is hard to estimate due to these definitional problems. However, the provisional results from a CIRIEC report (April 1999) suggest that the overall contribution of cooperatives, mutuals and associations provides 1,681,500 jobs in the UK or 6.59% of employment.⁵¹ In Europe, the influence of third sector activity on jobs is yet more significant: Hargreaves (1998: 30) notes EU estimates that one in seven new jobs in France and one in eight in Germany are created by the third sector. Salaman and Anheier (1996) suggest that in the period 1980-1990 the sector accounted for 13% of all net new jobs created in the EU.

It is this job creation role, in which the third sector is mobilised into a *process* to produce outcomes, that has been a key element of community regeneration initiatives over recent years. This is in part a recognition of the spatial inequalities and failings of current economic development policies. There has therefore been a focus upon the third sector as a tool of economic regeneration in policy statements, both from national government in the UK with the New Deal for Communities (DETR 1998b) and from European Commission in the form of the 'Era of tailor-made jobs' (CEC, 1998) and the 'Third System and Employment' (EU 1999). These policies have at their root the conviction that the third sector has a role in either forming a bridge between welfare (and perhaps welfare dependency) and formal sector employment, or as an alternative economic space. How this translates into the *process* of community economic development will now be discussed.

Community Economic Development

CED has grown as a synthesis of Local Economic Development (LED) and Community Development (CD) (European Commission 1996). LED emphasises the encouragement of development through supply-side initiatives to

⁵¹ Kendall and Almond (1999) suggest that, depending on definitions, the sector now employs between 2% and 6% of the UK paid labour force, and accounts for between 3% and 9% of Gross Domestic Product, if a value is imputed to account for the contribution of volunteers.

“foster conditions favourable to the attraction of inward investment and the creation and promotion of indigenous economic activity in all its forms” (European Commission 1996: 18). In contrast, Community Development refers to a broader concept of “social” development of communities, whether or not these are spatially defined communities.⁵² As part of the synthesis of these two ideas, CED offers a means to produce locally targeted outcomes within a framework which acknowledges the needs of communities to expand and adapt social capacities. As such, CED “acknowledges the mutually self-reinforcing links between the ‘social’ and the ‘economic’ in the endogenous process of community, local and regional reconversion” (European Commission 1996: 19). Consequently, by the early 1980s the notion of CED as “a more innovative, internally-oriented approach to local economic regeneration began to attract increasing support” (Twelvetrees 1998: 303). It has a particular attraction, notes Twelvetrees, because it, “aims to mobilise unused local resources- especially unemployed people- to meet local needs. It places emphasis of fostering a greater degree of internal economic self-reliance, rather than reinforcing external dependency” (Twelvetrees 1998: 303).

As with the third sector, defining CED poses difficulties due to its evolution as an academic and policy construct with the associated attached agendas. However, for the purpose of clarity here I employ a definition of CED as, “the collective term for a number of strategies and activities which have as their aim an improvement in the economic and social health of a community” (European Commission 1996: 17). This works in three ways to encourage local communities to engage in the regeneration process: via capacity building, programme bending, and community linkage (European Commission 1996).

The definition of TSEIs/CED reflects two strands of thought which have significantly affected the development of thought and practice within the sector. Broadly, these two typologies may be split in to the ‘alternative’ and the ‘stepping stone’ typologies. First, the ‘alternative’ hypothesis, I contend, draws its base from an academic analysis which seeks to portray the potential of the third sector as a sustainable, separate alternative to the workings and edicts of

⁵² The notion of community has a number of meanings, referring at once to spatial, ethnic, interest or demographic communities. In this context I wish to employ a predominantly spatial definition, as a means to address CED as an inherently inclusionary process within territorial boundaries. This however, acknowledges the permeability of such spatial concepts.

the formal economy. Second, the 'stepping stone' typology is more favoured by the EU and many neo-liberal governments, whose primary lens on the economy is through the formal sectors of the state and market.⁵³ As a consequence, EU literatures regard TSEIs as additional but as yet underdeveloped arms of the *mainstream* economy. This typology consequently regards the third sector as a means to 'recolonise' spaces from which the state or market sector have withdrawn or in which they are inadequate. Consequently, the third sector and CED are placed firmly within the mainstream, or, more accurately, as means to reintegrate the 'excluded' economic spheres into the mainstream. It is this dichotomy I now wish to examine.

CED : an Alternative to the Formal Economy?

The proposal of the third sector as an alternative to the mainstream is couched in the notion that the third sector offers a conceptually different approach to economic development. As an academic exercise, this involves a re-assessment of micro-economics to produce an approach which can offer sustainable development in a form which is not dependent upon the formal sector. Proponents of this approach include Birkhölzer (1998) who suggests that the third sector has the potential to achieve a number of objectives which have been elusive to trickle-down based regeneration schemes. Birkhölzer suggests that CED has the capacity to achieve the following which set it apart from other regeneration activities:

- A New Economic Dimension, which relates needs, services and resources in a manner which allows the community to reach its endogenous potential: the notion of 'local work performed by local people, using local resources'.
- Social Investment: how effectively to allow the latent skills of the community to achieve personal and community development, thus requiring investment in human capital rather than solely in infrastructure improvements.
- Employment as Unemployment: communities in which there is a high degree of unemployment have no lack of work to be done, yet the joblessness is structurally reproduced within the economy.

⁵³ Similarly, Williams et al (2001) suggest a twofold categorisation of the role of the third sector in the third way. They state, "First, there is the view that its key role is to create jobs, improve employability and thus fill the jobs gap left by the private and public sectors. Second, there is the view that its principal role is to facilitate community self-help in order to provide alternative means of livelihood beyond employment" (Williams et al 2001, available online at <http://www.geog.le.ac.uk/ijccr/5no3.htm>).

- Adjacent markets: Community Economic Development offers the possibility of a move away from the export base model of regeneration pervasive in Inward Investment-led regeneration policies. CED may provide a more appropriate scale for development, which does not leave jobs at the mercy of the globalised market-place and management decisions made by absentee managers in head offices.
- CED offers the prospect of Sustainability: this marks a potential shift of perspective away from long term *economic* growth as the aim of development towards more ecologically and socially sustainable quality of life goals.

Consequently, this conceptualisation of CED, adapted from Birkhölzer (1998), begins from the premise that people in their local communities, however marginalized, have an unrealised capacity to contribute to an alternative sphere of economic activity (see also Friedmann 1992; Hudson and Weaver 1997).

Beyond the narrow employment and training emphasis of the current policy environment, Williams et al (2001) suggest a move away from the notion of full employment towards one of full engagement. Full engagement is defined as “a situation in which all citizens who are able can engage in work (either employment or community self-help) in order to meet their basic material needs and creative desires” (Williams et al 2001).⁵⁴ Williams et al continue to suggest that, “At the heart of this approach is thus an understanding of the need to reduce the perceived importance attached to conventional employment and recognise people's broader social contributions by valuing the vast and growing amount of self-help activity that takes place in society” (Williams et al 2001). In this sense, the third sector offers an opportunity to create the conditions for such self-help to develop. This subsequently produces the possibility of the third sector to promote self-help and employment both at the edges of and beyond the market economy.

This utopian image of the local economy, where local initiatives provide empowerment for communities to meet local needs via the use of unused or under-utilised resources, is a powerful vision. This represents a break from the mainstream economy in that it offers the potential of an alternative economy organised around different priorities, which may in the long run provide a more sustainable solution to some of the problems of excluded communities.

⁵⁴ Williams et al (2001), available online at: <http://www.geog.le.ac.uk/ijccr/5no3.htm>

Taking this analysis beyond the economic sphere, the potential of CED to form a grounding for a new and localised form of regulation is explored by Filion (1998). He notes that CED is both a symptom of and a response to post-Fordist notions of globalisation, hollowing out of the state, and internationalisation of capital. Taking on this argument, in a regulation-theoretical approach, Filion (1998) suggests that the realities of CED and post-Fordism could potentially synthesise to produce new regulatory spheres at the local level which are significantly non-dependent upon the mainstream economy.

However, Filion (1998) suggests that the reality of post-Fordism acts to limit the potential of CED as a means to form the grounding of a local regulatory system. First, through limited capital availability, CED is currently restricted from providing the full range of services which are provided by the public or private sectors. Second, the linkages within CED, formed mostly on the basis of voluntary linkages, lack binding power. Consequently, the legal structures which are required to represent a comprehensive regime of accumulation and which characterised Fordism are unachievable. As a result, CED in its current form can be conceptualised more as a facet of the after-Fordist regimes which are multi-scalar attempts to avert crisis emanating from the polarisation caused by the internationalisation of capital. This is not to deny the potential of local regulatory systems incorporating, but not wholly based on, the third sector. However, a comprehensive CED-led regulatory environment remains a distant aspiration for its proponents.

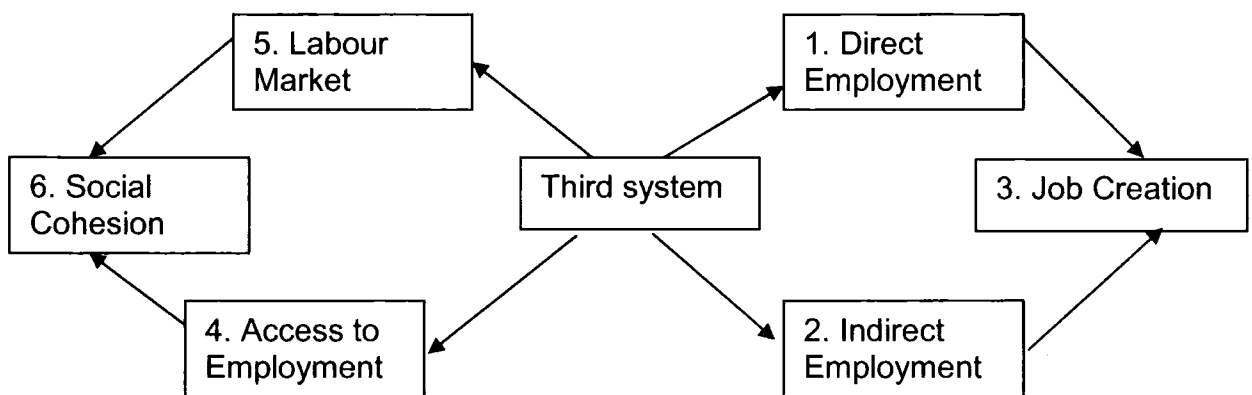
CED as a 'Stepping-Stone'

This conceptualisation of the potential of CED as an alternative to the mainstream is in contrast to the 'ladder' or 'stepping stone' approach into the mainstream. This views the third sector as "being able to help fill the jobs gap left by the public and private sectors" and which "dominates current discourse" (Williams et al 2001), appearing pervasive in much EU policy and literatures (see for example CEC 1998; EU 1999). Broadly, this approach regards the third sector as an additional arm of the formal economy or a springboard into employment (Williams et al 2001), which is able to produce positive outcomes in spaces which have been disadvantaged by the workings of the market

economy.⁵⁵ From this standpoint the value of the third sector therefore “lies in its ability to generate jobs and improve employability so as to facilitate a return to full-employment” (Williams et al 2001).

As such, this approach relies upon several key themes which aim to produce, via the third sector, stepping stones towards the re-integration of excluded and particularly unemployed people into the economic mainstream. Campbell (1999) suggests that this may be achieved by a number of flows:

Fig 4.1 The Potential Contribution of the Third System to Employment and Local Development (adapted from Campbell 1999: 15).



The typology introduced here is inevitably a simplification. The complexity of reality suggests CED, in its diversity, simultaneously represents an amalgam of the ‘stepping stone’ and ‘alternative’ themes. For example, while a third sector organisation may begin life as a proponent of the ‘alternative’ vision, reality may force initiatives to react to the necessity of funding regimes to ensure survival as a matter of economic expediency. Within any initiative, there may be a number of arms which have different objectives, from those which engage with the formal sector as community businesses to those which have contractual arrangements with the state or market to areas which are purely community-oriented alternatives to the market. As such when constructing a sampling strategy and methodology for the assessment of such initiatives in chapter 5, the acceptance of multiple objectives is crucial.

⁵⁵ Amin et note that “for many policy-makers, the social economy offers a means of easing the pressure on the exchequer and acts only as a bridge between welfare dependency and absorption into the ‘mainstream economy’” (Amin et al 1998:3).

CED: An Incomplete Solution?

The economic rationale for the concentration of resources towards the most excluded communities in order to regenerate the economic base is clear. In cost terms, the gross cost per unit or job created may be equivalent to those created by macro-scale regeneration policies, and indeed in terms of exchequer costs the net cost may be minimal due to increased tax returns and lower benefit payments. However, it is possible that the marginal benefit to community and economy of each job will be higher in economically depressed communities. What money is available may be redirected back into the community to enhance the multiplier effects of the available resources.⁵⁶ However, CED schemes will constantly be subject to their own trickle-down effect, due to the nature of any development scheme. While CED may be more appropriate to the needs of the local community, monetary gains will be inevitably be restricted to a relatively select proportion of the community who find jobs or monetary benefit through regeneration schemes (Twelvetrees 1998).

Alongside this, CED has the aim of improving the allocation of resources in such a way as to enhance quality of life in a broad sense. Through the adoption of policies which aim to stimulate the local economy through monetary intervention in the market or through matching of needs and resources as may be achieved with LETS schemes, CED has been held up as a means to help develop communities as a whole. As part of this, the supposed democratisation of the decision-making process has been key to notions of community empowerment (although see chapter 3 on governance, regime theory and their empirical analyses).

Within the paradigm of CED, the role of community-based or third sector organisations has been brought to the fore as governments stress partnership and empowerment as the keys to regeneration. However, in contrast to the image of CED and third sector partnerships, Amin et al (1999) suggest that localisation of responsibility for regeneration is a double-edged sword. While CED may be a suitable means by which to empower communities to find self-help solutions to their problems, with empowerment comes the transfer of responsibilities towards such communities. The state may therefore use the third

sector as a means to rescind its own responsibilities to provide adequate services for the community, or attempt to use partnership with local partners as a means to produce a cut-price welfare state.

Rather than the social economy [or CED] becoming the potentially innovative alternative to the strictures of the formal economy, Amin et al (1998) state that "the approach of the UK government seems to be that the social economy should serve as a subordinate, intermediary partner of the mainstream private sector economy and as a means of passing responsibility for certain aspects of welfare and regeneration out of the public sector" (Amin et al 1998: 15; see also Amin et al 1999). What is being created, therefore, is a welfare state 'on the cheap', which is attractive to policy makers and taxpayers alike.

Despite these caveats, there is clear evidence that CED can have a significant role in ameliorating the quality of life and employment prospects in a qualitatively better manner than private-sector or supply-side local economic development schemes. Through its direct contribution to regional economic reconversion, social inclusion and sustainable development, CED can lay claim to represent a model for an alternative approach to "trickle down" (European Commission 1996).

Whether or not CED has the potential to achieve a localised regulatory framework, it remains clear in the UK's most deprived communities that the influence of external pressures through the neo-liberal economic policies of the UK government still remains. As such, the CED remains one way to ameliorate local conditions alongside the mainstream economy. Combining this potential of CED and the debates concerning social capital and governance, the task is to determine exactly what the factors are which produce successful outcomes, and their limitations. Exactly how the interplay of organisational cultures, local factors and social capital produce successful outcomes will now be explored.

CED and the Conditions for Success

The third sector, in the form of CED, has been embraced as a means to counteract the potentially divisive impact of the market economy. However, the potential of CED to achieve its goals requires counterbalancing with the realities

⁵⁶ For studies of positive and negative multiplier effects involved in job creation or loss in the context of

of post-industrial regions with specific labour markets and institutional capacities. It is in this context that I wish to draw upon the claims made in chapters 2 and 3 for the impacts of local social capital and governance and the discussion of the potential of the third sector. From this, I will provide an overview of the current state of knowledge regarding the supporting factors and potential barriers which may or may not allow TSEIs to achieve their potential. However, it is not the intention here to provide an exhaustive account of the factors believed to be crucial in determining the success of TSEIs. Rather, by acknowledging that success and/or failure are a product of many interrelated factors, I will attempt to produce a conceptual basis for the study of the contextual factors which influence TSEIs. This will subsequently provide a template for the empirical work in chapters 7 and 8 which will assess the contribution of institutions and governance to the potential success of TSEIs in North-East England and South Wales.

'External' Influences on CED

The factors which influence the potential development of TSEIs can be broadly categorised as 'external' and 'internal' influences (see for example Campbell 1999). This categorisation, whilst inevitably attempting to simplify essentially fluid and overlapping analytic concepts, nonetheless provides a basis for analysing why certain initiatives succeed or fail. 'External' influences refer to those factors which are beyond the immediate control of the initiative itself, and which occur at a number of scales. These range from the EU level, where policy decisions relate both indirectly to TSEIs (via legal structures, competition policy), and directly via structural funds.⁵⁷ While this may be a key organising factor at the European level, Kendall and Anheier (1999) note that the manner in which such aspirations are translated into the policy process at the national level is a function of national agendas.

At the national level the macro-economic policies pursued shape the local labour, employment and training markets. These are of significant impact upon the economic context in which TSEIs find themselves located. More directly, at the national level, policies directly related to TSEIs such as Single Regeneration

colliery closures, see for example Hudson et al (1984).

Budget (SRB), the Urban Programme and City Challenge in the UK find their political backing on the national scale while their impacts tend to be felt locally. Chapter 6 will discuss New Labour policies and their influence upon the political and economic context of the third sector regeneration and employment initiatives.

National government also has a significant role in influencing the trajectory and capabilities of local governments, which have a role both in terms of local service delivery and also as key partners and funders of TSEIs (Taylor, 1997; Balloch and Taylor 2001). As noted above in chapter 3, local government and its associated institutional forms have a role in determining the outcomes of pressures at the local scale. Through their influence in partnership working, local government and non-governmental institutions involved in governance have an increasing role to play in regeneration and in consequence CD and CED. Informed theoretically by the discussion of regime theory, the myriad of institutions which have become partners in regeneration (from RDAs to quasi-state institutions and local government) shapes the decision-making and implementation process of regeneration policy through partnership. This relationship, recently formalised in the form of the *Compact on Relations Between Government and the Voluntary and Community Sector* (Home Office 1998), and also elucidated by Taylor (1997), is a crucial factor in determining the likelihood of success and failure of TSEIs.

However such concepts are to a significant degree dependent on the notions of local social capital outlined above in chapter 2. Through the configuration of attitudes, institutions (both formal and informal), skills and capacities, the development potential of the local third sector can be influenced. This influence may be either supportive in terms of key players who possess the capacities and linkages to produce successful outcome, or, in some cases, unsupportive through a mistrust of TSEI operations or a fragmented and divisive struggle within the community or any given project.

Taken together these place-specific attributes of any locality, situated within a broader institutional and policy framework, provide a template for 'external' factors which can propel a TSEI towards success or failure. The local

⁵⁷ Note for example the EU Objective One status ascribed to South Wales in 2000.

institutional facets are summarized by Healey et al (1999), who draw upon a case study of the Grainger Town initiative in Newcastle. They note that this broad-based definition of governance creates a series of influences on initiatives through what they categorise as knowledge resources, relational resources and mobilisation capabilities. These three concepts, they suggest, can be used as a template to understand the external pressures on third sector partnerships. Table 4.1 summarizes the criteria by which each resource may be identified and the subsequent qualities of what they regard as successful initiatives.

Table 4.1: ‘External’ Influences on Third Sector Partnerships
(Adapted from Healey et al 1999).

	Criteria	Success through
Knowledge resources	Range	<ul style="list-style-type: none"> • Access to and use of a rich range of knowledge.
	Frames	<ul style="list-style-type: none"> • Conscious reflection and development of frames of reference.
	Integration	<ul style="list-style-type: none"> • These are shared among a broad range of those involved.
	Openness and learning	<ul style="list-style-type: none"> • The range and frames are continuously developed through introduction and invention of new ideas, and the renewal of established ones.
Relational resources	Range	<ul style="list-style-type: none"> • A web of relations involved in the initiative which is broad in the stakeholders it reaches and rich in the bonds which bind the networks.
	Morphology	<ul style="list-style-type: none"> • Web-like patterns, but with clear nodal points, to which access from many points is possible.
	Network Integration	<ul style="list-style-type: none"> • Sufficient network integration channels that connections can be made between key locality-focused nodal points in ‘families’ of networks.
	Power Relations	<ul style="list-style-type: none"> • Good links with regulatory and resource allocating power, characterised by open, sincere and trustable relationships.
Mobilisation capacities	Opportunity structure	<ul style="list-style-type: none"> • Be located in contexts where there are structural shifts which create opportunities for change and there should be some agreement about what are the best opportunities to target.
	Arenas	<ul style="list-style-type: none"> • Have a capability to identify the arenas where key resource and regulatory power lies, and where real changes can be made (eg; by the development of new networks or lobbying capacity, or by generating significant shifts in frames of reference) and a capacity for sustained targeting of these arenas.
	Repertoires	<ul style="list-style-type: none"> • Possess a rich repertoire of mobilisation techniques to use and a capacity for explicit selection of appropriate techniques for specific situations.
	Change Agents	<ul style="list-style-type: none"> • Access to skilled ‘change agents’ to operate at critical ‘nodal points’ on the routes to ‘power’, who can concentrate effort and avoid its diffusion, but the mobilisation effort should not be so dependent on them that it cannot survive beyond the individuals concerned.

‘Internal’ Factors Influencing CED

The ‘internal’ attributes of TSEIs are similarly important in determining the success or failure of an initiative. This strand of enquiry draws predominantly upon the ‘managerial’ literatures emanating from public/private sector organisations although these have been adapted towards the specific needs of voluntary and third sector organisations’ needs ⁵⁸ (See for example Hudson 1995; Billis and Harris (eds.) 1996; Leach and Unsworth 1999). As such, this significant body of work provides an outline of the managerial stances taken by TSEIs to produce desired outcomes. Hudson (1995: 39) suggests that the internal factors affecting third sector or non-profit organisations differ from those of the private sector due to seven key factors:

1. It is easy to have vague objectives
2. Performance is hard to monitor
3. Organizations are accountable to many stakeholders
4. Management structures are intricate
5. Voluntarism is an essential ingredient
6. Values have to be cherished
7. There is no financial ‘bottom line’ to determine priorities

Consequently, Borzaga et al (1999: 38) notes that third sector organisations differ in organisational form and therefore have particular needs and resources which can help to define success or failure:

- a) Their participatory structure (consumers and/or workers often directly participate in the decision-making process) and democratic management; they ensure not only trust relations but also strong stakeholder commitment to the organization’s mission.
- b) Their multi-stakeholder nature, which guarantees either direct participation in management by several groups of stakeholders (for example, consumers and workers together, but also representatives of the local community), or other organizational devices designed to take account of the stakeholders’ interests.
- c) The presence of voluntary workers who, as well as providing free work resources, also exercise control over the match between the activity carried out and the mission of the organization.
- d) Close links with the local community, its needs, but also its resources (human, technical, organizational, financial).
- e) A propensity to collaborate among new third sector organisations, and to create second-level (and, sometimes, third-level) organizations, also in order to overcome diseconomies of scale deriving from small size.

⁵⁸ Nutt (2000: 78) suggests that the organisation’s role in society dictates the governance arrangements most suited to the aims of the organisation. Consequently, decision-making processes vary between and within sectors.

- f) A strong propensity towards innovation and experimentation, in terms of both services provided and of the ways in which they are provided; donations and voluntary work reduce the costs and the risks of innovations.

Hudson (1995) also notes Board Competencies as a key factor in producing successful outcomes. Drawing on the work of Chait (1991), he notes six dimensions of board structures which create positive environments (see also Billis and Harris 1996 for a discussion of management models).

Table 4.2: Management Strategies for TSEIs (adapted from Hudson 1995: 51)

Competency	Definition
Contextual dimension	The board understands and takes into account the values and beliefs of the organization it governs.
Educational dimension	The board ensures that board members are well informed about the organization, the profession and the board's role, responsibilities and performance.
Inter-personal dimension	The board nurtures the development of members as a group and fosters a sense of cohesion.
Analytical dimension	The board recognizes complexities in the issues it faces and draws upon different perspectives to find appropriate solutions.
Political dimension	The board accepts the need to develop healthy relationships with key constituencies.
Strategic dimension	The board helps ensure a strategic approach to the organization's future.

However, as noted above, the 'loose and baggy monster' (Kendall and Knapp 1996) of the third sector and CED has a diversity of organisations, with a number of aims and objectives. Consequently, the complexity of reality requires a template which accommodates the managerial priorities of any organisation. Taken as a whole, the internal and external factors interact to produce specific outcomes. The barriers to the development of third sector organisations are summarised by Borzaga et al (1999), (table 4.3).

Table 4.3: Barriers to the Development of the Third System

	External	Internal
General i.e. common to other (public/private) organizations	Political: - over-estimation of the roles of "the market" and of "the state" as institutions able to respond to economic and social needs. Environmental: - mismatch between growing demand for services and existing social policies, which mainly provide financial subsidies for families. - a too-stringent fiscal policy, which impedes the growth of private demand for services. Institutional: - lack of appropriate legislation on contracting-out procedures. - overlap between labour policies and social policies supporting TS development.	Managerial: - lack of a labour supply possessing the managerial and professional skills needed to provide services. - lack of quality control systems for the social services provided by private organisations. Co-ordination/Competition: - lack of co-ordination and/or excessive price competition among organisations providing the same kinds of service and/or working for the same clients. Cultural: - preference for the bureaucratic organisation of social services provision.
Specific (derived from specific characteristics or disadvantages of the TSOs)	Cultural: - lack of a "TS" culture (which role for what aim) in society as a whole. - misunderstanding of the role of TS as social capital versus social services producers. Institutional: - lack of a clear legal definition/framework for TS. - bureaucratic barriers imposed by public bodies. Competition: - unfair competition by the informal economy. - barriers to entry.	Cultural: - lack of a "TS culture" (which role what aim) within the TS organisations themselves. Managerial: - client/service orientation or job creation/employability orientation? - lack of managers for the new TS. - difficulties in accessing financial resources, especially for investments, planning and partnerships. Co-ordination/Competition - lack of a well-developed system of second level TS organisations (for organisational, technical and financial support). - competition between traditional well established TS and new ones.

Note: TS= Third System
(adapted from Borzaga et al 1999: 38)

However, despite such a core set of values which may help to determine the barriers to the success of TSEIs, there are significant international differences. There is scope elsewhere to analyse these in more detail; however I feel it appropriate here to note that there are many different types of structural mechanisms which operate at the national scale. As such, there are a multitude of differing forms of regulation which may be operating internationally, and which may not reflect the similar political, social and economic structures which I will outline later in the thesis.

Salamon and Anheier (1996, 2000) note the differing theories of the nonprofit sector, and as such provide a conceptual framework for the study of the nonprofit sector internationally. Salamon and Anheier note their 'Social Origins Theory of Nonprofits' to understand the nonprofit sector as opposed a number of theories outlined in economics and sociology. They suggest that the their approach to the development of the nonprofit sector, and one which has been drawn out here, that "treats the nonprofits sector not as an isolated phenomenon floating freely in social space but as an integral part of a social system whose role and scale is a byproduct of a complex set of historical forces"(Salamon and Anheier 2000: 21).

What is more, it suggests that these forces are far from random. Rather, distinctive patterns are evident that can be analysed and compared. However, the complexity of local and national, as well as regional, influences upon the development of the nonprofits sector are acknowledged and the specificities of the sector and the institutional environment in which each initiative sits.

Examples of the cross- national differences are key in the understanding of the nonprofit sector, and hence the need to understand the social, legal, institutional and governmental limits to the third sector. However, the inevitable complexity of situations mean that the complete analysis of the factors which internationally influence the development of the third sector and the employment function analysed here is difficult.

More broadly, Salamon and Anheier note that there are 4 types of development forms for the nonprofits sector, dependent upon the synergy of state and society to enhance this. This work draws upon the categorisation undertaken by Esping-Anderson (1990) in reference to welfare states. This draws upon the cross-reference of the level of government social welfare spending and the scale of the nonprofits sector. This produces a 4-way model of non-profit regimes (statist, liberal, social democratic and corporatist).

Individual country studies have been embarked upon to understand these local, regional and international influences upon the third sector, and hence the possibilities of the sector achieving some form of success or failure. It is not the place here to study in intricate detail the influences in detail, although an

Ecotec⁵⁹ study does note that specialist market knowledge, wage subsidies, tax breaks and training subsidies can all help to develop third sector employment initiatives in Europe. However, national differences lead to the conclusion that, “the specificity of the support mechanisms in place (public subsidies, support structures etc), or the legislative framework make it difficult to transfer the model developed as such to another EU country.” (Ecotec 2000:50)⁶⁰

Conclusions

This discussion of the third sector and community development has outlined several key themes. First, the shift towards the local as the key scale for economic development has been noted. Parallel to this, the rapid (re)development of the third sector has been outlined, particularly in its guise as Community Economic Development. Second, the claims for and approaches to CED as either an alternative to the mainstream or as a key element of re-integration into the formal economy have been examined. Finally, the key factors, both internal and external, which influence the development potential of the CED have been noted. However, up to this point one key ingredient has been neglected. Intrinsically, success and failure, if measured by the mere survival of initiatives or raw outputs, is crucially dependent upon the level, accessibility and duration of funding available (or the ability to generate reserves). However, the funding of TSEIs also influences the manner in which evaluations take place and the dissemination of those evaluations as examples of best practice. There are significant omissions and methodological challenges to the body of knowledge which has been created, therefore providing a starting point for the empirical research carried out within this thesis. The methodological challenges this presents will now be discussed.

⁵⁹ Ecotec Special Study of Third System Approaches to Service Provision and Job Creation. Available online at http://europa.eu.int/comm/employment_social/empl&esf/3syst/specialstudies2000_en.pdf

⁶⁰ Ecotec Special Study of Third System Approaches to Service Provision and Job Creation.

Chapter 5: Methodological Framework

Introduction

This chapter aims to outline briefly the central questions raised by the review of the relevant literature which forms the focus for the research undertaken into TSEIs. These theoretical issues will be discussed in the first part of this chapter, to clarify the theoretical underpinning for the research agenda. The object of the thesis is to investigate the internal organisational structures and the external institutional and governance structures which influence the success or failure of non-formal sector employment and training projects in the UK. This will be attempted through analysis of projects and their institutional contexts within contrasting localities in the UK. This theme is built around the notion that the processes involved in the operation of Third Sector Employment Initiatives involve a complex set of relations which are embedded in the institutional structures and relations within and around each project. To comprehend such processes fully, investigation needs to be made into the dynamic institutional configurations which, while varying spatially and temporally, regulate and mould the opportunities and limits within which such internal processes operate. From this, the aim is to identify both beneficial institutional configurations which may be applicable in other localities, and knowledge regarding possible organisational structures for initiatives which may be transferable between localities with similar contexts.

In the second part of the chapter, the epistemological basis for the choice of research methodology will be discussed. This section will focus upon the theoretical debates regarding the usage of research methodologies, to form a coherent account and explanation of the methodologies employed in the pursuit of the objectives. A critical realist epistemology will be adopted, which I will put forward as the most effective and appropriate manner in which to conceptualise the empirical study of TSEIs. Finally, I outline the sampling strategy employed to underpin the research to provide a set of cases which answer the questions raised in the literatures.

Overview of the Substantive Issues

As seen above in chapter 4, third sector initiatives may offer a possibility of a more spatially specific and innovative means for dealing with entrenched employment problems. This has been allied to a revision of the role of the public sector and a consequent reluctance to engage in public sector employment creation. Concurrently, the private sector has failed to engage in employment creation initiatives which operate with socially-defined as opposed to profit-motivated objectives. The third sector and the resurgent social economy therefore offer the hope of qualitatively different organisational structures which allow it to flourish and create positive outcomes in a socially inclusive manner as an alternative to the other sectors (Hargreaves 1998, Hargreaves and Christie 1998). Such promises of a new and effective means to deal with deeply rooted social and economic phenomena have led to many initiatives being harnessed as pilot or experimental schemes to assess the viability and transferability of the third sector as a potential focus of employment creation.⁶¹

However, I argue that the current crop of initiative-based studies provide a useful yet incomplete insight into the processes which operate, to produce particular propitious or unpropitious environments for TSEIs. Such studies also offer a significant lack of vision through the research methods and selection of case studies for enquiry. The role of evaluation and the accountability function which underlies this has thus far produced a focus upon particular initiatives for one of two reasons. First, the TSEIs may demonstrate outputs which may be perceived to be a sign of success, therefore demanding enquiry as examples of best practice. Second, key case studies have been gleaned from those initiatives which, through funding regimes, have an element of research and dissemination attached. The aim of this section is to address the methodological implications of this, and the broader elements of evaluation itself, to provide an understanding of the epistemological basis for the empirical research undertaken here.

The rationale behind evaluation and accountability mechanisms has become established as part of the funding and assessment process. Bitel (2000)

⁶¹ Examples of such schemes at the European level include ERGO, NOW, PETRA and Leader, which have been heavily funded by the European Social Fund, and which have undergone assessment from both participants and academics as part of a reflective and reactive means of policy formation.

notes that the concept has grown rapidly in the 1990s and that initial “reluctance and scepticism have been transformed into enthusiasm for evaluation”. The reason for evaluation gaining ground has been its role in the funding cycle. Bitel notes,

“Up to ten years ago, when NGOs applied for funding to grant givers, it was highly likely that a question on the application form would be *“Do you evaluate your project or services?”* This could be answered with a simple yes or no. Then about five years ago funders began to ask applicants *“How do you evaluate your services?”* It soon became apparent to many people that unless they could come up with some coherent explanation of how they would evaluate their programme, they would be unlikely to get funding” (Bitel 2000).

Added to this stimulus for third sector organisations to develop evaluation frameworks, Kubisch et al (1995) note that, “Funders look for evidence that their investments are ‘paying off’, quite often within the time frame of their funding cycles”.⁶² Because of this, evaluation has become established as a key part of the funding and accountability process to which the majority of TSEIs studied here must adhere.

However, the reality of the evaluation process is that the subjects of evaluation are more complex than the simple output measures often used to define their success and failure. In the case of the TSEIs studied here, it could be the training and employment outputs, allied to the costs this incurs, which constitute the basic evaluation process. However, as Kubisch et al (1995) demonstrate with the case studies of Comprehensive Community Initiatives (CCIs) in the US, the task of measuring and evaluating such initiatives is substantial. They suggest this is because such initiatives, “aim for change at many levels (individual, family, personal network, institutional, and community), across many domains (economic, social, physical, and community building), and over different time periods (near-term, interim, and long-term or ultimate)” (Kubisch et al 1995).

They suggest that CCIs have several features which raise questions for the evaluation framework.

⁶² Kubisch et al (1995), available online at <http://www.aspenroundtable.org/vol11/index.htm>

- **Horizontal complexity.** They work across multiple sectors (social, economic, physical, political, and others) simultaneously and aim for synergy among them.
- **Vertical complexity.** They aim for change at the individual, family, community, organizational, and systems levels.
- **Community building.** They aim for strengthened community capacity, enhanced social capital, an empowered neighbourhood, and similar outcomes.
- **Contextual issues.** They aim to incorporate external political, economic and other conditions into their framework, even though they may have little power to affect them.
- **Community responsiveness and flexibility over time.** They are designed to be community-specific and to evolve in response to the dynamics of the neighbourhood and the lessons being learned by the initiative.
- **Community saturation.** They aim to reach all members of a community, and therefore individual residents cannot be randomly assigned to treatment and control groups for the purposes of assessing the CCI's impact; finding equivalent comparison communities is also not feasible.

Source: Kubisch et al (1995)

While the definition of CCIs does not relate exactly to the TSEIs as defined here, many of the TSEIs operate broader community development and regeneration activities beyond the pure job training or employment creation objectives, as is the nature of the third sector. As such, many of these difficulties are translated into the evaluation of TSEIs when seeking to identify first of all *whether* a TSEI is 'successful', and then subsequently the *process* which produces these beneficial trends.

A useful quote to recall in the discussion of the evaluation of community development initiatives is Albert Einstein's assertion that, 'Things should be made as simple as possible - but no simpler'. However, the consequence of an epistemology which accepts and acknowledges the complexity of the evaluation requirements of TSEIs suggests that in Einstein's case, simple as possible will be inherently complex. Even where simplification occurs, most notably through the use of proxy measures to represent the impacts of an initiative, it is doubtful whether such proxy measures accurately reflect the actual nature of the outputs, outcomes and benefits of TSEIs.

The evaluation of TSEIs, and community-based initiatives in general, relies upon the theories which underlie the evaluation and the basic premise on

which the TSEI started life. As Weiss (1995) notes, "social programs are based on explicit or implicit theories about how and why the program will work" (Weiss 1995: 66). The result is that a paradigm in which the TSEI operates and will be evaluated is already set and does not allow for a significant degree of lateral movement. Weiss (1995) goes on to note that the evaluation demonstrates, "which of the assumptions...break down, where they break down, and which of the several theories underlying the program are best supported by the evidence" (Weiss 1995: 67).

Connell and Kubisch (1999) suggest a Theory of Change approach to evaluation can frame the actions which are undertaken. In this they suggest that a strong approach "requires starting with desired outcomes and working backward from there to design and initiate change" (Connell and Kubisch 1999). In contrast, a weak approach "begins with the change (programs, budgets, etc.), and then develops theories about how it will produce outcomes" (ibid). However, although Connell and Kubisch suggest a strong theory of change approach to be best, this is crucially dependent upon the desired outcomes of a community development process.

This has crucial implications for the over-riding policy environment, and the theoretical approach to evaluation undertaken by those who demand and implement evaluation and assessment. However, as has already been seen, the development of desired objectives is itself dependent upon the political and policy environment at any given time. As seen with the period of study of this research, the emphasis has been upon work and paid work as the key objectives, evidenced by the trend towards the mainstreaming and formalisation of third sector work creation initiatives within the auspices of the formal sector. This, as has also been seen, has been underpinned by the dominant governmentality of accountability and the criteria which privilege the raw and accountable outputs above the less visible but still relevant outcomes.

Pettigrew (1996) suggests that the theory of evaluation in the UK has been shaped by HM Treasury in that it regards evaluation as strictly summative. Pettigrew notes that the model is, "rationalistic, output focused and objectives led: evaluation begins by clarifying the overall aims of the initiative, analysing its intermediate targets and establishes the measures or indicators that will assess

performance with respect to intended outcomes”(Pettigrew 1996).⁶³ The result is a link with the move towards a managerialist culture with the public services, which Pettigrew suggests has fundamentally changed the role of evaluation. She suggests that, “now the emphasis is shifting from programmes to projects and downwards to smaller interventions and so further disembedding the evaluation's purchase on wider policy contexts”(Pettigrew 1996). This has been cemented in the UK by the government “explicitly includ[ing] evaluation as a core responsibility of NGOs in its compact between the Government and the Voluntary Sector. Evaluation and user consultation are also embedded in the Best Value initiatives of local government in England as part of their commitment to quality and driving up standards”(Bitel 2000).⁶⁴

A strong theory of change approach will therefore influence the form of evaluation undertaken, in that it works towards a set of pre-defined desired outcomes. In the UK, this has led to output-led evaluation and the subsequent formation of best practice examples from this. In this way, certain projects have been identified by their outputs as representing a more efficient allocation of resources and possessing the structures which enable success to be achieved. However, as will be seen later, the criteria set for such outputs may rarely represent the actual impact of a particular initiative upon its target population and may more accurately represent the means to survive and generate funding. The result may be that, “If what is being disseminated as the ‘best’ is in fact the ‘most likely to get funded’ or ‘most attainable’, and if local specificity is lost at the expense of a few generalised ‘models’, then such examples may serve to stifle, rather than encourage, genuine alternatives to current public or private sector activities” (Amin et al, 1998: 14; see also Amin et al 1999). In contrast, little is done to study exactly what are the crucial factors which lead to the failure of projects, despite the potential for learning a great deal from the mechanisms which may cause failure (See Fig.5.1.).

In addition, there has yet to be comprehensive study of the third sector initiatives in the UK, and as such those TSEIs whose evaluations come to the fore are those which have evaluation and dissemination as part of their funding

⁶³ Pettigrew (1996), available online at:

http://www.europeanevaluation.org/newslett/no3_96.htm

⁶⁴ Bitel (2000), available online at: http://www.europeanevaluation.org/pdf/1-3_bitel.pdf

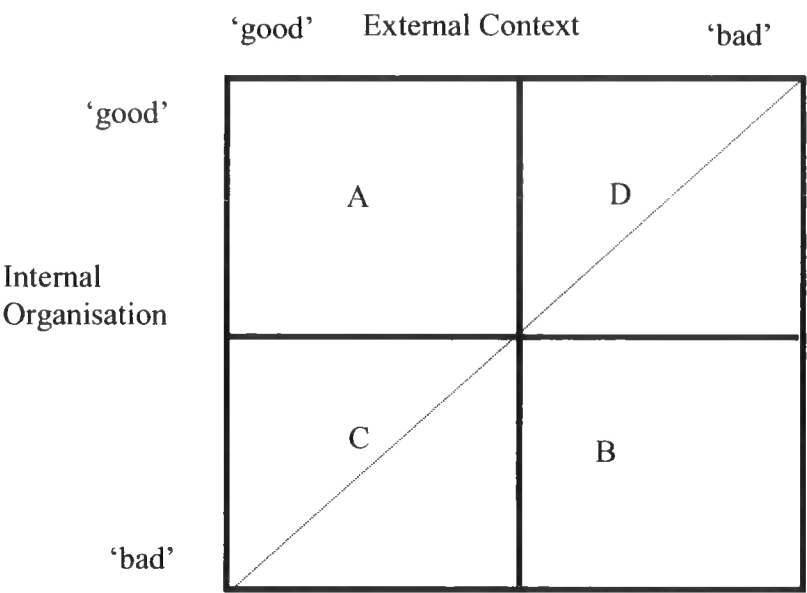
streams. Logically these are the initiatives which have been best funded and supported through financial and institutional backing.⁶⁵ Such evaluation procedures therefore tend to address most fully those projects which have supportive structures around them, thus masking the internal and external processes which are crucial to the understanding of the reasons for success and/or failure.

The implication of these two suggestions is that best practice refers not to an objective notion of community benefit but to one which more accurately reflects funding regimes and their specified outputs. There has therefore been a neglect of those initiatives which do not have such potentially supportive funding structures; similarly, there is an unwillingness to study those initiatives which have been perceived to have failed in order to understand more fully the institutional factors which led to failure.

Consequently, there appears to be a dearth of study into the crucial projects which succeed in some way despite appearing to have significant internal and/or external factors undermining their chances of success. While such projects may not show such handsome rewards in terms of their absolute outputs, their existence despite significant institutional obstacles can be potentially more enlightening particularly in terms of the organisational structures which offer resilience against unfavourable external factors. Such structures may be significant particularly in terms of their applicability in areas where institutional thickness and governance structures are at their weakest; these may be the areas of highest unemployment where other initiatives fail due to lack of structures, and therefore where the need is greatest. The task, therefore, is to, "make sure we can tell a good Third Sector organisation from a bad one, so that we can develop new institutional forms which reflect a wider sense of vision than that of the profit-maximising shareholder company" (Hargreaves 1998: 32).

⁶⁵ Pettigrew (1996) also notes the influence of the aims of the funding body upon the aims of an initiative. Care must be taken to acknowledge the different strands of evaluation - who is undertaking it, how, for whom and for what purpose.

Fig 5.1: Likelihood of Success/Failure of Initiatives as Defined Through Internal and External Forces.



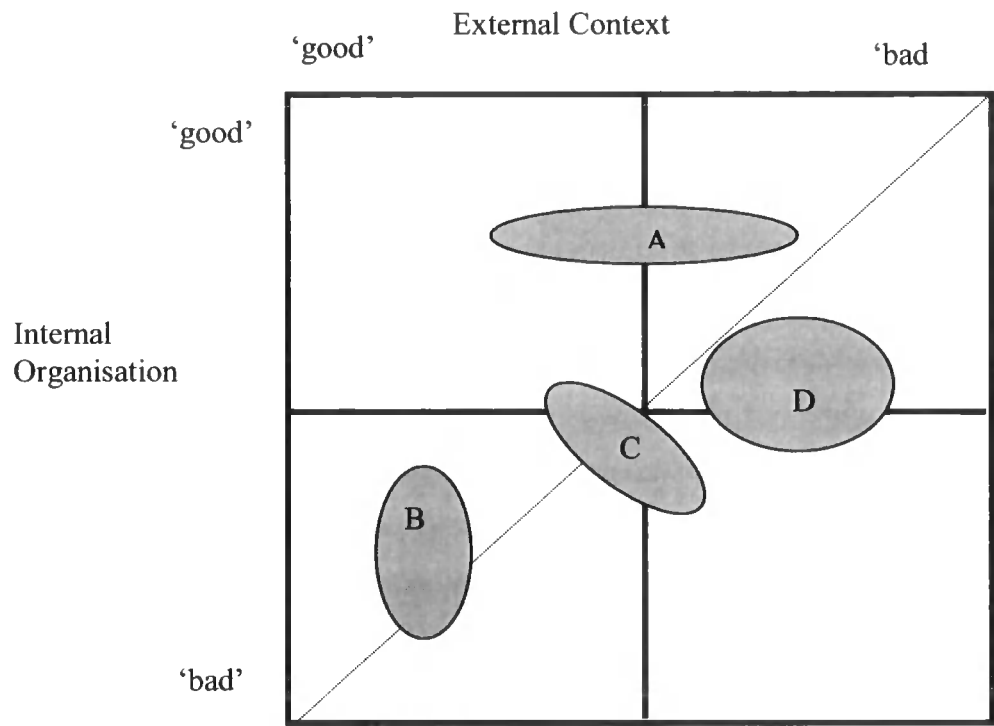
Box	Interpretation
A	Good external and internal structures; success not difficult. May be cited as best practice through outputs and achievements, regardless of the supportive structures aiding success.
B	Complete failures of projects: wrong place, wrong time...
C and D	Apparent contradictions as projects may succeed despite unhelpful context, or vice-versa. Also may succeed due to context, despite poor internal organisation.

The placement of any project within the matrix in fig 5.1 is clearly contested, according to the positionality of those involved who may assess an initiative’s success or failure quite differently with regard to its outputs. This will most likely depend upon the priorities given to each output or outcome by the person or organisation, such that certain outcomes may be regarded as representing success to some people yet may be regarded as unimportant to others, perhaps leading to an assessment of failure.

Similarly, the reasons behind success and /or failure may be contested, with different parties emphasising the importance of certain variables as key factors in determining success or failure. The positioning of any project within fig 5.1 will therefore require an assessment of the trade-offs and contestations,

resulting not in a definitive placement but more a range of values which encompass the views on the project (see fig 5.2).

Fig.5.2 : Individuals’ Conceptions of the Success and Failure of TSEIs



Area	Interpretation
A	All agree that the project is successful; some debate over the importance of external institutional factors in cementing success
B	Some believe to be successful, some failing; key reason for differences identified as being due to perceptions of the internal organisation of the project
C	Significant differences of opinion over the outcomes of project: some see project as successful whereas some see it as failing. Due to shape of shaded area, this may be due to both internal and external factors.
D	All agree that project failed, with broadly neutral views regarding the internal organisation, therefore blaming external factors for the failure of the project.

To bring these notions of best practice and individual conceptions together, I find it useful to note Anheier and Moulton’s (1999) definition of organisational failure:

“Failure is a relative term in two senses. First, organizational failure is relative to notions of organizational success, and at the least, to some understanding of a normal state of affairs, however defined. What is more, the definition and managerial consequences of failure are relative

to the various interests and claims the various stakeholders put on the organization, leading us to ask, success for whom? Failure for whom? In other words, one person's failure may be someone else's success" (Anheier and Moulton 1999: 273-274).

From this, the task of the research is to determine how the perceived factors interact, and the *processes* which operate within projects to create these configurations. The above discussion therefore suggests that those third sector employment initiatives which offer contradictory signals regarding their success and failure are of particular interest.

Epistemological Issues

It is not the intention here to participate in the wider debates over research methodologies, although these will be alluded to with regard to the choice of methodologies to be employed in this research. Whilst it is certainly the case that research methodologies must be defined with extreme care and concern for the debates which surround their usage, it is apparent that no methodology is without reproach; as such, it is the case that the most appropriate methodology should be chosen in order to achieve the research objectives outlined above. Knox and Hughes note that "there is no single definitive method or 'right way' to undertake an evaluation in social interventions such as community relations or the broader field of community development (1994: 248). They cite Gallagher's work in schools in Northern Ireland, who states, "our role should not be one where we apply a selection from a magic box of methodologies and simply declare a programme a success or failure... we should be prepared to mould our methodological techniques in order to deal better with contexts and processes [we] are attempting to evaluate" (Gallagher 1990: 43).

The choice of any research agenda and accompanying methodology is inevitably informed by the philosophical approaches of the underlying theories. As such, the broad confines suggesting which research methods are appropriate are to some extent established before research can be contemplated. However, such broad methodological paradigms are contested, with differing mechanisms and epistemological assumptions played out. As a result, the exact methods used for any research project must be defined and fully justified in the context of both the underlying theories which inform the research, as well as representing the

practical limitations of the research period and resources. Such a justification will now be discussed with regard to this particular research project.

The focus of this research is upon both the institutions which support TSEIs and governance within the initiatives themselves. Consequently, I take an epistemological stance which views knowledge as socially embedded; since the object of study is deeply embedded in the processes, norms and structures of society, an approach which can understand these structures and the mediating role of agency is required.⁶⁶

If we accept the complexity of social relations we require a complexity of methodology and ontology to understand the world. As such, I favour a methodology which transcends the limitations of totalising methodologies which have been so critiqued as to become individually inadequate. In this view, I support Hudson (2001), who notes that, “a continuing, constructive dialogue between different perspectives, informed by a heightened sense of experimentation and critical self-appraisal, is clearly preferable to a continued search for a single new all-encompassing paradigm” (Hudson 2001: 6; see also Clark and Wrigley 1995). Consequently, for the purposes of this study, I employ a critical realist standpoint. This, I believe, provides the most sensitive ontological and epistemological lens through which to view and subsequently construe the observed phenomena.

Following Sayer (1984, 1992, 2000) and Bhaskar (1975) I suggest that a realist standpoint, when put into practice, allows for the identification of structures and more crucially, how these are activated. This is summarised by Sayer, who notes that, “Realists...seek to identify both necessity and possibility or potential in the world - what things must go together, and what could happen, given the nature of the objects. Whereas the real in this definition refers to the structures and powers of objects, the *actual* refers to what happens if and when those powers are activated, to what they do and what eventuates when they do” (Sayer 2000: 1).

Positivist ontologies, such as those employed by Empirical Realists, are inappropriate to the study of such real-world phenomena due to their inherent

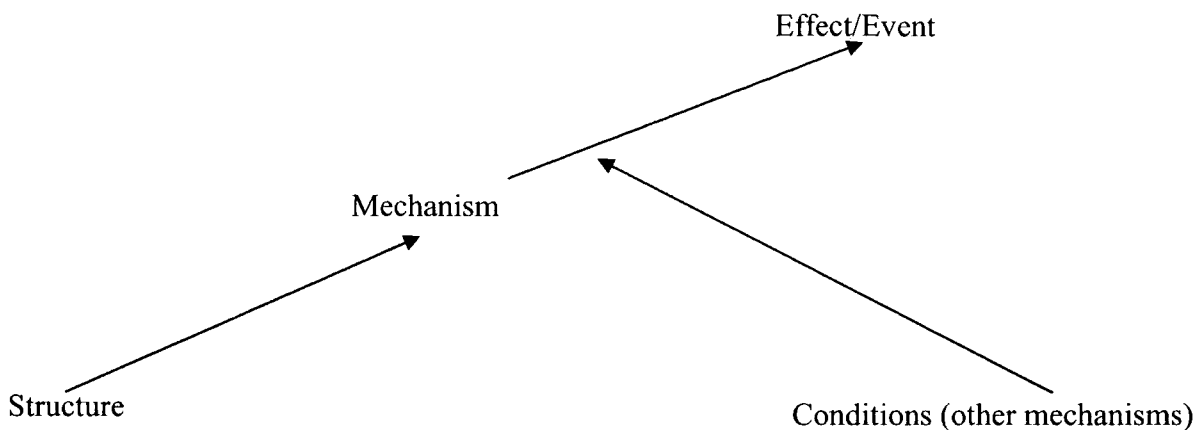
⁶⁶ Hodgson et al (1994) note that an institutionalist approach works with a more organicist explanation of events, such that institutions become the main focus of analysis due to their inherent influence upon the interaction of economy and society. Similarly, an institutional approach retains a focus upon causal processes to explain and understand phenomena rather than identifying general trends.

tendency to reduce complexity to atomised variables. In contrast to the patterned and regularised conceptualisation of world offered by this perspective, I prefer an ontology which accepts the complexity of actions as informed but not causally defined by structures. It is this notion that causation is not, “understood on the model of regular successions of events, and hence explanation need not depend on finding them, or searching for putative social laws...explanation depends instead on identifying causal mechanisms and how they work, and discovering if they have been activated and under what conditions” (Sayer 2000: 14).

I also note the flaw of positivism’s dependency upon prediction through replication as a key facet of the methodology. As Sayer (2000) notes, such a methodological basis requires an assumption that phenomena being studied are both observable and replicable. In contrast, a critical realist methodology allows for the uncovering of structures which are implicit in ordering actions but which may or may not be immediately observable. Similarly, a critical realist methodology allows for the acceptance of structures which may be real in that they exist but which may not be actual in that they are not activated, at least perhaps not in a replicable form.

A critical realist methodology also contrasts with the totalising assumptions of neo-Marxist methodologies which offer a high degree of structural conceptualisation but which are unable to fully integrate notions of individual agency into their ontological analyses. I do not wish to view structural factors as in a totalising Marxist sense as entities which determine the paths and actions of individuals. Rather I prefer a reading of social science which accepts these structural factors as guiding forces which are subsequently tempered by other forces. Hudson (2001) therefore suggests that a “more helpful perspective, drawing on critical realism, acknowledges that there are necessary causal structures which define particular types of society but that societies encompass multiple causal structures, not all of which in this sense are necessary and not all of which are equally powerful” (Hudson 2001: 9). Figure 5.3 demonstrates how this critical realist stance can be schematically illustrated as a simplified relationship of structures and mediatory forces to produce outcomes.

Fig.5.3: Critical Realist View of Causation (Sayer 2000:15)



Sayer suggests that Jessop's (1990a) notion of a strategic relational approach may be of use here to conceptualise how

"actors, actions and contexts articulate. We need to know not only what the main strategies were of actors, but what it was about the context which enabled them to be successful or otherwise. This is consistent with the realist concept of causation and requires us to ask the kinds of realist questions about necessary and sufficient conditions noted earlier, so as to decide what it was about a certain context which allowed a certain action to be successful. Often the success or failure of agents' strategies may have little or nothing to do with their own reasons and intention" (Sayer 2000: 25-26).

However, Sayer and Bhaskar's readings of critical realism suggest that a fuller analysis of social phenomena requires an acceptance and understanding of structural factors which are operating, whether real or actual. This provides a broader context for the understanding of how regional political-economic configurations develop to produce the framework for the study of the necessity for, and development of, TSEIs.

To provide an understanding of the notions of structures and agency in the social sciences, I find it helpful here to emphasise Giddens's ideas on structuration (see for example Giddens 1984, 1993) and their echoes in critical realism.⁶⁷ Briefly, structuration provides a theoretical basis to understand the manner in which meta-scale structural factors⁶⁸ frame actions and the manner in which these structures are subsequently translated by human and institutional

⁶⁷ Various schools of sociological thought exist, roughly characterised under three broad categories: Structural-Functionalism, Symbolic Interactionism and Conflict. Structuration attempts to intertwine the key interaction of these extreme perspectives to produce a lens through which to view the world.

⁶⁸ Which we may take in this case to mean the global economy, government, as well as capital, gender and labour relations.

agency to produce outcomes.⁶⁹ As such, I do not wish to view social phenomena as stable, non-altering subjects; rather structuration allows for a reading of phenomena as a reflexive meeting of structure and agency to produce an evolving social sphere. Such an approach helps define and justify the appropriate philosophical stance which may underline research work. In contrast, research philosophies that underscore economic rationality as a principal focus for analysing complex social phenomena, may fail due to their limited analytical nature. I therefore believe an integrated approach is required to provide adequate analytic tools to understand the multifaceted economic, social and political factors underpinning explanations and causalities present in such phenomena as Third Sector Employment and Training Initiatives (TSEIs). Whilst no epistemological stance is ever fully adequate to analyse all the structures and systems which may be operating, it is hoped that the approach considered here will facilitate the understanding of the key processes involved in such initiatives.

Methodological Issues

The theoretical underpinning outlined above suggests that the research lends itself to a qualitative and intensive research methodology. Such a methodology is justified due to the complex nature of the research topic, which requires the application of methods which can seek to uncover the causal structures and dynamic process involved in the operation of TSEIs. It is assumed that the causal structures, which are embedded within the economic and social relations between projects and their wider contexts, will be spatially and historically discrete. Therefore intensive research is required to uncover the institutional structures which provide the opportunities and constraints under which social and economic interactions occur. The context needs to be analysed at various levels: institutional relationships between projects and other institutions are most important, yet locally contingent factors in terms of traditions, historical practices, social conventions and political leanings must be incorporated. As a result, any research methodology must also be able to

⁶⁹ From a critical realist perspective, Hudson (2001) notes, "It is necessary to understand the ways in which individual and collective agency is both enabled and constrained by structures and at the same time has the effect (sometimes intended, often not) of helping reproduce them" (Hudson 2001: 10).

distinguish locally contingent circumstances from the object of study in order to attain a clear picture of the processes which are occurring, and which form the core of this research project (Sayer 1984, 1992). The implication of this is that any findings derived from such analyses of the institutional and governance context should be interpreted as data specific to that circumstance rather than as a basis for broader generalisation (see for example, Urry 1987; Duncan 1989). However, Hamel (1993) suggests that the construction of meaning via intensive research, in its identification of processes and relationships, may be able to represent social relations which are broader in scope than the specificities of any location.

The extraction of such data from TSEIs requires intensive research methods to identify such causal relationships. Extensive methodologies, while better equipped to help understand broad general mechanisms and patterns at a macro-scale, have limitations as a means to achieve the levels of understanding of social phenomena required by this research. While statistical correlations and patterns may exist, the inference of causal process, the identification of which is crucial to this research, becomes problematic with social data obtained from extensive methodologies. However, some data collected via extensive methodologies, in the form of secondary sources which help to pinpoint trends and possible areas of study, will be employed. Table 5.1 demonstrates the comparison of intensive and extensive research methods.

Table 5.1 Intensive and Extensive Research: A Summary (adapted from Sayer 1992: 243)

	Intensive	Extensive
Research question	How does a process work in a particular case or small number of cases? What produces a certain change? What did the agents actually do?	What are the regularities, common patterns, distinguishing features of a population? How widely are certain characteristics or processes distributed or represented?
Relations	Substantial relations of connection.	Formal relations of similarity.
Type of groups studied	Causal groups.	Taxonomic groups.
Type of account produced	Causal explanation of the production of certain objects or events, though not necessarily representative ones.	Descriptive representative generalizations, lacking in explanatory penetration.
Typical methods	Study of individual agents in their causal contexts. Interactive interviews, ethnography. Qualitative analysis.	Large-scale survey of population or representative sample. Formal questionnaires, standardized interviews. Statistical analysis.
Limitations	Actual concrete patterns and contingent relations are unlikely to be representative, 'average' or generalizable. Necessary relations discovered will exist wherever their relata are present, for example causal powers of objects are generalizable to other contexts as they are necessary features of these objects.	Although representative of a whole population, they are unlikely to be generalizable to other populations at different times and places. Problem of ecological fallacy in making inferences about individuals. Limited explanatory power.
Appropriate tests	Corroboration.	Replication.

As a result, in-depth interviewing and focus groups will be employed as the primary data collection tools to achieve the levels of understanding required by the research questions posed above. By delving deeper into the particular situations, events and processes occurring within and around TSEIs, an intensive interviewing methodology may be able to identify causal and contingent

relations operating. While localised factors may inhibit the transfer of knowledge produced, the aim of intensive methods is to produce knowledge within the context of the research agenda which will have greater significance than broad generalisations.

Interviews, both formal and informal, structured and semi-structured, may be able to provide insights into the processes which are occurring at the local level with regard to the research agenda. While structured interviews may provide adequate responses to pre-defined topics, such interviews may lack the flexibility to incorporate forms of information and knowledge which may provide a broader and/or richer understanding of real-world events. Conversely, some information gleaned from semi-structured interviews has the occasional disadvantage of lacking relevance as the interview process is more fluid and may be unduly influenced by the agenda of the interviewee. However, the antithesis of this is that semi-structured interviews ought to be able to concentrate more fully upon veins of information which may provide a deeper (and perhaps unexpected) understanding of particular ideas. As such, semi-structured interviews have significant merit as research tools which ought to provide information with the flexibility to pursue certain topics which are raised and may add to the knowledge (Fielding and Fielding 1986: 18).

Regardless of how interviews are conducted, they are dependent upon the dynamic of the interviewer and interviewee as to what knowledge is produced, and how this is interpreted. However, such a situation does not necessarily present a problem, as this allows for the interactions to produce meaningful and reflexive constructions of reality (Bhaskar 1989). While the interview may produce knowledge specific to that interview, which may not necessarily be replicated at another time or space, such knowledge, constructed through cognitive processes, can be meaningful. The aim of interviews is not to produce an absolute 'truth', assuming such 'truth' is attainable anyway; it is to provide an informed and coherent interpretation of events as seen by those involved in the processes under investigation. Precisely because they may be a focus of contradiction and opinion, the results may be meaningful as they correspond to perceived interpretations of reality from different perspectives.

Due to such potential flaws in the construction of knowledge from one-to-one interviews, focus groups or group interviews may provide a

complementary information source. The principal advantage of group interviewing as opposed to one-on-one studies is the reflexivity of the methodology. Almost inevitably, meanings and thoughts are formulated and constructed through several interactions and are therefore polyvocal. It is suggested that participants will often have several (possibly conflicting) opinions upon one subject, and that under normal circumstances these motivations, feelings, attitudes and opinions are left unarticulated (Morgan 1993). As a result, it is suggested that the group interview is able to study the production of meanings as, through exchanges in groups, participants clarify for themselves just what it is that their opinion or behaviour depends on (see for example Morgan 1993; Holbrook and Jackson, 1996; Burgess et al 1988a; Burgess et al 1988b).

The usage of the group interview as a source of validation and triangulation as part of a wider context of research is one which has attracted some support. Group interviewing may be a part solution to post-modernist concerns of over-authoritative research in what Frey and Fontana (1993) refer to as a polyphonic data source. The merits of the group interviewing techniques are not without qualifications, however. Morgan and Krueger (1993) note that research in the group context will not necessarily reveal deep emotional insights. As such, this research is wary not to take an over-rational view and to avoid attempts to create or apply meanings where it is not appropriate to do so.

Whatever the problems (both theoretical and practical) of the group interviewing techniques, this method offers at the very least a useful form of triangulation in multi-method research strategies and in many cases may provide a different insight into the production of knowledge as information is divulged. Hence, a number of informal group interviews were undertaken during the course of this research to add to the range of in-depth one-to-one interviews to hopefully unmask findings which traditional research methods may have missed.

A Comparative Approach

A comparative approach is required within this study due to its ability to contrast the function of similar TSEIs in different institutional contexts and

spaces of governance. As a research method, the comparative approach attracted some criticism due to the conviction from some quarters that social sciences should seek to develop general theories which transcend barriers; the comparative approach fails to do this, indeed some suggest that its strength lies in providing systematic comparisons between social contexts (Durkheim, 1950).

As McCulloch (2000) suggests, individual evaluations are both fraught with methodological and ethical uncertainties and theoretical inadequacies. As a consequence, the research undertaken within this thesis produces a new facet to the studies discussed above by concentrating on the role of institutions as key underpinning elements of TSEIs. The institutional turn of the social sciences of the 1980s onwards has provided a renewal in the vigour in which regional, local and cultural factors (as broadly defined above) have become key to the study and explanation of real world phenomena. Through these, the comparison allows the analysis of those functions, institutions and processes of governance, which when present or absent, real or actual, can impact upon the nature of milieux to create a supportive or unsupportive environment for TSEIs.

The coping strategies employed to deal with unemployment, while associated with national spaces of regulation and governance, take on a local role in particular with regard to the more innovative and experimental formal sector job-creation schemes. The local variability of the application of policies lends itself towards a patchwork of schemes, each of which is regulated and mediated by the differing spaces of governance and institutional legacies in each region. In addition to this, the growth of third sector projects which seek to go beyond formal sector initiatives into new and untapped employment opportunities is influenced significantly by the governance and institutional structures in any locality. This leads to an interplay of governance structures which the research focuses upon and studies in depth. While regional level factors undoubtedly have an influence upon the institutional and governance factors which influence the operation of TSEIs, practicalities of the research period imply that greater coverage allowing comparison at regional level would dilute the focus upon the processes occurring within regions and localities. However, the following structures will be investigated:



- Regional Governance Structures

Throughout the UK, a contrast can be made between the governance structures provided by regional government, whether it be through government departments or the Welsh assembly, or through co-ordinating offices such as Government Office North East (GO-NE). Similarly, a range of funding opportunities are overlaid from European through to locally based sources which create a mosaic of resources distinct to each region. The structures require investigation, mainly through secondary but also through some primary analysis, to determine the regional contexts for each case study.

- Local Government

Within each region, the role of local authorities as the prime government structures has a significant impact upon the formulation and running of alternative job creation projects. Within each region, there are local authorities which are overtly encouraging towards third sector schemes, both in terms of direct funding and co-ordination activities. Such a variation within a region can be telling with regard to the local structures and processes which influence outcomes for projects: similar broad national and regional conditions, under different local structures, may produce significantly different outcomes. Within this, the political leaning of local authorities, and more significantly (but perhaps related) the role they choose to take within local service delivery, requires investigation. The research helps categorise the local authorities within case study areas to help determine which features they exude, as well as the influence this exerts upon the local community sector. As such, relationships and attitudes of local government need to be analysed as part of the overall governance structure.

- Informal Institutional Features

Healey et al (1999), drawing on Amin and Thrift (1994) suggest a variety of non-formalised factors which contribute towards the institutional contexts in the case study localities. Such factors

include the persistence of local institutions, a deepening archive of commonly-held knowledge, institutional flexibility, innovation capacity, capacity to develop relations of trust and reciprocity, and a sense of a widely-held common project. These localised elements, which significantly influence the capacity of localities to support TSEIs, require research to establish what factors are crucial.

- Networks

The role of networks, the formal and informal relations between institutions, funders and organisations, may be crucial to the potential for the success or failure of any particular project. This question is in some ways related to the role of local authorities and the networks between co-ordinators and gatekeeping authorities alongside job creation projects. However, it goes beyond this towards investigation of networks between projects into areas such as skills transfer, advice, best practice etc.

- Community resources

Without the skills and innovative capacity of people to create and maintain third sector projects, there is likely to be a dearth of successful projects regardless of how supportive the institutional and funding frameworks are. The role of such factors in determining the likelihood of success will be investigated, as the internal organisation of projects is crucial in their success. The relationship (inverse or otherwise) between need and community resources is also investigated.

These locally contingent, yet regionally or nationally underpinned, governance structures are part of the focus of study within this research project. As Healey et al (1999) suggest, "Local institutional histories and the contingent pressures which affect particular localities combine with broad driving forces, leading to diverse outcomes, not merely from place to place, but from one institutional 'site' to another within a locality. Such findings emphasise the

importance of delving into the finegrain of institutional dynamics” (Healey et al 1999: 118).

Sampling Strategy

As noted above, the concentration on best practice initiatives which have a relatively stable funding environment and supportive networks may have the impact of masking the initiatives which are equally as successful in their contexts yet which might not produce the gross outputs or outcomes associated with best practice studies. As a result, this study aims to critically assess those projects whose benefits may be less visible, yet are produced in a less supportive institutional framework. The sampling strategy therefore proposed to contrast initiatives which are broadly ‘successful’ in unpropitious circumstances with projects which ‘fail’ despite supportive structures. As a comparison, a succeeding project will also be studied to act as triangulation device to assess more accurately the nature and role of the localised structures in determining success or failure.

The identification of individual projects within the boundaries of such structures is crucial as this ought to produce a sample of projects in concordance with the research objectives. The literature studied leads towards the choice of projects which have employment or training as key objectives in their operation, though this does not negate projects which may have other objectives alongside these.

However, employment and training are key factors as they identify such projects as potential frameworks for labour market solutions outside the formal public/private work creation and training schemes which have been criticised so greatly. For the purpose of this research, TSEIs are therefore defined as employment and training initiatives which operate with a degree of organisational separation from the public and private sector, and usually with a degree of community control or input. The case studies are all be based within specific localities, although this is not by itself a criterion for inclusion due to the potential for local initiatives to be wholly public or private sector-orientated. Similarly, Intermediate Labour Market (ILM) projects which engage almost exclusively with the private sector are not included. This therefore allows the

thesis to assess three factors. First, whether the third sector does indeed offer this potential for employment gain within localities; secondly what processes operate to permit this; and third, what structural factors are present to enable or constrain this role.

The original choice of projects is made on the basis of success/failure within the local structures as identified above. Such a pre-emptive judgement is to be made on the basis of the success/failure in relation to their intended outputs and outcomes, as suggested by records within and produced by each organisation (see Barr et al 1996 for typical evaluation criteria). Such a narrow definition of success/failure is dependent upon the scale and ambition of the intention at the outset. Consequently, such potential projects have been triangulated with other secondary sources, both written and oral, to more accurately place them within the matrix in fig 5.1. This helps to reduce any bias and inefficiencies incurred due to any evaluation carried out by in-house teams (Knox and Hughes 1994: 249).

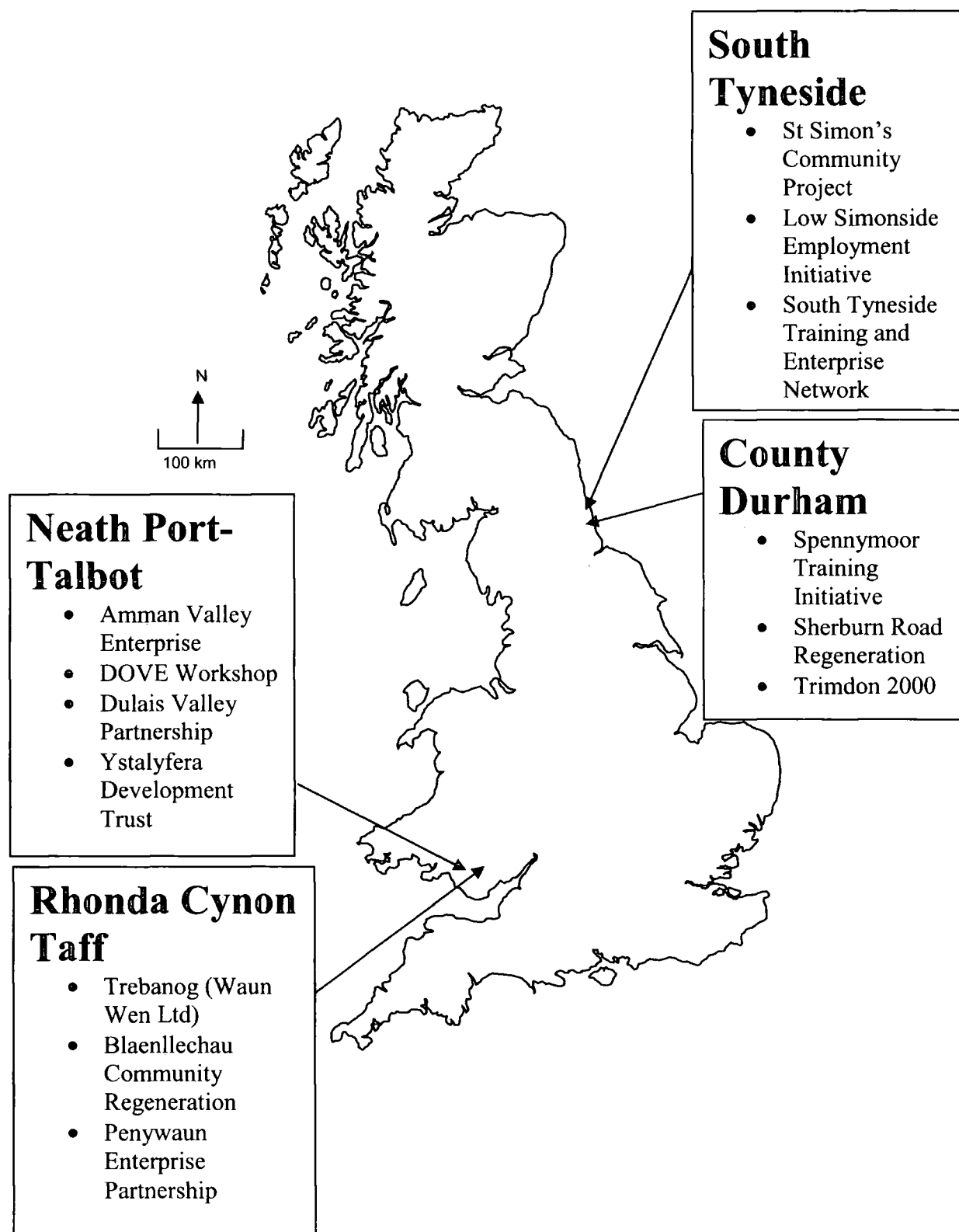
An initial set of case studies were identified from a database created by the EU LOCIN project which ran until 1999 and which sought to compile a set of 'best practice' examples in accordance within criteria of what the European commission perceived as success. In addition to this, a set of case studies which either anecdotally or through written evidence had been deemed to fail or not reach their pre-ordained targets were chosen to contrast with the 'best practice' examples. Each 'failing' case study was chosen to be within the same local authority area as at least one other initiative to permit a degree of local comparability. This also permitted the influence of the impact of local authorities to be studied as a variable in the comparative analysis. In addition, the four local authority clusters which emerged were sub-sets of regional clusters, South Wales and North-East England, to permit a comparison of the regional-scale institutional factors influencing the development of the TSEIs. These criteria taken together led to the identification of thirteen case studies within the sampling framework to become the subjects of in-depth case studies.

The initiatives selected for in-depth case studies were: (see appendix 1 for a brief description of each project).

Region	Local authority area	Initiative name
North-East England	South Tyneside	St Simon's Community Project South Tyneside Training and Enterprise Network Low Simonside Employment Initiative
	County Durham	Trimdon 2000 Spennymoor Training Initiative Sherburn Road Regeneration Initiative
South Wales	Neath Port-Talbot	Dulais Valley Partnership Amman Valley Enterprise DOVE Workshop Ystalyfera Development Trust
	Rhondda Cynon Taff	Blaenllechau Community Regeneration Trebanog Partnership (Waun Wen Ltd) Penywaun Enterprise Partnership

These thirteen case studies are located in the following parts of the UK:

Fig.5.4: Location of Local Authorities Within the UK



Case studies on these thirteen projects sought information through intensive research methods, as defined above. Interviews were carried out with a number of groups, in order to achieve a comprehensive understanding of the key research questions:

- How far is success/failure defined (pre-determined) by the institutional and governance context in which a project operates?
- How much is it defined by the internal logic and organisation of TSEIs?
- How do the various factors involved interconnect, producing the crucial dynamics which lead to success or failure?

This required interviews with, and data collection from, a number of actors to provide an accurate and balanced understanding of the processes occurring. This also helps to circumvent the problem of more polished performers within some TSEIs presenting a particularly rosy or misleading picture of each initiative (see for Example McCulloch, 2000). Most notably, this included the following groups of interviewees:

- Gatekeepers/local representatives
- Project organisers/key players
- Local authority representatives
- Funding representatives
- Project participants

The intention in pursuing such a broad range of stakeholders is to address not only the internal but also the external factors influencing TSEIs, and to triangulate those views. In total, 87 people were formally interviewed; in addition, a number of informal conversations were held, particularly with beneficiaries of each TSEI, to gauge the TSEI's impact.

Conclusions

In this chapter I have outlined the theoretical questions raised by the literature and suggested how these may be translated, though a particular epistemological basis, into a methodology to answer appropriate research questions. I believe the sampling strategy employed allows identification and comparison of variables at several levels. First, a comparison of regional structures, particularly those emanating from the presence, absence or style of

regional government in Wales and North-East England. Second, a comparison of localised governance structures which influence the operation of TSEIs; analysis of what factors play a critical role in determining the success or failure of initiatives. Third, analysis and comparison of the internal relations and processes which influence the overall performance of any TSEI within the case study localities, to produce a deep understanding of the processes occurring. The evidence produced by this set of methods will be put forward in chapters 7 and 8. However, the following chapter will seek to establish the regional and national contexts which influence those TSEIs when studied in situ.

Chapter 6

Setting the UK Context: New Labour, New Deal, New Governance

Introduction

Chapters 2, 3 and 4 of this thesis set out the theoretical basis for the study of TSEIs within a global context. This outlined the broad theoretical positions within the social sciences which attempt to understand how multi-scalar forces may be mediated to produce particular economic, social and political outcomes. While such theoretical analyses inevitably draw upon empirical evidence, the processes outlined are not spatially explicit and could be occurring across the developed world to produce particular national, regional and local variations of after-Fordist political economies. As such, the aim of this chapter is explicitly to contextualise the UK experience of regulation and the particular policy responses to the globalisation of production. This will be done in a number of stages. First, I will outline the local UK policy context over the period 1979-2000. Characterised by Thatcherism and its enduring legacies, this period encapsulated a departure in political-economic thought away from Keynesian demand management towards a neo-liberal economic agenda. This in turn created the conditions for an adjustment in the role, both actual and perceived, for national and local government as a means to address the regulatory challenges of the 1980s and 1990s. As a consequence, UK governance structures have evolved to provide a version of Jessop's 'hollowed-out' or reorganised state, which produces particular configurations of power and co-operation from local, regional and national government structures.

These neo-liberal economic ideas introduced by Conservative governments have been taken up, indeed extended, by the New Labour government elected in 1997. In addition New Labour has invoked underlying philosophies of duty, obligations and work which together with essentially neo-

liberal economics have led to the cornerstones of 'Third Way' politics (see Blair 1997; Giddens 1998, 2000).

The moralistic philosophy of the Third Way has, by virtue of change in the state form, led to a re-emergence of the notions not only of rights for citizens but also responsibilities. This, I argue, is expressed in the three notions of:

- A 'stakeholder society' in which duty and responsibilities are framed by the moral obligations of state and citizen.
- A re-configuration of the welfare state as a means to ensure reciprocity of obligations.
- A strengthening of paid work as a key element of the state-citizen 'contract'.

These three elements have found a policy conduit through the development of New Deal and theoretical notions of Welfare-to-Work which draw upon US discourses and practices of Workfare. Such a focus on work and re-integration into the economic mainstream has, as will be seen in later in the chapter, been followed through into policy structures concerned with regeneration and CED. These policy structures, through their funding criteria and politically motivated ideas of what is desirable and attainable, have compounded the steering of third sector initiatives towards being arms of mainstream policy as opposed to being genuine alternatives to the orthodoxy. These policy shifts will be briefly summarised, to demonstrate the particular policy context in which TSEIs operate.

The UK Political Context 1979-2000

Margaret Thatcher's election in 1979 heralded a new attitude to the role of the state in British political and social life. This marked a shift from the post-war Butskellite consensus in which the role of the state was characterised by corporatist paternalism whereby the state mechanism could be a force for social engineering (see for example Culpitt 1992). The Thatcherite policies of the 1980s were enshrined in a philosophy that the state should no longer have a primary role to intervene in the economy but to enable and lubricate the

functioning of an entrepreneurial economy. Consequently, notions of citizenship and social obligation have undergone a period of revision, the welfare state is retreating (at least in rhetoric), and government at the local level has been under pressure from central government. This section will examine the political ideology behind these changes, and will study the new and changing roles for the third sector and local authorities as service providers in the after-Fordist state.

‘Rolling Back the State’ - Public Services Under Neo-Liberalism

The attack by New Right political and economic thinking upon the state mechanism in the 1980s was the first great shift in the government philosophy regarding service provision since the end of World War 2. The New Right ideas and their rhetoric which were “taken up, propagated and colonised by Thatcherism” (Wilding 1992, cited in Warrington 1995: 1342) have created a departure from the preceding post-war state trajectory. The speed and scale of changes in the welfare state have seen a great deal of academic debate across the social sciences, ranging from the Regulationist literature discussed above to literatures with a basis in sociology and politics (see, for example, Deakin 1987; Johnson 1990; Hills 1990; Lowe 1993).

The incentive for the onslaught by New Right thought against the state since the early 1980s was due to the perceived crises in the state caused by the burden it was placing on the economy. This notion achieved such an ascendancy that even before the election of New Labour, the ideological battle over the state had been won by New Right thought and as a result, the debate is now “dominated by the ‘logic’ of economic rationality rather than what mix of ‘social obligations’ ought properly to be supported by redistributive tax regimes”(Culpitt 1992: 2). This has been mirrored in the ‘new sociology’ (see Taylor-Gooby 1997) leading to a move away from a polemical debate of ‘left’ and ‘right’ to a reassessment of the role of the welfare state in the economic rationality-driven economy and society of the 1980s and 1990s.

Increasingly, the demise of the political and ideological basis of the post-war welfare state has led to new patterns in the provision of welfare services,

with the market and other providers playing an enhanced role. The basis for this lies in the notion of welfare pluralism (see Johnson 1987), also termed the 'welfare mix' (Rose 1986), or 'the mixed economy of welfare' (George and Wilding 1985). An essential element of this approach is the notion of *partnership* between statutory, private and third sector agencies.⁷⁰

The inclusion of the third sector reflects the fact that the partnership of public and third sectors in a context of welfare pluralism is regarded as a sign of 'best practice' in the new governance of the UK. This therefore has implications for the means of service delivery which has been given impetus by new policy mechanisms and the underlying political ideology of reducing the scale and scope of the state. Through a shift in thinking, 'good practice' authorities are now viewed as those that recognise and support voluntary sector input in two ways - delivering mainstream services on behalf of the local authority, and providing more socially-based experimental and complementary services which promote self-help and advocacy (Bemrose and MacKeith 1996). However, the practical implementation of this welfare pluralist ideal has led to criticism and the creation of the 'Shadow State' (Warrington 1995) in which the state and the third sector are interdependent through funding and contracts and yet are producing services without the accountability to the electorate (see for example Geiger and Wolch 1986; Wolch 1990).

Consequently, there has been a movement of some aspects of welfare provision away from local authorities and towards a broader set of institutions incorporating government departments, quangos and the third sector, resulting in third sector agencies becoming more centralised and more susceptible to policy-led development (Warrington 1995). Third sector agencies are therefore in danger of becoming the tools of government policy rather than acting as independent agencies, with funding dependent upon compliance with government dictats, priorities identified by local authorities, and performance and 'value for money' targets. As a result, Warrington (1995) concludes, welfare pluralism does not equate to the decentralised, flexible, efficient system envisaged by some authors.

⁷⁰ This was the state envisaged by the Wolfendon Committee of 1978, which was the effective forerunner of many of the ideas put into practice by the Conservative government of the 1980s.

The 'Enabling' Local Authority: New Roles for Local Government

In consequence, the pluralist welfare state requires the adoption of an 'enabling' role for a local authority in which services are organised and monitored, with direct provision of services carried out by other agencies. Such an approach was brought about by New Right thinking, and involved a radical revision of the role of the local state and the services it provides, particularly within a harsher funding climate (see for example King 1987).⁷¹ 'Enabling' was popularised during the Thatcher administration, with Nicholas Ridley a key proponent of the new approach. Ridley stated, 'the role of the local authority will no longer be that of universal provider'...'it is for local authorities to organise, secure and monitor the provision of services, without necessarily providing them themselves'...'authorities will have to act in a more pluralist way than in the past, alongside a wide variety of public, private and voluntary agencies' (Ridley 1990: 8, cited in Cochrane 1993: 69). However, to assume that this kind of thinking is purely the domain of Conservative governments is misplaced; Hill notes that, "In 1993 the Labour Party, in what was seen as a reversal of its previous position, stated that local councils did not have an absolute right to be direct providers and managers of services" (Hill 1994: 113). More recently, John Prescott, in the DETR working paper *Modernising Local Government* (DETR 1998c, subsequently published in full form 30 March 1999), states,

"Councils need to break free from old fashioned practices and attitudes. There is a long and proud tradition of councils serving their communities. But the world and how we live today is very different from when our current systems of local government were established. There is no future in the old model of councils trying to plan and run most services. It does not provide the services which people want, and cannot do so in today's world. Equally there is no future for councils which are inward looking – more concerned to maintain their structures and protect their vested interests than listening to their local people and leading their communities"(DETR 1998c; foreword by John Prescott).

The resulting pressures on local authorities to become enablers has had, as would be expected, uneven consequences. As noted above in the discussion

⁷¹ For a fuller analysis of the ideas involved in 'enabling' see Cochrane 1993, ch 4.

of the regulation approach, historical attitudes and political mediation have a great impact upon the actual mosaic of service provision types that are found in practice. Authorities, exercising the diminished autonomy available to them, have challenged and mediated such pressures to produce variable empirically observable results. The outcomes produced through intra-authority mediation and government pressures can be typified as points on a continuum encompassing ideal types at the extremities (Goodlad 1994). At each end of the spectrum are the extreme positions, which may be described as 'top-down' or 'interventionist' provision as opposed to 'bottom-up' or 'market-led' provision.⁷²

Bemrose and MacKeith (1996) note several Local Authority responses to the challenge of state-led provision. These form the ideal types against which actually existing authorities, formed through the mediation of central government pressures, will be analysed in the following chapter.

- **Cautious authorities** - who try to maintain traditional ways of doing things (often traditional labour authorities).
- **Responsive authorities** - who see disadvantages but try to make it work as well as possible for the locality.
- **Business authorities** - who have adopted a pragmatic managerialist approach.
- **Residual authorities** - who aim to contract everything out, often through competitive tendering (tend to be New Right authorities).

Adapted from Bemrose and MacKeith 1996.

What does 'enabling' mean for the role of the voluntary and third sector groups in Britain? 'Contracting out' and 'Compulsory Competitive Tendering' (CCT) are phrases synonymous with the welfare-pluralist perspective, and these involve the officially sanctioned formalisation of a producer-consumer relationship of provider and enabling authority. As part of this, the third sector has in some cases effectively become integrated into the statutory sector. This

⁷² For a fuller discussion of the role of 'bottom up' forces in local government relations in the UK, see for example Harding 1990; Roberts, Russell, Parkinson and Harding 1994; Bailey, Barker and McDonald, 1995.

move towards enabling can be seen to be by-passing the local authority, although it still remains a key player in service delivery. As a result, a new relationship is being brought about between local authorities and the voluntary sector formalised by the 1998 *Compact* (Home Office 1998). In terms of CED, this development of the third sector and funding creates a new institutional framework in which key third sector players and institutions must operate.

‘New’ Labour?

This transition from Thatcherism has been marked not by discontinuity but by a continuation of neo-liberal economic thought. However, the re-launch of the Labour Party as ‘New’ Labour in the mid 1990s (Brivati and Bale 1997) and the subsequent landslide victory of May 1997 has heralded a new era in British politics in which the roles of the state, economy and society as envisaged over several decades of Labourist thought have been extensively revised. Key to this revision has been the ideological shift away from socialist ideas of ‘Old Labour’ couched in a corporate state [the ditching of clause IV, reduced union rights, Keynesian economic policy] towards a new conception of the state within a social democracy as part of a globalised, post-welfare environment of the late 20th century and the early 21st century.⁷³ Etzioni (2001) sums up the Third Way philosophy by stating that its “central tenet is that both the state and the market are part of the solution, that each has a significant and legitimate role to play, and that they need to co-operate rather than constantly be at loggerheads” (Etzioni 2001: 25).

The acceptance of globalisation, and its constituent trends as ‘fact’, places the Third Way and its philosophical underpinning (most notably Blair 1997, Giddens 1998, 2000) at the head of a potentially distinct regulatory environment. This section will examine the central tenets of the Third Way as a normative response to these perceived globalisation forces, and will present an analysis of their impact on localised institutional structures and the social economy.

⁷³ Kendall notes that, “The Labour Party’s revision of Clause IV was in part a ‘revisionist’ strategy in response to post-Thatcherite conditions, consciously engaged upon in order to persuade the electorate that they were dealing with *New Labour*” Kendall (2000: 555, emphasis original).

The 'Third Way'

The economic stance of the Third Way, rather than taking a radical departure from the previous Conservative government, encompasses a continuation (or indeed an extension) of Neo-liberal ideology. This commitment therefore problematises the ideological distinctiveness of the Third Way as a philosophy. However, in contrast to the period 1979-97, the normative stance of the Third Way towards the maintenance of Neo-liberal hegemony is explicitly counterbalanced by a regulatory stance based on the crucial notion of social cohesion rather than social inclusion (and therefore implicitly the focus on social exclusion). It is this 'welfare-tempered Neo-liberalism' (Levitas 1998) which provides the economic-social-political nexus of the Third Way.

The Neo-liberal economic ideology of the Third Way, as with Thatcherism, maintains the dominance of the private sector and capital as the key engine of wealth and job creation. As such, the acceptance of the globalisation of economic activity is met head-on as a challenge and opportunity for the after-Fordist economy of the UK. It is this renewal of state activity along social-democratic themes - or the permanent revisionism as referred to by Giddens (1998: 4) - which has led to a reworking of the roles and responsibilities of state and civil society as crucial to the philosophy of the Third Way.

Giddens' proclamation that the state should no longer tolerate people who achieve rights without responsibilities (1998: 65) denotes the ethical and moral principle of the New Labour/Third Way politics. The 'stakeholder society', which was introduced by Hutton (1995, 1997a; see also Field 1996), suggests that the moral imperative to tackle deprivation and social exclusion as a means to social cohesion is key to the New Labour agenda. This represents a 'spiritual journey' (Cameron 1999) in which responsibility lies at the level of the state to produce a coherent nexus of state, economy and society which has been absent from UK political debate. Deacon (2000) refers to the ethos of New Labour as representative of a wave of 'Anglicanised communitarianism' which draws heavily upon the philosophies extolled by John MacMurray (see for example Heron and Dwyer 1999). Such an ethos is couched within the notions

of duty, responsibility, reciprocity and, through extension, *order*.⁷⁴ Blair (1996) states:

“At the heart of everything New Labour stands for is the theme of rights and responsibilities. For every right we enjoy, we owe responsibilities...You can take but you give too. That basic value informs New Labour policy” (Blair 1996, cited in Deacon 2000: 11).

The target in this moral crusade is not the neo-liberal economic agenda (as noted above) but the structure of the welfare state as a perceived disincentive for individuals to take responsibility. As a legacy of the post-war regulatory framework, in the minds of New Labour philosophers it is inextricably linked with Keynesian welfarism, and its perceived legacy of welfare dependency. As such, the welfare state has undergone significant re-evaluation as New Labour demonstrates its commitment to ‘think the unthinkable’ as it entered office in May 1997 (Deacon 2000: 6). This demonstrates a determination to remove New Labour from the shackles of the institutional blockage perceived to be created by the Titmuss paradigm which produced a commitment to “unconditional, non-judgemental welfare” (Deacon 2000: 9).

Furthermore, the creation of the Social Exclusion Unit in 1997 signalled the determination of New Labour to set out its agenda in dealing with the problems of the ‘socially exclude’. However, such an emphasis on social exclusion has significant moral and ethical considerations in this area of work. Loury (1999), outlining considerations of social exclusion in the context of ethnic groups, notes that “a cursory review of what has been written under the rubric “social exclusion” over the past five years reveals that normative matters are the primary concern of those invoking this concept. What we have in “social exclusion” is a loaded term. How could “social exclusion” possibly be considered a good thing? Doesn’t everyone want to see less of it? Indeed, using the term can be, in itself, a political move – a bid to define the debate in such a way as to privilege more progressive, “inclusive,” and socially democratic

⁷⁴ These concepts, it could be argued, are elements of the unifying rationale of theories discussed above regarding social capacity; these notions have been appropriated under New Labour to provide an underlying philosophical basis to the Third Way. However, despite this philosophical rationale, Etzioni (2001) notes that taking responsibility is something “which Blair has often pointed to, here and there introduced, but not quite led the British people truly to embrace, with his top-down government and stress on efficiency” (Etzioni 2001: 26).

policy. Concerns about the status of ethnic minority groups, immigrant populations, unemployed workers, women, and indigenous peoples fit nicely into this paradigm of thought. This observation is in no way intended to signal a lack of sympathy for such political programs. I merely seek to point out that, if one undertakes to provide a thorough analysis of the concept of "social exclusion," then one must attend to its rhetorical as well as its social scientific dimension." (Loury 1999:1).

Defining social exclusion is difficult, in that if it is not done merely by labour market exclusion, the associated effects upon family, skills, motivations and political activity are not counted by market prices. Most crucially, social exclusion has multiple, context-dependent meanings; as such it had potentially dangerous effects. I am therefore wary of the situation which has been engendered by the use of social exclusion to categorise localities or people. The very focus of attempts to redress such a perceived situation may serve to stigmatize further.

Furthermore, the key idea to be outlined here is *who* regards someone as being socially excluded. This is not necessarily the 'socially excluded' themselves; indeed it may be the case that other measures may lead to an activation of feelings of inclusion as opposed to exclusion. Those who are excluded may well not be overly satisfied with their stigmatisation in such a way, other than to benefit from the affirmative action which may come their way. Loury (1999) notes that, while affirmative action may benefit a number of marginal members of a group categorized as socially excluded. However, they may also further sideline those who 'fail' despite affirmative action, thus adding to the stigmatization of their 'exclusion'. In contrast, broader policies which do not target may have the beneficial impacts without some of the potential negatives of current policies to deal with social exclusion.

By restructuring welfare in a manner consistent with its Christian Socialist ethos, New Labour is attempting to redefine the contract with society while maintaining contact with the 'old' Labour traditions of solidarity and equality (Deacon 2000: 11). The notion of a new contract, symbolised by the 1998 green paper, *A New Contract for Welfare* (DSS 1998) attempts to further a policy framework which exerts strong moral obligations on the part of both

government and governed.⁷⁵ It is within this framework that there has been a reinvention of paid work as the means to full citizenship (Cameron 1999). This siting of the work ethic as a key element of the Third Way will now be discussed as a product of the neo-liberal political agenda coupled with the historical evolution of the concept of work.

New Labour and Work

The conceptions of both wage labour and work underwent significant change in the late 20th century. There has been a shift in the organisation of production, away from the Fordist mass-production era towards the complex, multi-layered mode of accumulation of post-Fordism (Amin 1994). Alongside structurally produced unemployment, job insecurity and the general casualisation of much employment, there is a movement toward the knowledge-intensive sectors involved in finance, engineering and the higher services. These pressures are combined, and indeed overlaid on each other, to create the industrial and social systems of Western capitalism in the late 20th and early 21st centuries.

Pahl (1988: 1) notes that, "the world is as much dominated by the need to work as it has ever been". In particular, *paid* work has retained its dominance as the primary basis of social organisation. While quality jobs are becoming relatively scarcer, government policy retains its emphasis on paid work as the principal means by which people are included and identified as parts of mainstream society. The New Labour government's focus on social exclusion therefore regards the labour market as the key element of integration, cohesion and hence *inclusion*. Similarly, the New Labour Government's 1998 *New Contract for Welfare* states that the government's aim is "to rebuild the welfare state around work". It goes on to state that, "For both individuals and families paid work is the most secure means of averting poverty and dependence except, of course, for those who...cannot realistically support themselves" (DSS 1998:

⁷⁵ Kendall (2000) employs Kingdon's (1995) notions of policy, problem and politics streams to suggest that the policy and political streams were must more interconnected in terms of the compact, thus delimiting an inherently *political* project. Viewed through the lens of governmentality, this represents not only a formalisation of the sector through the policies, funding frameworks and types of initiatives funded, but also through the broader application of the technologies of government in terms of the accountability criteria and the acceptance of the mainstream role of the voluntary sector in itself (See also Morrison 2000).

23). As such, the work ethic espoused by government privileges paid work as the key route for inclusion into society and hence as inherently more valuable than other forms of work.⁷⁶

The implication of the New Labour government's 'work first' agenda (Peck and Theodore 2000) as a cornerstone of the New Labour contract of state and citizen will now be elaborated upon. The implication of this neo-liberal economic agenda, allied to a belief in the philosophy of work, has been key to the development of the New Deal as one cornerstone (in rhetoric at least) of the New Labour administration's policy framework. Such a confluence of neo-liberal economics and a work-oriented moral framework draws heavily upon the welfare edicts of the USA. As such I intend to introduce the theoretical/philosophical background to Welfare-to-Work, before critically examining the success and failure of New Deal, both implied from US studies and through early British studies.

Welfare-to-Work, Workfare and the New Deal

The (perceived) crises in the post-war mode of regulation have become evident since the 1970s and have led to a reassessment of government policy towards unemployment and welfare in the 1980s and 90s. In the context of a reorganised or 'hollowed out' state system (Jessop 1994b),⁷⁷ there has been a reappraisal of the contract between state and citizen, with the obligations of citizen to state becoming framed in terms of *paid* work a key inclusionary element. As a result of this, Welfare-to-Work, the broad term used for the current set of strategies aimed at reducing welfare dependency and moving people into work, has been at the forefront of British policy with the introduction of the 'New Deal' for young unemployed and in America for the so-called 'workfare' schemes.

Workfare⁷⁸ has now taken on a meaning in policy terms to include "as a condition of income support...the requirement that recipients participate in a

⁷⁶ As will be seen later, this potentially presents a tension with New Labour's proclamations regarding the value of the voluntary sector, except for the fact that it has introduced, through the compact with the voluntary sector, a sense of market discipline into the operations of the third sector.

⁷⁷ See chapter 3.

⁷⁸ The *Dorsey Dictionary of American Government and Politics*, according to Shafritz (1988: 595) defines workfare as "any public welfare programme that requires welfare participants to work (work+welfare=workfare) or to enrol in a formal job-training program" (cited in Peck 1998b).

wide variety of activities designed to increase their employment prospects” (Evans 1995: 75; cited in Peck 1998b). The evolution of such schemes has been a long drawn-out process, with the basis primarily in the notion of ‘welfare dependency’ which was a central part of the rhetoric and political project of the Thatcherite attack on welfare provision during the 1980s and which has continued in the 1990s. This section will attempt to define the key elements of such schemes, focus on their claims to success and critically examine how their introduction will affect the welfare systems and labour markets of the future.

Welfare-to-Work: Theory and Evolution

In the *after*-Fordist, service-led economies of the 1990s, Welfare-to-Work has, through a series of discursive struggles dominated by the neo-liberal economic policies of the UK and the US, come to represent the dominant post-welfare alternative. The politics and rhetoric of welfare reform has meant that, “old discourses of needs, decency, compassion, and entitlement have been discredited, while ‘new’ (or more accurately reworked) discourses of work, responsibility, self-sufficiency, and empowerment have been forcefully advanced” (Peck 1998b: 133; see also Cox 1998).⁷⁹ This rejection of the dominant place of public welfare (Jacobs 1995) represents a repoliticisation of the welfare agenda away from the post-war settlement in the UK, and particularly in the US where there has been a fanatical espousing of values of duty, hard work, incentives and empowerment whilst remaining tough with those who are opposed to welfare reform (O’Connor 1998; Peck 1998b). In contrast, such rhetoric has been less evident in Europe, or at least its expression has been less explicit: Peck (1998b: 134) notes that the notion of ‘workfare’ remained almost taboo until recently in European social democracies. UK politicians have been similarly coy and inexplicit regarding the true nature of welfare reform in Britain until New Labour’s declaration to be a ‘Welfare-to-Work government’. Thus, compulsion, long resisted by the political left in the UK, “has since the 1997 general election become a central plank of the Labour

⁷⁹ The emergence of Welfare-to-Work as an economic concept has, according to Peck (1998b), its roots in a speech by Richard Nixon in 1969 in which he states, “in the final analysis, we cannot talk our way out of poverty; we cannot legislate our way out of poverty, but this nation can work its way out of poverty. What America needs now is not more welfare but more ‘workfare’” (televised speech, Aug. 1969; Nathan 1986: 107).

government's (US-inflected) 'rights and responsibilities' approach to social and employment policy" (Peck and Theodore 2000: 121).

Consequently, Welfare-to-Work seems to have won the debate over the path of welfare reform into the 21st century. Welfare-to-Work has its theoretical grounding in two main themes: the notions that unemployment makes people less employable and the notion of welfare dependency restricting the incentive to work (Turok and Webster 1998). The thesis that experience of (particularly long-term) unemployment creates a barrier to re-entry into the labour market has been put forward by Budd et al (1988) and Layard et al (1991) and forms the central ideas of the Riverside project studied by Peck (1998a) and Peck and Theodore (2000). This suggests that through factors such as the depletion of skills, the relaxing of the work ethic, stigmatism related to long-term unemployment and less intensive job searching, people become detached from the workforce: the so-called 'withering flowers' theory (Turok and Webster 1998: 311). In contrast, evidence from Machin and Manning (1999) and Webster (1997) suggests that it is an erroneous assumption to distinguish the long-term unemployed from the unemployed in general, as changes in the labour market lead consistently to changes both in the short and long-term unemployment rates.

Second, and perhaps more persuasive in terms of the rhetoric of welfare reform, is the notion of welfare dependency. This suggests that the structure of the tax and benefits regime acts as a disincentive to people re-joining the labour market (Layard 1991). Prevailing explanations of the causes of poverty and unemployment have therefore been reformulated in supply-side terms as problems of dependency, low motivation and inadequate employability (Peck and Theodore 2000) such that the system is perceived to foster a durable 'welfare culture' (Gilder 1993: 135, cited in Peck 1998b: 133). This entrenchment of a culture of dependency (HM Treasury, 1997; cited in Turok and Webster 1998: 312) and the subsequent 'replacement ratio' theory suggest that higher benefit levels relative to the net level of wages will reduce the incentive to work. Consequently, we see the ascendancy of the Anglo-American 'work-first' model based on "a series of active measures, such as assisted job search, mandatory 'workfare' programmes, short-term work preparation and the threat of benefit withdrawal which are designed to propel welfare recipients into

the labour market as rapidly as possible" (Peck and Theodore 2000: 120). As such, the policy response has been primarily to employ the 'stick' of reducing the level or duration of benefits to retain the incentive to take jobs, whatever they may be (see Peck 1998a).

Welfare-to-Work Schemes: Practices, Successes and Failings

Welfare-to-Work schemes vary as to their size, scope, the opportunities they offer and the penalties they may impose on non-participants. The genuine value of such schemes as a means of facilitating economic development and social inclusion is questionable due to the poor quality of jobs which are entered into and their influence in pushing down labour costs and perpetuating poverty, even in work.⁸⁰ Consequently, the promotion of cost as the sole means to measure success leads to a demotion of the creation of less tangible assets of social capital as conceived by Putnam (1993) and others to minor elements of economic success. The ascendancy of the Welfare to Work/Workfare model is primarily vindicated by the implementation and analysis of such projects within a [neo-classical] cost-led evaluation paradigm. Again, this is an endorsement of the human and economic value of the work ethic as key elements in social capital not addressed by European-based authors, but falls well short of a potentially inclusive social order suggested by Amin (1999).

Crucial to the success and/or failure of Welfare-to-Work is the geography of new work opportunities in relation to the geography of target groups.⁸¹ As such, it is those areas with the greatest degree of unemployment which will require the greatest number of vacancies under the New Deal (Turok and Webster 1998). However, in July 1997 there were 3.3 job centre vacancies in the South East for every potential New Deal participant, whereas in the North there were just 1.4 vacancies per New Dealer. It is the declining, de-industrialising areas (for example the North-East of England, Merseyside and

⁸⁰ Peck's exposé of the Riverside project in America suggests that Welfare-to-Work in this form "speaks to the politics of poverty, not its underlying causes" (Peck 1998a: 540; see also Katz 1989).

⁸¹ In the UK, the concentration of youth unemployment is such that of the 18-24 year old group targeted by the first wave of New Deal, half are in 18 of Britain's local authority districts, most of which are urbanised and to the North and West of the country (Simmonds and Bewick 1997; Peck 1998c: 14). New Deal has now been extended to over 24s and over 55s.

South Wales) where there is already a surplus supply of labour that New Deal will struggle to create *new* work for participants.

Therefore, despite the additional funding which is allocated under the new deal to target groups⁸² the geography of such target groups is similar to that of unemployment itself. As a result, the emphasis of the New Deal on areas which already have an excess supply of labour will have the impact of 'churning' of people into and out of temporary projects and work placements, thereby re-ordering the labour market by propelling those who are job ready into work (Peck and Theodore 2000), with no lasting reduction in unemployment (Turok and Webster 1998: 325). The New Deal therefore "seems consequently destined to run up against the structural constraints of demand deficiency in the labour market...In depressed, areas, the New Deal may consequently raise employability without raising employment" (Peck 1998c: 17; see also Peck 1999).

This points to one of the most significant problems of Welfare-to-Work schemes such as the New Deal, and which have been identified in its forerunners: the Youth Training Scheme (YTS) and Job Seeker's Allowance (JSA). Put simply, Welfare-to-Work can perform well in buoyant labour markets when the job-creation capacity of the economy is strong; in times of recession or labour market shrinkage, the New Deal is at best ineffective and at worst responsible for forcing participants into unsuitable and unsustainable jobs. In consequence, Welfare-to-Work projects such as New Deal are 'fair weather' policies. Peck (1998c) notes that, "should the economy begin to slow down, the situation would become very different. And under conditions of recession, Welfare-to-Work in its current form would soon be discredited, finding itself caught, just as the youth programmes of the 1980s did" (1998c: 8). Peck's conclusions from such findings is that Welfare-to-Work schemes are heavily sensitive and dependent upon labour market conditions, with the private-sector emphasis on New Deal making it particularly reliant on the dynamics of the local economy.⁸³ As such, local economic, political and institutional factors will play a significant role in determining the success or otherwise of New Deal.

⁸² Youth unemployed, long-term unemployed, long-term sick, lone parents and partners of the unemployed - roughly £58 million, or 1% of the total budget of the new deal).

⁸³ For information on the US experience of workfare, see Deavers and Hattiangadi (1998); McCurrer and Sawhill (1997).

While New Deal may struggle to cope with the necessity for demand-side intervention to ease the acute shortages of jobs in depressed areas, the emphasis on the reduction of welfare payments has continued. Hutton notes that such policy objectives cannot be reconciled in the context of anything but a buoyant labour market. He states:

"It is not moral fecklessness and high marginal tax rates for those beginning work that are generating worklessness in places such as Merseyside, Strathclyde and Tyneside. It is the local economy that has disintegrated - there is no work. Poverty in these areas is not caused by the welfare state; rather it is the inadequacy of the welfare state that is causing poverty...cutting benefits, counselling the unemployed and offering job subsidies to private-sector employers in these parts of the country as a 'welfare-to-work' programme are thus foredoomed to failure. There are too-few private sector employers to take up the subsidy, so there can only be a minimal increase in work. Poverty will rise, not fall" (Hutton 1997b: 22).

Current employment initiatives, typified by punitive supply-side regimes such as Welfare-to-Work, have been primarily assessed by the number of unemployed persons who have been (re)incorporated into employment in the formal economy through a variety of training schemes and employment subsidies. As noted above, the quality of work provided has been typically characterised by low pay, flexible hours and precarious short-term contracts and as such its economic, social and environmental sustainability has been questioned (Peck 1998a). Indeed, the marked lack of quality job opportunities provided through government schemes may, as a result of long hours, low pay and precarious employment conditions, contribute to social exclusion and family break-up as much as does unemployment itself (Mingione 1991). If, as seems likely, current economic structures preclude Welfare-to-Work schemes from creating adequate numbers of quality jobs within the UK, alternative methods of work creation, which could have different social and environmental goals need to be considered (Hudson and Weaver 1997). However, this approach will be difficult within the dominant policy situation, in which,

"the apparently relentless drift towards 'work first' workfare systems is not an inevitable or pre-ordained consequence of structural economic conditions, nor is it a straightforward outcome of the will and wiliness of neoliberal political elites. But it must be acknowledged that the manifest political attractiveness of such approaches to a range of centre-left and right-wing governments - coupled with their apparent 'fit' with deregulated, flexible labour markets - seems to be stacking the odds in favour of workfarist developments at the present time. 'Work first' programming is emerging as a social-policy complement to the aggressive orthodoxy of neoliberal labour market policy, the strategy-of-choice under

conditions of welfare retrenchment and *laissez-faire* macroeconomic management" (Peck and Theodore 2000: 135).

Since the New Deal tends to focus upon the rehabilitation of unemployed people within the structures of the formal economy, it may therefore be omitting areas of work which have socially useful outcomes but which do not fit well with the target of rehabilitating people within the formal sector workforce. The New Deal, being a one-off project, is unlikely to be able to support non-formal sector activities. Its structure, according to Turok and Webster, "tends to militate against work-experience and training projects engaged in socially useful activities in the environmental, health, social work and related fields - that might otherwise have important attractions - unless they can be converted into self-financing enterprise generating income from beyond their areas" (Turok and Webster 1998: 327). However, if as the evidence suggests there is not enough quality employment for all those wishing to participate in the workforce, there is a need to look towards the third sector as a source of work and employment which can have diverse social, environmental and personal benefits.

CED as a Response to New Deal? Policy Frameworks and Outcomes

As a response to the failings of New Deal and its predecessor in the Youth Training Scheme (YTS), CED has developed in the UK as a means to develop an alternative form of economic development for economically depressed areas. However, I suggest that the New Labour focus on paid work has the influence of steering the policy framework around CED towards a formal sector-oriented system which differs significantly from the 'alternative' notion which corresponds to the ideas of Birkhölzer (1998). Williams et al (2001) suggest that, "In this sense, the third sector is an essential supplement to the current 'making work pay' policy agenda...The role of the third sector is to both provide these additional job opportunities and improve employability by helping people to maintain and acquire skills, develop self-confidence and self-esteem" (Williams et al 2001). The acceptance of neo-liberal ideologies has, through the nature of the policy process, therefore led to particular configurations of community development funding regimes which have

narrowed the potential for radical alternatives to the formal sector as a means to deliver solutions to the unemployment problems of economically depressed communities. Allied to this, the predominant governmentality evident as a key strand of government attitudes to policy formation in the 1980s and 1990s (Rhodes 1997) has produced a dominant managerialist policy context in which CED operates.⁸⁴ This governmentality, I suggest, produces two intertwined outcomes which are directly relevant to the discussion of TSEIs undertaken in the next two chapters. The first is the funding regimes behind CED from the national government level. Through an emphasis on marketisation, the policy process produces tight parameters through which funds are allocated to potential CED initiatives. This consequently impinges upon the nature of initiatives which are pursued. Second, the competitive nature of 'Challenge' funding reflects the shift in central government attitude towards local authorities as well as representing the shift from government to governance as local authorities are bypassed as the direct administrators of urban regeneration. Taken together, these two strands lead to a particular national framework which influences the development of TSEIs. Through the production of policy frameworks and institutional dynamics, national-scale forces are key to the understanding of local pressures which will be assessed in chapters 7 and 8.

CED in the UK

In this section, I will outline the key national policies and structures which have influenced the development of CED over the past 15-20 years. Concentrating on the Single Regeneration Budget (SRB) as a key regeneration policy,⁸⁵ I will suggest that the structure of UK regeneration militates against radical and experimental initiatives, despite the interventions of those involved in initiatives wishing to promote genuine alternatives. I also suggest that the dominant governmentality leads to the development of partnerships which are dependent upon regimes consisting of local authorities and privileged partners

⁸⁴ Foley (1999), drawing on Walsh (1995), suggests that the public managerialism of the 1980s and 1990s had two strands, of which the first was based on "industrial production engineering techniques emphasizing objective setting, targets and performance indicators. The second was based on... the primacy of market-based coordination with its emphasis on competition" (Foley 1999: 813).

⁸⁵ Whilst regeneration encompasses a number of physical and other projects, a significant number of CED projects have been attempted within the framework of broader regeneration strategies. As such, I feel it appropriate here to study regeneration in general.

(as suggested by regime theory). As such, the combined pressures of globalisation, through the UK government's focus on work and the ladder to return to the mainstream, have an influence on the potential direction of CED in the UK. Significantly, this not only influences the types of initiatives but also their chances of survival due to the nature of support from interested agencies.

It is not my wish here to study in depth the numerous policy measures which contribute to the funding and institutional environment for TSEIs in the UK. However, it is important to note that funding regimes operate at different spatial levels to produce a complex and overlapping policy context. At the European level, the attribution of European development status to areas of the UK has significantly influenced the policy environment. Most notably, the granting of structural fund status 2b and 5 to parts of England (including the North-East) has added an extra tier of funding for TSEIs and regeneration projects. In Spring 2000, Objective One status, which was already granted to Merseyside, was granted to South Wales and South Yorkshire. This has opened up a new source of funding for capital projects and more recently community development-oriented initiatives. Alongside this, a number of EU-originated, sector-specific projects have been influential in shaping the CED agenda and the types of pilot projects involved in this.⁸⁶ Most crucially, the availability of funding has led to a tailoring of the types of initiative which emerge, towards the priorities of the funding providers. How these programmes influence the particular regional contexts of North-East England and South Wales will be seen in chapters 7 and 8.

At the UK level, a great deal has been written about the form and implications of regeneration funds and in particular *Challenge* funding (see for example Walsh 1995; Ward 1997; Foley 1999). Key to this discussion are Single Regeneration Budget (initiated in 1994 with the SRB Challenge Fund) and City Challenge (1991) which since their inception have been the dominant funding streams amongst numerous strategies (see for example the National Lottery, Urban Task Force, Coalfields Regeneration etc).⁸⁷ Hall (2000) notes that Challenge funding had become an important aspect of public policy in the 1990s in that by 1997, there were fifty-six competitive funding regimes, holding

⁸⁶ See for example the ERGO, PETRA, LEADER schemes initiated by the EU in the 1990s.

⁸⁷ For a full list of challenge based funding, from 1984-97, see Foley 1999.

£3.4 billion and administered through twelve government departments and agencies. Table 6.1. summarises the reasons behind Challenge funding put forward by the Treasury in the Challenge Handbook (1996).

Table 6.1 The Key Benefits of Challenge Funding

- A. Cost savings.
- B. Better value for money.
- C. Reduction in bureaucracy.
- D. Involvement of those with direct knowledge of a subject or area.
- E. Ensuring funding is used efficiently.
- F. More innovative solutions.
- G. Levering-in private finance.
- H. Drawing on private sector and other skills, in particular those of management.

Adapted from HM Treasury Challenge Handbook, (1996: 6-7)

However, evaluation of individual SRB projects and groups of projects has suggested that the claims for such benefits are being both misplaced and unfulfilled (see Foley 1999; Hall 2000; Brereton and Temple 1999; Brennan et al 1999). However, in this context I wish to examine most closely the impact of Challenge funding on the dynamics of the boundary between the institutions of the third, private and state sectors.

Crucial within the set-up of SRB has been the role of Government Offices of the Regions (GoRs). Hall (2000) notes that GoRs have the role of extending the influence of central government in the regeneration sphere due to their primarily administrative role in SRB competitions. Since final decisions are made by ministers, GoRs act merely as agents for central government and thus have extended central government influence into localities (see Stewart 1994; Hall 2000). While New Labour has altered the focus of SRB and City Challenge towards the most needy communities and promoting 'community' involvement, Hall (2000) suggests that a continuing institutional tension between GoRs and the new RDAs will create new problems. The resulting focus upon regional scale institutions as the conduit for regeneration funding has meant that, "the government, in this respect, has missed an opportunity for achieving the 'new localism' in local regeneration policy and renewed

confidence in local authorities that characterised its pre-election rhetoric” (Hall 2000: 13).

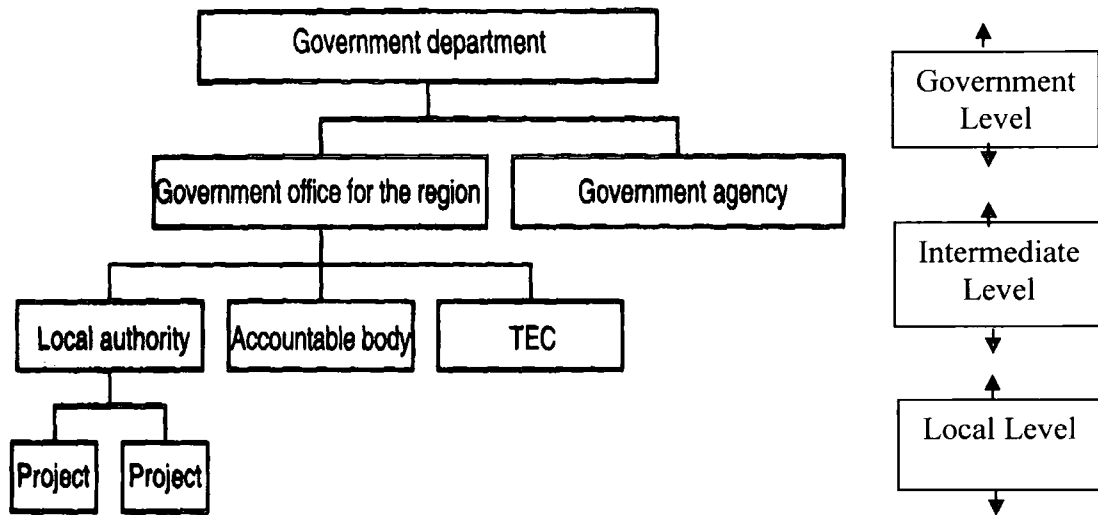
Alongside GoRs, the special cases of Wales and Scotland have been highlighted by the devolution of some powers to the Welsh Assembly and the Scottish Parliament in 1998. This has initiated debate over the potential of these institutions to shape regionally-defined policy contexts by challenging central government policy and utilising their degree of autonomy in the attribution of funds for CED.⁸⁸ How these institutional arrangements influence the context for TSEIs will be seen fully in the following chapter.

Foley (1999) suggests that such schemes create new flows of accountability which differ from the traditional accountability of a local authority through the electorate. Challenge funding (in its SRB form and in many other cases) requires an accountable body to be stipulated which oversees and administers funding. This therefore shifts the onus towards non-statutory bodies at the local level, and also to the Regional Development Agencies (RDAs). The consequence of this is a tightening of the regeneration agenda at the local level along the government policy line, and, as suggested in chapter 3, within a particular governmentality which privileges and justifies neo-liberal style solutions to the problems of ‘excluded’ communities. While there has been an evident shift away from the local authority as the sole arbiter of regeneration and community economic development policy, there has been an apparent parallel reassertion of the strength of central government through competitive funding. As such, I therefore suggest that there is a need to assess the manner in which government employs Foucaultian technologies to reinforce control over the regeneration process. Consequently, there is also a need to analyse the external institutional influences on the TSEIs within this narrowly-defined and controlled policy environment.

This is not to suggest that CED is completely controlled; instead, the boundaries within which TSEIs operate are more restrictive due to the criteria presented by government. Despite this, government power is mediated and challenged through partnerships and multi-agency working at a number of scales (see fig.6.1).

⁸⁸ SRB was never attempted in Wales; other challenge funds were established or administered by the Welsh office such as the Strategic Development Scheme (SDS).

Fig 6.1: The Funding Structure and Accountability Stream for SRB
(adapted from Foley 1999: 819)



Drawing on regime theory, there is therefore a need to analyse how partnerships emerge, what imperatives are brought to such partnerships, and the implications of the presence of each partnership for the institutional environments in which TSEIs operate. This will have consequences for the types of institutional support available to TSEIs, the development of particular forms of CED schemes to revitalise local economies, and the utilisation by lead partners to influence the third sector agenda in a locality under the auspices of the partnership. Power relationships within such partnerships are by no means equal and as such Hall (2000: 9) puts forward a 4-point typology of partnerships:

- *Shell partnerships* when involvement of non-leading agencies was nominal
- *Consultative partnerships* when the partnership was strongly controlled by the leader but other partners were consulted about the bid and permitted to make changes at the margin
- *Participative partnerships* when partners had often gained equal access to the decision-making mechanisms and frequently shaped policy priorities
- *Autonomous partnerships* when all partners had equal access and mechanisms existed to ensure genuine and sustained involvement.

One consequence of this typology is to suggest that 'genuine' partnership is a difficult and rarely achieved goal when initiated by government funded regeneration schemes. In contrast, a belief that partnerships are more an exercise in window dressing by the lead partner (often a local authority) to accede to the requirements of funding has been keenly held. As such, in the majority of partnerships, "the term corporatism does not seem appropriate, as these (often officer-dominated) partnerships were detached from both the local electorate and local communities of interest" (Hall 2000: 10) and these partnerships should therefore be referred to as 'local managerialist' or 'local statist' (Collinge and Hall 1996). Consequently, the local state has a role in, and indeed power over, the regeneration process despite suggestions that the centralised government had eroded the power of the local state. Exactly how this governance structure and the power relations of the local state and community via the context of CED influences the development of TSEIs will be shown in empirical analysis in the following chapters.

Conclusions

This chapter has outlined the political-economic trajectory of the UK in the period 1979-2000 to provide an understanding of the policy context in which TSEIs operate. As has been shown, the Thatcherite philosophy dominating the 1980s has, I believe, led to a significant shift in the policy context for TSEIs. Conservative governments of the period 1979-1997 initiated a reappraisal of (or indeed attack on) the institutions of local government, marking a shift from a conceptualisation of comprehensive service provision towards one of 'enabling' in which there are a number of providers in a system of 'welfare pluralism' which is directed through multi-agency governance in partnership. Recent evidence also demonstrates the continued predominance of a neo-liberal economic ideology, allied by New Labour to a distinctly moralist political conviction. The policy consequences of this ascendancy has been the establishment of work as a key element in the state-citizen contract, which has been re-written. This, I contend, has consequently manifested itself in the New Deal programme in which the state re-draws its obligations and responsibilities to its citizens in a new language of reciprocity.

These elements have combined to produce the government's policy on regeneration which, through its key conduits of City Challenge and SRB, has produced the policy framework for a significant number of CED initiatives. These policies emphasise partnership working within a tightly controlled framework to target funds at communities which are perceived to be deprived.

Overall, the evidence suggests that the state has become both more centralised and regionalised, with power moving away from elected local government as part of the reorganisation of the state and the move from government to governance. However, alongside this there has been an acceptance of the third sector, but primarily as an accompaniment to the formal sector. As such, policy tools rely keenly on the mainstream as a key conduit for regeneration activities. The consequence of this, I believe, is the narrowing of the parameters for CED, producing a limited political-economic structure within which success and failure are judged. Such a narrowing therefore limits the scope for micro-scale decision-making to determine the needs of a community and act accordingly to produce locally- appropriate solutions which fall outside the boundaries of the funding criteria. In the following chapter I will explore empirical evidence from North-East England and South Wales of how these forces are reconciled between scales, sectors and individual and collective ideologies to produce the context for success or failure of TSEIs.

Chapter 7

Social Capital and the 'External' Influences on TSEIs.

Introduction

The key theoretical questions raised in chapters 1-6 now require tackling at the empirical level. Chapters 7 and 8 will split the empirical evidence gathered from fieldwork into two broad sections - first the 'external' environmental influences on TSEIs (chapter 7) and second the 'internal' management (chapter 8). While acknowledging that this structure analytically separates often interwoven processes, this provides a space in which to ground the theoretical analyses in a real-world context. These chapters seek to draw together a set of diverse narratives which have emanated from the case study research to present a coherent single narrative of the key factor influencing TSEIs. The resulting features which come to the fore will be analysed most notably through the lens of Healey et al's (1999) notions knowledge assets, relational assets and mobilisation capacity. I will also seek to draw upon the diverse set of literatures in chapters 2-4 as a tool to conceptualise the empirically observed features of TSEIs and their environments. The task here is essentially to tease out the key influences upon the success or failure of TSEIs, moving away from a notion of culture and interpersonal relations as a 'black box' concept in an attempt to specify more grounded local attributes.⁸⁹

Chapter 7 will firstly deal with the regional contexts of the case studies. This will examine the case made within the literatures outlined above for a particular 'social capital' of each region, primarily grounded within its industrial heritage and characterised by the industrial, political and social framework which has influenced the regional trajectory. This historical reading of the

⁸⁹ This reflects what Michelle Lenton Johnson, of Rhondda Cynon Taff County Borough Council, defines as an "X factor- some places have it, some don't."

institutional framework will then be related to the current regional political economies which provide the basis on which TSEIs may develop and succeed. From this, I employ the discourses of social capital, allied to the notion of capacity, as an historically derived factor which produces a key element of the external environment in which any TSEI operates. To do this, I will identify the qualitative features of local social capital which are present around both successful and unsuccessful TSEIs in order to provide evidence for particular forms of social capital as being propitious or otherwise for TSEIs. Following this, I will analyse how new forms of social capital have emerged in the post-industrial era to examine how this influences the local institutional matrix and hence the TSEIs which operate within that context.

Accepting a role for social capital at the local level, I then wish to examine how this interacts with the institutions of governance at a number of scales. First, I will examine the role of regional institutions and their strategic role in the development of the third sector in North-East England and South Wales, while noting that their development is in part a function of the local formulations of social capital and a path-dependent institutional trajectory.

Second, the bulk of this chapter will examine the role of local authorities in providing crucial structures to support or constrain the development of TSEIs. The variety of case study localities has allowed for the comparison of local authority structures which are unitary, two-tier or which have undergone the transition from two-tier to unitary. This allows an analysis of the basic structures which help create successful or unsuccessful network environments for TSEIs. I will focus here on the influence of locality, embeddedness, the division of strategic planning, service delivery, implementation of employment policy and the subsequent tension of vested interests and power structures within the two-tier system resulting from 'ownership' of initiatives. I will also examine the role of departmental alignments and network cultures within local authorities in determining the success or failure of initiatives

The role of officers within local authority-TSEI relations will be analysed as a crucial yet less structured element in the determination of the capacity to produce co-ordinated (and well-resourced) TSEIs. The consequence of this is a relationship which is dependent upon the network capabilities of both

TSEIs and officers within local authorities to produce a beneficial synthesis of resources and capacity. This has long been acknowledged as a key factor in developing the basis for a successful TSEI, yet I suggest that studies undertaken which attempt to quantify this relationship fail to understand the necessarily qualitative nature of this relationship which produces particular outcomes. Similarly, the relationship of officers to power structures and resources within the local authority, produces a dynamic context in which capacity to act may be enabled or constrained. The predominantly human element encapsulated within this represents not only a challenge but also an opportunity, given the relevant capacities which may be mobilised.

The relationships of officers and councillors within local authorities is, as would be expected, determined predominantly by the trust, respect and the relative power differential of individuals within each network. However, such a dependence upon interpersonal relations suggests a human element in the key structures which intertwine to produce outcomes. While this does not differ from the logical position which suggests that there is a variation in capabilities of individuals to synthesise resources within networks, I will analyse here the influence of key movers in determining the outcomes from TSEIs.

The role of the political basis of the localities as a factor in producing particular configurations of social capital and the formal institutions will also be analysed. As noted above, the relationship of local authority to its territorial space is in part dependent upon the key social structures, of which politics is one. I will examine not only the role of political alliances as providing support to TSEIs through enhanced network opportunities but also their employment as a blocking mechanism through which to further the interests of political elites. This role has been most notably thrust into focus through the re-organisation of local authorities and the subsequent electoral changes of 1996, most specifically in Rhondda Cynon Taff (RCT) and Neath Port-Talbot (NPT). This challenge to the dominant political elites established for a number of decades will be analysed, as well as its potential influence on TSEIs within those locations.

This discussion of evidence for particular propitious forms of local authority development will then lead to the analysis of broader governmental institutions which have been identified as crucial to the development of TSEIs. From this, the manner in which all these institutions cut across scalar boundaries

to produce particular partnerships around the third sector will be analysed. This will draw on the work in chapter 3 related to regime theory and its application to the third sector.

To conclude, I will offer a template of how such formal and informal institutions create the external environment in which TSEIs are enabled to develop or are subject to blocking mechanisms.

Regional Forms of Social Capital

In this section, I wish to analyse the evidence for particular types of social capital which ease or obstruct the potential creation and subsequent development of TSEIs. While drawing on the regional-scale debates, outlined in chapter 2, I will examine the locally-specific cultural legacies in the areas immediately surrounding TSEIs as factors which influence their chances of success or failure.

The case study areas, as identified above, all fall within regions and localities which have undergone significant economic restructuring over the past few decades. The role, therefore, of the typically inclusive, corporatist, social, economic and political structures which typified the post-war era has been challenged. This has produced a watered-down version of the previously-existing communitarianism around the electoral form or a complete dismantling of the institutional formations of the region (see Cooke 1985 for a comparison of the industrial forms of North-East England and South Wales). As Wills (1998) notes, cultures are not static entities but reflexive responses to institutional challenges and change. The response to restructuring therefore has a key role to play in the formation of new forms of social capital or the decline of traditional forms of social capital.

North-East England: The Labour Party and Tripartite Relations

The inherent complexity of geographical formulations of social capital precludes simplistic non-spatial analyses which neglect regional and local institutional variations. The tension in any argument which attempts to simplify

the role of social capital to an industrial heritage which has been reinforced and modified over time is demonstrated by the case studies in North-East England. A diversity of heritage exists in North-East England, from South Tyneside, typified by shipbuilding in a predominantly urban context, through to Trimdon where mining and agriculture co-existed until the decline of both. Sedgefield lies on the South Durham coalfield and Sherburn Road is a housing estate on the periphery of the relatively prosperous City of Durham which has small manufacturing and administrative/educational functions. Consequently, a variety of heritage creates a myriad of interwoven and overlaid forms of social capital which create a particular institutional nexus within each locality. The result is a broad acceptance of social capital as a function of heritage, yet more locally formed and subject to the dynamics of the institutions within any locality.

At the regional scale, North-East England has seen the historical evolution of an industrially-based political economy. The institutional settlement which emerged, based upon the predominance of the industry-based political economy, has been well-documented, as has its decline and succumbing to the chaotic forces of capitalism (See Hudson 1989; Beynon, Hudson and Sadler, 1991; Colls and Lancaster, 1992; Byrne 1992). This development, accepting generalisations, has had several key features which have combined to produce the industrial and institutional dynamics of the 21st century North-East. These are, first, a predominance of coal, steel and shipbuilding as the industrial base of the regional economy. Second, the powerful political and social settlement which developed to facilitate and consequently protect the heavy industrial power base. Third, the challenge of marketisation, evident before 1979 but given extra political force under the Thatcher administration to expedite the decline of the industrial base to create a new economic climate. These factors intertwine to produce the economic conditions of the North-East which form the context of the external environment for TSEIs which will be discussed later in this chapter. However, it is not the place here to provide a full description of the economic conditions of North-East England pre-1979, although such a background is key to understanding the subsequent development of the 'hard' and 'soft' (alternatively, the formal or informal) institutions which are key to forming the physical and social structures within which TSEIs develop.

The principal economic base of North-East England until the 18th century was an agrarian, coastal and craft economy, allied to primary extraction of coal on exposed seams. The technologies of coal extraction subsequently permitted deep and drift mining, and hence the North-East of England came to be based upon coal, steel, shipbuilding and associated trades in the 19th and 20th centuries, thus reinforcing the region as the industrial powerhouse of the UK. Concurrently, industrial development required the development of a supporting political and institutional structure to underpin and advance the industrial nexus.

Hudson (1989) notes that the regulatory system in the inter-war period shifted from the 'old' politics of reaction to the 'new politics of modernisation' such that, "by the 1940s a powerful cross-class regionalist movement had emerged in the North-East, centred on the Northern Industrial Group which was premised on a certain sharing of territorially-defined interests that could be accommodated via an increased state involvement in economy and society" (Hudson 1989: 19).

Within this context, the stranglehold of industrial interests upon post-war regional political economy was set; coal provided 95% of the UK primary energy needs in the period 1942-58 and was the dominant employer within the region (Table 7.1.)

Table 7.1 Mining Employment Concentration in County Durham (adapted from Bulmer 1978).

Year	% Male population in mining employment, County Durham
1911	46.9
1921	49.5
1931	45.1
1961	24.6
1971	10.6

These figures refer to the whole of County Durham, including areas outside the key mining communities. Beynon (1984) notes that in those areas, a greater percentage of male employment was directly related to the mine. He notes that even in 1984, "In the Easington District fifty per cent of all male jobs are in the pits" (Beynon 1984: 105).

The predominance of mining and the institutions which supported it were the driving force behind the regional development and subsequent regional regulatory system. Within this period, Hudson notes, the National Coal Board actively advocated a freeze on new manufacturing in the region, as this would “invite an exodus from the mines to better-paid jobs in healthier and safe working environments” (Hudson 1989: 358). The result was, “formidable pressures, with a wide basis of support both inside and outside the North-East, to freeze the pattern of economic activities around those industries which had collapsed in the interwar years and been instrumental in the emergence of the interwar ‘regional problem’” (ibid: 358). Hudson relates this as a “broad consensus within the North-East on the desirability of maintaining the ‘traditional’ structure of industrial production and pattern of male labour demand associated with it” (1989: 360-361).

The inherent intertwinedness of the economic base and regional governance in North-East England has therefore led to an institutional structure which both reflects and reinforces this social hegemony. However, the institutions of this post-war regulatory system have suffered intense pressure as the industrial base of the region began to decline after 1979. As such, although Hudson (1994) notes a continuation of the post-war regional institutional structure through the pursuance of particular development strategies, economic decline and diversification has created the potential for new institutional spaces which are not as closely attached to one homogenising industrial base. Griffiths and Lanigan (1999) note that in North-East England, corporatist (or more accurately, tripartite)⁹⁰ bodies have emerged, primarily in the field of economic development to encourage foreign direct investment in the 1980s and 1990s. However, the weakening of the regional political-economic-social regulatory mechanism therefore requires an analysis of the actually existing governance forms in North-East England which have evolved in response to the multi-scalar political and economic processes. This section draws heavily upon the 1999 survey ‘Who Runs the North-East Now’.⁹¹ This provides the background for the

⁹⁰ Griffiths and Lanigan (1999, drawing on Anderson 1992) suggest that tripartism is a more accurate description of the coalition of local government, business and trade unions which emerged as this reflects a regional coalition including the local institutions of the state rather than the state itself in a corporate sense.

⁹¹ Robinson et al (2000), published at <http://www.dur.ac.uk/Sociology/nedemocracy/index.htm>.

current governance features of North-East England, which have evolved over a number of years.

In the post-war period, as was the case with much of the UK, local government in North-East England was characterised by a full-scale service provision role. This was particularly apparent in the predominantly left-leaning Labour Party authorities which experienced a tightening of political control as a reaction to a popular malcontent towards the central government. However, this local political hegemony of the Labour Party has been diluted by the edicts of central government. In a process outlined in the discussion of governmentality in chapter 3, and the development of governance, regional and local political institutions have found their electoral mandate tempered by the requirement to operate alongside a “bewildering variety of local and regional organisations involved in the design, management and delivery of public services” (Robinson et al 2000). The result of this stipulation towards partnership working has led to a situation in which, “management policies...are characterised by networks and partnership as opposed to the hierarchy and markets of the past” (Robinson et al 2000). Such an assessment points towards a ‘right-wing’ Labourism within the region, influenced by local and regional political processes allied to national political trends. However, this position is potentially untenable and does not suggest a fully-fledged acceptance of the ‘enabling’ model of local governance outlined in chapter 3. In reality, local authorities in the North-East still hold a number of functions which have been associated with a broad service provision remit, and many hold this position in the minds of the population.

Political Composition of Local Government in North-East England

The political development of North-East England in the 20th Century, as will also be seen in South Wales, is to a some extent synonymous with the history of the Labour Party. While parts of the region (notably the rural areas of Northumberland) remain staunchly Conservative-voting, the political values of the North-East have most accurately been electorally represented by the Labour Party. This has been a long-standing bias within the North-East, with well-established dynasties of Labour politicians, both as MPs and in particular within

local government. This domination was cemented electorally after 1958 and in particular after 1979 when Thatcherism and the parallel decline of the steel and coal industries produced an electoral map in the North-East in which the Conservative party holds just one parliamentary seat as opposed to the Labour Party's twenty-seven.⁹²

Table 7.2 demonstrates the political composition of North-East local authorities which are relevant to this thesis. This table demonstrates the continued dominance of Labour Party politics as the key focus for representational democracy in the North-East. Note the Liberal Democrats as the major party opposition to Labour, with fewer than 20% of the total number of council seats. Overall, of 25 local authorities in the region, 5 are unitary; 5 are MBCs; the final 15 are 2-tier authorities combining 2 county councils and the remaining 13 district councils.

Table 7.2: Electoral Composition of North-East Councils⁹³

North- East ⁹⁵	Control	Con	Lab	Lib Dem	Other	Total
County Councils						
Durham ⁹⁴	Labour	2	53	4	2	61
Metropolitan Borough Councils						
South Tyneside	Labour		50	6	4	60
District Councils						
Durham City	Labour		33	13	3	49
Sedgefield	Labour		43	2	4	49

⁹² Of the 29 parliamentary constituencies in the North-East, in 2001 27 were won by Labour candidates; the Conservative Party and the Liberal Democrats won one seat each.

⁹³ Source: K. Edkins' website: <http://www.gwydir.demon.co.uk/uklocalgov/> (updated to 6.5.2000).

⁹⁴ Including Council elections 7/6/2001.

⁹⁵ At 6 May 2000; elections of 7 June 2001 and boundary change adding one new seat to Northumberland not included.

The focus on electoral politics masks a democratic deficit (Beetham and Weir 1999) that is noted in the north-east of England as it is noted in South Wales. This is in part due to the continuing impact of Quangos as noted by Skelcher et al's (2000) study of the quango state in the UK. Robinson and Shaw (2002) note that, "in the North East, as elsewhere in Britain, many public services - the services paid for by the taxpayer - are managed and provided by organisations which are *not* subject to local democratic control. There is a multitude of unelected bodies, governed by board members who are appointed by government ministers, or by other institutions, or who are selected by existing board members. Some of these are quangos, others quango-esque hybrids (Skelcher et al 2000). Members of these boards cannot be removed by the electorate, however badly they are performing or however unpopular their actions. It is here where there is a serious 'democratic deficit'" (Robinson and Shaw 2002: 5-6). They note the prevalence of unelected bodies, citing at the regional level in the north-east the RDA (One NorthEast), Government Office North-east, and the North east Regional Assembly, while also the other bodies of NHS health authorities and Primary Care Groups (becoming primary care trusts), leading Robinson and Shaw to state that, "responsibility is diffused; no wonder it is hard to discover where the buck stops and so difficult for a patient to pursue a complaint against the NHS" (Robinson and Shaw 2002: 8-9). Similarly, in education, Robinson and Shaw note the 5 universities as well as 17 Further Education Colleges, seven Sixth Form Colleges and two City Technology Colleges in the region which are run by boards of governors and are independent of the Local Education Authority, which they refer to as having "a tendency to be self-perpetuating cliques" (Robinson and Shaw 2002: 9)

In addition to this, Robinson and Shaw note a potential lack of electoral accountability in a further set of institutions: Police Forces, TECs, regeneration schemes, housing associations and in the field of the arts. Overall, they suggest that this, "calls into question the common assumption that public services are democratically controlled" (Robinson and Shaw 2002: 13). Of particular relevance to the study undertaken here is the governance of the wide range of partnerships which have emerged- most notably within the sphere of regeneration. These partnerships are what Skelcher (2000) refers to as tertiary bodies, and which they suggest that remove "decision-making further from

elected political structures, increasing their distance from citizens and often becoming invisible to public view" (Skelcher 2000: 13).

While Robinson and Shaw do suggest that the Nolan-inspired reforms have led to a greater openness and accountability, for many of these quangos, many are thought to lack the real engagement with local people. There are calls for greater accountability (see for example Skelcher et al 2000); however, Robinson and Shaw are dubious as to the potential of such reforms to lead to the full engagement of such quangos with local people. This is unfortunately compounded by the apparent lack of appetite for the democratic bodies in the region; Robinson and Shaw note that, "the region's rusty democracy needs, therefore, first to be revived and re-invigorated, beginning with local government...Without the re-invigoration and renewal of existing local government, it is hard to make out a convincing case for bringing other bodies under local democratic control" (Robinson and Shaw 2002: 25).

In North-East England, regional government revolves around two key institutions: One NorthEast, the regional development agency, set up in 1999; Government Office North-East (GO-NE) (1994). In the context of this study, GO-NE is most relevant due to its age and responsibility as the co-ordinating partner for the central government departments of the DETR, DFEE and DTI.⁹⁶ A regional assembly is in the stages of development, given impetus by the launch of the Campaign for English Regions (CFER) in March 2000, and the campaign for a Northern Assembly (see also DETR 2000b). This has been given academic support by a number of articles espousing a desire for a form of North-Eastern regionalism. In 'Geordies' (1993), Colls and Lancaster set out an eloquent call for a regionally-specific democratic remit for the North-East. However, as noted within their argument, the question of a North-East regional identity is fraught with contradictions. While the notion of a Geordie sums up an outsider's view of the North-East's cultural capital, in reality the production and identification of the North-Eastern identity is far more complex - so much so as to qualify and dilute any notion held. As Byrne (1993) notes, the notion of a 'Geordie nation' is as much the result of a real or perceived disenfranchisement

⁹⁶ Department of Transport, Environment and the Regions; Department for Education and Employment; Department of Trade and Industry. The DETR has been reorganised in 2001 to become the Department for Transport, Local Government and the Regions; DfEE is now the Department for Education and Skills.

from Westminster and a reluctance to adhere to notions of Englishness associated with Southern England rather than the perception of the industrially-dominated landscapes of the North. As such any suggestion that the North-East provides one coherent regional identity inevitably producing the context for particular forms of social capital is open to question. While regional pride may exist, the acceptance of the notions of north-eastern regionalism have thus far been of limited scope and enthusiasm within the population. As a result, despite a degree of regional identity, the North-East has no greater degree of political autonomy than most English regions and I will treat it as a relatively minor explanatory variable in this analysis.

Beyond the political and industrial development of North-East England, the social settlement incorporated a number of institutions such as Labour clubs and associated working men's clubs, as well as a range of sporting and religious institutions. This produced a locally-specific form of welfare and support which was synonymous with industrial development. However, the removal of the industrial base in North-East England has therefore exposed these institutions and society as a whole to an evolving social formation in which social activities are less structured around certain institutions. Despite this, many of the social institutions which developed in the early-mid 20th century remain and therefore provide a focus for the efforts to create and organise non-statutory job creation initiatives. What will therefore be seen later in the chapter is the manner in which such social institutions provide a resource base representing the local form of social capital which may influence the development of TSEIs.

South Wales: Localised Communitarianism

The industrial nexus of South Wales, like that of North-East England, was significantly underpinned by a political, economic and social cohesion. However, a number of key differences between the North-East of England and South Wales provide a regional contrast. This, I will later argue, produces a different perspective on what at the outset appear to be relatively similar industrial heritages.

South Wales, like the North-East, has historically enjoyed a reputation as a solidaristic, collectivist working class community. During the period from 1830

onwards, the trade unions and the emergence of the South Wales Miners' Federation or SWMF (also known as the 'Fed') "coalesced in the form of support for the British Labour Party which has remained consistently the political party of the region, even throughout the period of New Right hegemony in British politics" (Adamson 1998a: 2). As part of this locally formed regulatory system, Cooke (1985) notes an intertwining of the industrial and social development of South Wales under the auspices of the Union. The result was an all-encompassing social settlement in which,

"From the chapels to the libraries, from the institutes to the sports teams, the control was a popular and a democratic one. The organisation of politics in the localities had a similar intent (diverse ideologies notwithstanding) and in all this the primary organization was the Union...the SWMF was, literally, the fount of all control in other spheres as well as that of the industry itself"(Francis and Smith 1980: 34, cited in Cooke 1985: 237).

As a result, Cooke notes, the local welfare institutions sprang "from the collective responses of individual workers to the needs and suffering of their communities, as a means of improving the day-to-day conditions of life in such localities" (1985: 237). However, Cooke notes that the form of social organisation was a particularly gendered one, noting that,

"For all the progressive purpose and achievements contained in these practices and institutional forms it is an ironic feature of the social relations that those centring upon gender remained so reactionary. South Wales is, of course, not alone in having possessed this particular blind spot; patriarchy has been a transcendent feature of capitalist society in general. However, the somewhat aggravated form which patriarchy has taken, and continues to take in supposedly politically progressive regions elsewhere, suggests that the condemnation of women to a plainly secondary role may well be the price that well-organised labour has been content to pay to exercise leverage against capital and to maintain an area of control, in the domestic sphere, beyond the 'dull compulsion' of economic forces" (Cooke 1985: 238).

As such, there is a perception of South Wales as a highly structured and directed economy. Adamson (1998a) notes, "The range of social experience in communities intricately connected to a single place of employment was necessarily relatively homogeneous and the communities of the region have often been presented as a political mono-culture, wedded to a slavish support of the Labour Party" (Adamson 1998a: 4). However, "closure programme which followed the [1984-5 miners'] strike marked the final chapter in the long decline of the industrial base which had given rise to the organised industrial workforce

of the region, and the last two decades have seen the virtual elimination of trade unions as political agents in the politics of the region” (Adamson 1998a: 2-3).

Therefore, as with North-East England, global economic and regulatory regimes processes have been felt at the regional and local scales to redefine not only the economic base of the region but also the social and political structures which underpinned it. Consequently, Adamson (1998a) notes that for South Wales, this entailed a “reduction in the significance and political role of trade unions and the demise of class-based political action. The experience of South Wales in the last two decades appears initially to support such claims. Central to this process has been the changing nature of economic activity in the region which has created a more differentiated workforce with clear implications for traditional patterns of class identity and political solidarity” (Adamson 1998a: 4).

While the level of employment in the mining industry in South Wales fell from a peak of 100,00 in 1947 to 24,000 in the 1980s to now under 1,000, the initial attempts to revitalise the South Wales economy through inward investment have proven to be relatively fruitless in terms of creating adequate alternative employment for the region. As a result, the strategies followed by the Welsh Office have been regarded as increasingly ones which have strengthened the economies of the M4 corridor and the coastal strip in preference to the decline of the valleys communities which are now characterised by low skills, low mobility and few employment opportunities.

The decline of the industrial form nevertheless encompasses a great deal of resistance, such that “Despite the virtual disappearance of mining and related activities in the region, the political practice and cultural activities associated with the mining industry survive relatively unscathed in ex-mining communities” (Adamson 1998a: 8-9). Consequently, Adamson notes that traditional cultural institutions, “maintain a steady, if sometimes fragile presence in the community (1998a: 4). However, he notes that some may also have closed or been converted to other uses.

This particular form of industrially-formed social capital therefore presents both opportunities and challenges for policies which attempt to re-develop communities within the existing institutional framework. Through the range of funding streams now available, Community Development schemes

have tapped into this sense of valleys culture and identity to respond to the growing exclusion and marginalisation of the (fragmenting) working class. Adamson (1998b) suggests this occurs through three approaches:

- The resource development approach - providing leisure or social activities
- Community enterprise approach - primarily based on a business model of development
- Holistic development models.

Exactly how such initiatives are emerging in South Wales where the grass-roots maintains a semblance of the institutions of the past will be analysed below.

Local Government in South Wales

The current government structure of Wales is, like North-East England, dominated by the Labour Party. However, Table 7.3. notes pockets of Plaid Cymru as the elected political representatives in Rhondda Cynon Taff in particular, which shifted away from Labour to Plaid Cymru control in the council elections of 1998.

Table 7.3. Local Government Composition in South Wales

Welsh Unitary Authorities						
	Control	Con	Labour	LibDem	Pl.Cym	Others
Carmarthenshire	-		28	1	15	30
Neath & Port Talbot	Lab		40	2	10	11
Rhondda Cynon Taff	Pl. C		26	2	42	5
Swansea	Lab	5	46	10	2	9
Wales Totals		76	560	97	205	334

This demonstrates a slight shift away from the essentially Labourite politics of the valleys which characterised the 20 the Century. However, the influence of political attitudes spreads beyond its expression in the ballot box; it

is the more nuanced features of political and community action which I will address later in the chapter in relation to TSEIs.

In addition to the localised politics of electoral representation, the Welsh Assembly (inaugurated July 1st 1999) has also taken distinct role, taking over from the Welsh Office in the dissemination of funds at the Welsh scale. Wales has also been at the forefront of the development of a number of Quangos, notably the WDA etc, which have been particularly criticised as a means through which a democratic deficit has been created (see for example Morgan and Roberts, 1993; Osmond 1992)⁹⁷. With the creation of the Welsh Assembly, it was hoped that many functions taken by Quangos (and whose members were nominated by the secretary of state) would be returned to democratic control, albeit under the auspices of the newly-elected Welsh Assembly. However, this has not come to pass, and of the Quangos in Wales, only 13 are listed as bodies which may lose or gain functions (Bowen Rees, 2000), of which few are of a general interest, thus limiting the scope of the Welsh assembly to limit this Quango culture.

Therefore, it is an institutional challenge, when seeking to identify the sources of power, contestation and the route of accountability, to address the nature of the Quango culture. The potential of this institutional structure both to influence the shape of the third sector in Wales, as well as combining the technologies of accountability prevalent in government in a market-orientated institution, which may have considerable influence upon the future development of TSEIs. This will be examined more fruitfully in the empirical research in chapter 7. The role of this and other formal institutions will be addressed later in the chapter.

Collective Action and the Third Sector

The existence of a particularly regionally-based and locally exercised form of social and political institutions leads to a desire to understand the way in which this may directly influence the development of the third sector. Before

⁹⁷ Gray refers to this as a "New Right project constructed expressly to make the shift of power from democratic to market institutions irreversible", and therefore suggests that there should in fact be a restrengthening of local authorities as opposed to the constant barrage of criticism they receive (Gray 1997:104).

going on to address this in relation to the notions of capital and capacity outlined by Healey et al (1999), I wish to draw a parallel with the historico-geographical influence of social capital in strike-oriented collective action. This shows a parallel to be drawn with the manner in which collective action occurs (or has occurred) within capital-labour relations and the potential of radical or communitarian ideas to follow through into the post-industrial development of the third sector.

Notions of community within the areas that have been selected as case study areas are thrown into particularly sharp focus through the study of the nature of collective action in mining communities. As outlined by Adamson (1998a; see also Gilbert 1992; Richards 1996), a number of theories within the social sciences and sociology in particular focus on the propensity of particular communities to undertake strike action. In this section I will concentrate on Kerr and Siegel's *Isolated Mass Hypotheses* (1954) and Olson's (1971) *Logic of Collective Action* to suggest how existing theories of collective action in this sphere might provide a basis for the study of the third sector. This will particularly deal with strikes to acknowledge the essentially coal-based labour-capital relations which existed in the case study areas. This therefore presents a theoretical basis for the manner in which a particular form of collective action was established within such communities. This allows the subsequent analysis of currently-existing forms of social capital mobilised by the third sector which recollect or reflect, or are completely separate from, the same virtues of collective action which existed within capital-labour relations.

These theories attempt to understand the nature of community as produced through the geographical and institutional attributes of a locality' influencing the collective actions of individuals within that locality. Kerr and Siegel (1954) argue that the propensity to strike is a function of the geographical isolation of a community allied to economic isolation in terms of the dependence on a particular industry to define behaviour and economic activity. Hence, they argue that in localities where geographical and economic isolation is less pronounced, other economic opportunities act as a conduit for dissatisfaction, thus diluting the tendency to strike and act collectively.

Olson's *Logic of Collective Action* presents a potential refinement of the theoretical base for collective action, taking notions of collective action

emanating from industrial capital-labour relations (Olson 1971). Based on the rationality of individuals, Olson notes the manner in which the potential for collective action is dogged by the 'free rider' problem. However, such an analysis assumes that an individual's own interests may be in the collective interest. To put this simply, it is the level of community spirit, in terms of the philanthropic nature of individuals, which may produce a basis for collective action. The third sector may therefore benefit from a form of collective action in which individuals organise to develop the community in contrast to the previous economic rationale for the strike action outlined here. The task is therefore to understand the manner in which the predominantly economic rationale for collective action in the form of strike action may therefore carry through into the non-economic space, to benefit the third sector when translated to an alternative community-oriented rationality.

These two theoretical standpoints suggest that there is a potential for the more integrated economy of the North-East, aided by its relative geographical openness, to present a form of social capital which is less emphatically predicated on a culture of mining and which has responded to multiple pressures. As such, the North-East's form of carboniferous capitalism may be diluted to a certain extent through the slightly less homogenising influence of the trade unions in the North-East (see for example Richards 1996). The result of this is to create a potential difference in the received forms of social capital in each region, which in turn influences the creation, operation and impact of the third sector.

Relating back to the argument put forward in chapter 2 regarding the formation of social capital, it could be argued that the political legacy of communitarianism and left-thinking politics in South Wales has given a particularly radical influence to the set-up of the third sector in South Wales as compared to North-East England. Why should this be? One hypothesis to be put forward here is the proclivity of the South Wales valleys towards the politics of communitarianism, which could potentially translate into what has now been seen as 'bottom-up' transformation of communities via the third sector. This could, at one level, be accounted for by the slightly more radical and involved approach taken by the community to the third sector. In contrast, the North-East appears to be less dominated by the bottom-up (or more accurately, community-

located) structures and more by the more formal political and social structures outlined above. As such it could be argued that the legacy of the North-Eastern style of corporatism or tripartism could have created a form of social engagement which subsequently influences the style and manner in which TSEIs have been created.

However, while such an argument is plausible in that it may *influence* the manner of development, it is extremely simplistic to suggest that the mere presence, absence or degree of particular forms of third sector development will occur as a functional necessity of particular forms of industrial structure. Instead, I suggest that there are a number of complex, interwoven factors which influence the development of TSEIs, most notably the influence of individual agents, whose actions may be framed by broader social structures but which are by no means determined by it.

This analysis emanates from Bulmer's (1975) critique of *the Isolated Mass Hypothesis*, which notes the influence of non-industrial and individual characteristics as key to the understanding of strike action within coal-mining localities. In the case of social capital, it must be noted that the formation of particular capacities cannot be attributed to the dominant industrial form itself; a plethora of influences shape and challenge the particular dominant form of social capital. If Bulmer's argument is to be heeded, the implication is that the influence of non-industrial forms of organisation will be key to the developmental structure for TSEIs.

The influence of agency as a key factor cannot be underestimated. Throughout this and other research, the defining factor within TSEIs appears to be the energy, wisdom, technical knowledge and personal skills of each key agent. This, as would be expected from the literatures, stems from the personal factors inherent within each agent. However, a crucial outcome of the research suggests that the current literatures fail to examine the manner in which the *structure* of the TSEI influences the type of agents who are employed or utilised, and the structural constraints upon the ability of agents to act. As such, a reflexive loop appears whereby, for example, a top-down structure creates the conditions for, and the support for, a particular type of local authority-style agent. Consequently, a structurally rigid social framework may produce a form of TSEI development which reflects that structure and may by-pass the more

discrete elements of social capital. In contrast, a less structured community-based approach may enhance the role of agency in the development of the third sector.

In addition to the arguments put forward with regard to agency as a non-structurally specific element of regional social capital, analysis is inadequate in that it neglects pockets of substantially different social capital which will always form within a broadly homogenous structure of social capital as defined at the regional scale. The analysis of dominant regional-scale social capitals as the functional determinant structures upon TSEI formation is therefore blind to scalar and geographical inequalities. For example, the presence of middle-class agents within the TSEIs at Trimdon 2000 has significantly influenced the trajectory of the TSEI in a manner which is not wholly in keeping with the trajectory expected by the particular regional form of social capital. This will be addressed later with regard to the more localised factors which influence the structural determinant of TSEIs.

Parochialism, Localism and Isolated Mass

The notion that the locally-formed social capital is important in determining the success or failure of TSEIs dovetails with the current policy emphasis (outlined in chapter 4) on the *local* as the key space for TSEI development. However, a parallel to the isolated mass hypothesis offers a potential geographical isolationism, translated into a more general parochialism, which develops to impede the geographical development of TSEIs. In support of this notion, interview data suggest a jealousy of outsiders and a desire to restrict the scope of TSEIs in order to remain reactive to local needs. As such, a conflict arises between the emphasis upon the local presented through government policy and the potential geographical nature of need within less developed regions. Uneven development is inherently complex and the spatial scale at which funds are targeted does not necessarily represent the spatial nature of need or target communities.

The government prioritisation of the local as the scale of third sector development therefore may not interact successfully with the needs of each locality and indeed may sustain the status quo with an exacerbation of current

uneven development. The scalar complexity of policy, allied to the observed parochialism of the case study localities, may therefore result in a particular structural emphasis upon such localities, thus exacerbating existing local unevenness.

Alongside this, the scale at which TSEIs operate 'successfully' has an impact upon the sustainability of the initiative. By falling victim to, or responding to the geographically parochial nature of social attitudes in North-East England and South Wales, the structural governmental processes which operate to aid the creation of TSEIs may inhibit the growth of TSEIs beyond their particular target areas. If a TSEI operates purely at the local scale, it may lack the threshold size to become financially self-sustaining. To become financially sustainable, a TSEI may have to increase the scale of its operations, with the subsequent tendency towards more 'mainstream' solutions which militate against the pursuit of a radical local needs-based agenda. Should a TSEI wish to remain operating purely at the local scale, funding may be required; this, as noted above, tends to suggest a move towards the properties set by funders or government. The creation of locally-sited but *mainstream* initiatives is the likely outcome, with the consequence that the needs of the most underprivileged will not necessarily be met.

In contrast, local scale initiatives which offer an unorthodox solution may find it difficult to become financially secure, to such an extent that their long-term sustainability is questioned. However, government is less likely to unconditionally fund such initiatives due to their non-formal solutions which do not correspond to the priorities as defined by the dominant governmentality. This consequently inhibits the possibility of the initiative attaining the critical mass required to become fully sustainable in the long term. As such, a key trade-off appears between the need to be based within the locality, drawing on its capacities and capital, and the need for a threshold size to promote sustainability. Should the latter occur, there appears to be an inevitable trend towards the mainstream whereas a purely 'community based' TSEI may rely upon funding and may not offer a genuine alternative to the status quo at the local level.

Social Capital and TSEIs.

As noted above in the literatures, the notion of 'social capital' provides a theoretical underpinning for the range of regionally and nationally influenced but locally embedded institutional forms produced by the unevenness of capitalism (see Cooke 1985). I have claimed that, through its expression as a legacy of the economic history of regions, social capital is one of the key factors in determining where, how and in what form TSEIs may be created. This section will analyse in particular the 'soft' institutions of the case study locations in an attempt to determine the potential for and subsequent trajectories of TSEIs.⁹⁸

There are therefore heterodox forms of social capital which emanate from the industrial heritages of the regions in question. Such institutional forms consequently have an impact upon the potential for the development of TSEIs within or outside those institutional trajectories. Alongside the traditional ethos of work, inclusion and political radicalism which characterised the South Wales valleys, unemployment and a downward economic trajectory have produced a sense of disenchantment and hopelessness within certain communities. The result of the partial break-up of the institutional hegemony therefore creates two potential trajectories for the social, economic and political structures of localities. The first of these is to produce less propitious environments for TSEIs through the lack of confidence in the combined resources of individuals to produce successful outcomes. The second is the potential to free localities from the stifling inclusiveness of older institutions towards ones which produce more emancipatory environments, particularly for women, to create successful TSEIs. It is how TSEIs are able to tap into these community resources which I will explore in more detail in this section.

Community Confidence and the Entrepreneurial Spirit

What is described as a 'lack of confidence' creates two potential problems for the creation of TSEIs. First, the question arises as to the ability of

⁹⁸ This section draws upon the literatures in chapter 2 as a mirror of the key facets of social capital which act upon and within localities to create the potential for successful regional development, as applied to the third sector.

TSEIs to develop due to the paucity of capacities to produce a TSEI. Second, the formation of TSEIs as an encouragement to ameliorating the dearth of local social capital provides a key to improving the development capacity of the locality by mobilising what is effectively an untapped resource. The evidence from TSEIs, particularly those involved in education and training, demonstrates how this unrealised potential for the 'community' may be released through a number of activities. This therefore suggests that a catalyst may be required, commonly referred to as capacity-building, to realise this potential. However, the likelihood of TSEI development suffers from the acknowledged lack of entrepreneurial spirit within the South Wales valleys and North-East England.⁹⁹ This is attributable to the legacy of the previous form of industrial organisation, as noted by Gary Foreman of Penywaun Enterprise Partnership:

RB: "So the entrepreneurial spirit is not a great part of valleys culture?"

GF: "No, I don't think it is. I don't fully understand it. In some sense I suppose I'm ignorant. But subjectively, I was talking to someone from the South-East of England and they were saying there that in her class at school, the expectation was for most of those people that they would set up their own business. That was it. Most of the people in her class. That may be the exception, but if you take a typical Welsh valleys school and ask them what they want to do when they left school, I don't know what the answers would be but I can't imagine they'd be very many who'd say they'd like to set up their own business. I just don't think that would happen. So it has to be a different kind of motivation that gets these people involved."

RB: "Does this stem from the relatively recent past which was built up around the mine?"

GF: "Oh, I think so. People just wouldn't dream of starting businesses; it's just not the done thing really, a small shop, possibly, as we've seen, but people baulk at big enterprises. Things were too sheltered here, but belatedly it's starting to change. It's interesting as the structures have changed over the past few years, people have taken on whole areas of responsibility that previously they saw other people have but didn't know what was involved. Suddenly it becomes theirs, and initially they stand back for the responsibility but bit by bit they say, right, I can have a go at doing that now and once they're successful, there's no holding them back then."...."and team spirit is very strong as well; you'll get your entrepreneurs for sure, but you'll find that if you get a team you give them a goal and say, can you do it?...they'll rise to the challenge no problem."

This suggests that the capacity of TSEIs to succeed is in part a function of the ability to mobilise the already low level of social capital to aid the

⁹⁹ See for example Strangleman et al (1999).

development of the community initiative.¹⁰⁰ As the evidence presented here acknowledges, allied to numerous responses in other interviews, there is a significant lack of knowledge resources in many of the case study areas, or at least difficulty in the mobilisation of those resources in the pursuit of economic goals.¹⁰¹ Consequently, there are significant barriers to private sector endogenous development as targeted by the development strategies of North-East England and South Wales.¹⁰² Despite investment support for entrepreneurs, it is difficult to arrive at any conclusion other than that which suggests that some forms of homegrown private sector enterprise are difficult to encourage in this context. Exactly how this may feed into different forms of regimes and community enterprises will now be examined in the light of the industrial heritage of the case study areas.

Industrial Organisation and the Third Sector

The decline of industrial forms of social organisation has led, in many cases, to a re-stratification of the social sphere. The decline of the industrial bases of particular localities has been paralleled by the decline of many of the institutions which have been so closely related to those industrial bases, resulting in the partial or complete break-down of this institutional political-social-economic nexus. This produces new or altered spaces into which TSEIs may first of all be deemed *necessary* to address the problems of a post-industrial economy, and then develop within that particular institutional structure. It is in these environments that I wish to examine the role of social capital and its influence on the development trajectories of TSEIs.

The case studies which have been claimed to be 'successful' are characterised by two broad forms of social capital. First, some TSEIs appear to stem directly from the industrial heritage of the locality and its institutions which remain intact. Second, there are TSEIs which have developed into institutional spaces which were once occupied by industrial institutions which have declined. In this way, the TSEI may be promoting the production of new

¹⁰⁰ As will be seen in the following chapter, this is crucially dependent upon the internal management of the initiatives and their ability to mobilise or tap into such resources, or in unpropitious circumstances the ability to negate the consequences of 'disruptive' forms of social capital.

¹⁰¹ See also appendix 1.9; interviews with Julie Cook of STI and DOVE members.

¹⁰² At least as targeted by the development corporations of the North-East, WDA etc.

institutional dynamics to plug the social deficit left by the decline of the industrial base.

The first of these categories is exemplified by the case studies of Blaenllechau Community Regeneration (BCR), Trimdon 2000 (T2000), and the Ystalyfera Development Trust (YDT). It is these initiatives which explicitly evolved from the key institutions of the industrial past and which therefore are characterised by the 'older' institutions and are embedded either explicitly or tacitly within this social fabric. This is evidenced by two factors: first, the people who operate in these initiatives and second, the institutions to which they are allied. An example of how such initiatives are allied to the institutions of the industrial heritage can be seen in this description by Mick Jones of the strength behind the development of Blaenllechau Community Regeneration:

"We've really come from the mining background as a root - with all those skills and the political ideas going around. You suddenly take the work away from people and a good number of them won't rest. They've been used to working within a certain hierarchy within the pit, and then all the ideas are kind of kept inside there, all the tensions. Remove the pit and there's a load of sharp, knowledgeable people with a certain view on the way things should be. Now some of them become depressed because of the lack of opportunities, you know. But some can't just sit there and start to think what they can do - not just for themselves but for the community as well. It's the way they've been trained - to act in a...kind of community, er... solidarity, that's the word. You can take the people out of the mine but you can't take the mine out of the people".

Similarly, Trimdon 2000 demonstrates how those who were already embedded in the institutions of local politics and society were able to create a TSEI within this framework of the existing institutions, citing the following as the means by which the community could support it. Through the institutions of the Labour club, which was previously the village's Working Men's Club, T2000 was able to draw together a number of interested parties to produce a template for a development strategy. This is noted by Frank Hoban, speaking after a meeting held within the Trimdon Labour club, stating:

"We couldn't have done it without the support and the network we have here. I mean, you look at most of the main players here and they've mostly got some connection to this party. Peter, Anne, myself, John - possibly the biggest players here. So it has grown out of a particular grouping that already existed...but having said that, we're looking to be as inclusive as possible, not that we're going to sever our links here - without this club and its resources we'd really have struggled early on. So we're proud of the link we have here, and I think that gives us some strength. Some kind of common purpose, I guess."

The same scenario can be seen, in the manner in which Tower Colliery in South Wales is regarded by many interviewees in that area as a legacy of the past, embodying the political radicalism of the mining communities. Particularly at the Penywaun Enterprise Partnership, this has had an impact on those working in the TSEI. Barbara Castle, ex-chair of the initiative, states:

“Inspiring people, and they’re very fundamentally sound. You know what I mean. The root is in miners’ politics still and they’ve got ethics, you know. They’re quite a fascinating body of people.”

This is confirmed by Gary Foreman of the same initiative, who states,

“Well, they’re legends in their own lunchtime really. They are, they...it embodies some Welsh spirit. You can’t go on about it enough. They exploit their vision, their profile and everything with it.”

TSEIs which evolve from the institutions associated with the industrial past are able to gain support and resources from those institutions which have lasted beyond the breakdown of the industrial base. However, while this does suggest a potentially beneficial synthesis of resources, institutions and ideas within and around a TSEI, there is the potential for alliances with particular frameworks of ‘older’ institutions eventually to limit the development potential of the TSEI. I note this for two reasons. First, such configurations rely upon a finite and primarily ‘decreasing’ capacity of older institutions which can be utilised. This therefore creates a potential ‘glass ceiling’ for the development of a particular initiative as the particular development path suffers from the institutional stances of the chosen network partners. Second, evidence from the empirical study suggests that TSEIs which work within the existing framework tend to gravitate towards the mainstream or less radical solutions to the localised problems within their target areas. Trimdon 2000, for example, sees much of its influence as a pressure group to encourage or motivate the statutory agencies to modify their structures to promote more mainstream services within the locality in question. As such, the key argument here needs to be the *appropriateness* of the economic solutions proposed.

The analysis therefore represents the manner in which webs of relations are mobilised and the nodal connections between networks. TSEIs working within the institutional structures which are already present are subject to

tightly-based networks which may ultimately find themselves limited by the industrial ethos. This therefore presents a problematisation of Healey et al's template as will be seen later.

'Full Circle'- A Return to Community Provision?

Another facet of the decline of the industrial institutions and the associated regulatory system requires comment. This is the notion that the third sector has undergone a full circle of development over the period of a century or more. As noted above, the roots of the third sector are in the philanthropy of individuals in organisations as a means to combat the failings of the economic system, hence becoming involved as additional provision within the mainstream. However, the regulatory system of the post-war period managed to marginalize the third sector as the government and industry undertook obligations and became all-encompassing service providers. This has subsequently, through the pressures on the regulatory system as viewed in the governance literatures, led to situation in which through notions of governance the third sector is renewed as part of the mainstream. In particular, I note the case of St. Simon's Community Project, in which church interests have come together to fill a niche which was not adequately filled by the mainstream employment and training agencies. This represents the manner in which the third sector and new governance is the embodiment of the 'full circle' which has occurred in the British social and economic life back to the 1930s, when the state demonstrated a relatively 'hands-off' approach to the regulation of the social sphere. What this suggests is a new mode of regulation which will entail new forms of philanthropy to support those spaces from which the state has withdrawn. The consequence is to create new spaces in which TSEIs may operate, and indeed be deemed necessary as the post-war regulatory system is gradually dismantled.

Amman Valley Enterprises (AVE) whose underlying philosophy includes an aspiration, as Derith Powell of AVE puts it, to "replace the features of local social life which are in decline", demonstrates an interesting twist on this. This represents a philosophy which does not rely solely upon the social capital and institutions of the mid-late 20th century; nor does it represent a return to the institutions of the pre-war. Instead, AVE is attempting to retain a notion

of civil society within its sphere of influence through the replacement of certain obsolete institutions with new variants to retain social cohesion. In this way, AVE explicitly seeks to manage the transition away from the mine-based social structure by retaining its roots whilst forging a new future.¹⁰³

The consequence of this discussion is to highlight the form of institutions which actively influence the development of TSEIs in situ, and the reflexive reinforcement or decline of those institutions produced by the presence of the TSEIs. It is how such institutional forms are allied together with the statutory agencies to produce regimes, particular to third sector developments, which will be analysed later in this chapter.

‘New’ Institutional Spaces

In contrast to TSEIs which operate within the currently existing institutional limits, a group of TSEIs notably create a break from the institutional structures of the industrial past. This therefore produces significantly different institutional configurations which are able to break beyond the limitations of those institutions into more beneficial development paths. A key example here is the DOVE workshop, which was created through the efforts of a group of women during the 1984-5 miners’ strike. As with DOVE, a crucial influence within a number of these initiatives is the predominance of women in contrast to the male-dominated legacies of the industrial heritage (see for example Cooke 1985: 230-232; see also Beynon 1984; Campbell 1986)¹⁰⁴. Schoone (1988) notes several aspects of the pre-strike/closure social framework which were geared towards the mine and as such were gendered in favour of the male population. Leisure activities, she notes, were dominated by male interests, quoting John, who states that, “Recreation has largely been defined in terms of male expectations and opportunities which have meant that women’s use of their free time has been dismissed as frivolous or unimportant” (John 1982: 18, cited in Schoone 1988). She continues to note the male preserves of the Working Men’s Club, which in the North-East of England was often at the centre of community life.

¹⁰³ see also Ystalyfera Development Trust, which has revived its local Gwyl festival.

¹⁰⁴ See for example St Simon’s community project; Amman Valley Enterprises; Waun Wen Ltd.

The role of women was essentially concerned with the care and support for the family, thus sustaining the health of the workers for the benefit of the mining industry. This therefore paints a scenario in which the industrial form of organisation had a particularly influential role in community life. However, the miners' strike of 1984-5 significantly influenced this structure in that women played a particularly active role in challenging the strike and the manner in which it was fought by the NUM.

While the strike was ultimately unsuccessful, the impact on the role of women was significant, with implications as this became the catalyst for greater women's participation in the third sector. There is evidence to suggest that the female-oriented initiatives are able to follow development trajectories which are not as reliant upon or subject to the cultural and institutional baggage of the past. As such, this is the embodiment in the third sector of a notion of an 'emancipatory power' in which a break from the past may be able to create a more dynamic development path for a TSEI. Several respondents, such as Lesley Smith of DOVE, have considered exactly why women should be at the forefront of such initiatives:

"Well, you see, women didn't have the same role in the past - we were, not subservient, but the whole culture around here was one in which women weren't seen as leaders. There was such a developed system around the mine that it was like a closed shop, really. You did your apprenticeship, got to know the right people, worked your way up through the ranks and so reaching the higher echelons was kind of the reason behind life for some people. But women were effectively excluded from all this: the work and the clubs.... Women worked behind the bars and got some part-time jobs, but not much further than that and the bizarre thing when we look back is it was accepted. And now, you look at almost a complete role reversal. The jobs for the boys have gone, as have a lot of the unions men, the WMCs, certainly in this part of the valley they're struggling, and now it's women who can get what jobs there are on offer - not great mind, but at least there are some jobs, and it's us who are able to come here and support ourselves and the men now. I dunno, we just seem to have started from a low base that we're on the up, whereas the men have had it all, sort of - a job for life, and they're a bit like lost sheep without it."

This view is echoed by Mair Francis, also of DOVE:

"I can just about trace it back to the miners' strike. The men weren't all that bothered about picketing and demonstrating - that had to be organised by the union to make it worthwhile or to make them do it. Whereas we were out there a lot more, trying to generate support or at least keep spirits up - which wasn't easy. So I think that was the point when it all changed."

There is a potential gendering of this reaction to the shift in the economic base, in the sense that males, who were the 'owners' of this mine-oriented industrial and social framework, have now been forced into a less structured social framework in which the institutions of the mine have been forced into decline. In contrast, the female population has been released from the structures created by the mining system, and have therefore been able to adapt more readily to the new environment which has evolved.

The result may be to create a new form of institutional trajectory which explicitly challenges or chooses to shun the structures of the past. Indeed, views have been expressed which characterise the institutions as both inclusive but also stifling. As such these new forces may create a move towards a more liberated form of social structures within an older context. This option is illustrated by John Kearney of Making Music Work, an initiative based near Consett in County Durham:¹⁰⁵

"You know, I don't hold too much favour with the line that says everything was good in the past. All the institutions as you call them round the steelworks and the mines, they were very inclusive in one sense which was good, but in one way they were so inclusive so as to make you kind of toe the line socially. Your life was kind of set out - how you should work...ok- but what you could do out of work as well - you were kind of expected to socialise in a particular way, well, that makes its sound a bit big brother, little brother maybe - but the point is it was strict in itself about what the boundaries were. Any sign that you were different, and you were kind of marked out as a troublemaker and I can remember people getting dumped on job-wise 'cos of what they did outside. So now, with all that removed, or at least declining, we've a chance to find new forms of expression, be more creative, and do things that might have been well, frowned on a bit more before. So things have changed, some in a bad way 'cos obviously the jobs were critical here. But you can't sit there and see it all as bad 'cos there's definitely some opportunities been created here. That's what you have to think, otherwise you're just constantly harking back to the past and you won't get anywhere."

This discussion of the emancipatory effect of less rigid institutional frameworks suggests that the decline of the industrial nexus does not necessarily lead to a decline in the social vibrancy. Indeed, this reinforces the suggestion by Mann (1986) and Amin (1996) that potentially more democratic *interstitial* spaces could emerge from under the shadow of the deeply embedded social structures. With a blocking mechanism removed from the social sphere, there is

¹⁰⁵ N.B. Making Music Work is not one of the cases studied in detail here.

a potential for new institutional diversity and with it the space for TSEIs to develop. This relates, as will be seen later, to a new form of mobilisation arena as suggested by Healey et al's (1999) work on the Grainger Town regeneration partnership in Newcastle.

Social Capital Breakdown.

The theoretical aspects of Putnam's (1993) work on civic society, while territorially bounded and politico-centric, provide an analysis of the common features of societies which have experienced economic development and suggests a reflexive link between the two. However, the spaces inherited by TSEIs are often those with a dearth of what may be characterised as a positive social capital and therefore I will now analyse the influence of 'negative' forms of social capital in TSEI development. It is overcoming such inherent disadvantages which poses a key problem for TSEIS.

In contrast to social capital which provides a basis for inclusive, co-ordinating environments for TSEIs, some case studies exhibit elitist or conflictual forms of social capital. The result is to create a potentially negative symbiosis through which the efforts to develop successful initiatives are prone to obstacles.

Where such forms of social capital are present, a deference or hostility to the initiative may develop, as is aptly described by the experience of the Rhiwgarn estate in Trebanog, South Wales. Waun Wen Ltd, the TSEI which gained the funding for a £450,000 community centre, found a number of factors played their part in creating an environment which was far from propitious for the development of the initiative. Briefly, these are:

- a. The perceived (and subsequently found to be real) intolerance and elitism of those within management and ownership regime
- b. Community factiousness which created a scenario where the TSEI was becoming the focus for discontent within the community.

The result for the Trebanog Initiative (also known as Waun Wen Ltd) was serious difficulty in the ability of the initiative to develop. Set up in 1995, it involved a three-stage plan of which only the first was able to develop primarily due to funding problems. The initiative was set up by a group of the Tenants'

and Residents' association in conjunction with support from Rhondda Borough Council. Through a series of impasses, however, the situation became complicated through power struggles and disruptions which created obstacles to development.

The management was seen as elitist both in terms of who they would allow to use the centre and also how they were regarded. Michelle-Lenton Johnson, of the local Authority, RCT, states,

"There's always been...a very big split, a chasm, between the younger generation and the older generation in Trebanog. Maybe the centre could have been and maybe will be now, a solution to bringing those together. But what it did in its first two years was actually to widen that gap. It was very much perceived that you had the elderly tenants and residents...running their bingo nights, a couple of coffee mornings, and the kids.... literally they had the door locked, shutters down, and refused entry".

Angela Pulman of Community Enterprise Wales noted a similar intransigence:

AP: "We're actually talking to people who are actually saying, 'don't develop community centres like that'. If you've got young people, give them a centre. Young mums need a different thing; oldies want something else. Put young people near open spaces, so they can have music and if they want or go wild, why not, for god's sake. They're not disturbing the old crinklies who are like Nazis. It's hell on that estate. You know they were talking about sorting out part of that centre into a community business. Well this cow said, we're not having any young people in here, they should get in the compound at the top of the bloody hill. Yeah, shoot them, he said, shave their heads. *This was the vice-chair of the community council.*"

RB: "So inclusion wasn't exactly the word that springs to mind. Is that the sort of opinion that you find, not necessarily across the board, that they're more widespread than they should be?"

AP: "You find there's a lot of people on estates, if they've been there a while are very entrenched territorially. This is ours, and we don't want young people, we don't want strangers in or anything. And this group were running this thing, as a club, but only for their friends. There were young mothers on that estate who could have really done with some help additionally."

As will be seen later, Healey et al's (1999) work suggests that a narrow range of knowledge resources, allied to a narrow range of relational resources with poor network integrations, could precipitate the lack of cohesion within the Rhiwgarn estate. This breakdown in confidence within the community created a focus for and a reflection of, the broader tensions within the community. This led to a situation in which the centre was targeted, particularly as a focus of youth disaffection, and became synonymous with particular individuals within

and around the project. The question therefore is: What marks Trebanog as different from any of the case studies? The crucial difference between Trebanog and many of the other South Wales case studies is that the Rhiwgarn Estate (on which the initiative was founded) is an artificially constructed housing estate which has little or no direct root within the institutional forms of social capital which emanate from the mining heritage of the Rhondda. The lack of a clear form of community allied to a lack of social institutions created a free-floating effect whereby social cohesion, crucial to allow the obstacle-free development of TSEIs, was not present. This is in contrast to the villages of Blaenllechau in RCT and Trimdon in County Durham. Sue Jones, of BCR, notes that,

“We've got a very clear geographical community, whereas Trebanog is not quite the same. And I think very few projects have that luxury. Even in Ferndale, there are different parts of Ferndale. This is a village and a community, and because it's separate from everything else, yeah, and so that helps as well. And I think it's small, because the width of the village, it's very narrow and everybody's on top of each other, and the centre is in the centre of the community.”

The result of the ingrained community feeling led to the following statement from Angela Pulman of Community Enterprise Wales at meeting of the Waun Wen board:

“You just have to sit them down, tell them straight. The Local Authority couldn't do that. She... the woman in charge said, “ I've been dying to do that, but we can't do that. Aren't you afraid of the 'conseq...well there's no consequences to us, I said. You know, we will give you the money back because we can't do the work we want to, so that's happened.”

“One woman got up, and said, 'is this really how we're seen', and I said, yeah, it really is. If you don't want to let go some of the ownership of this place, you are causing more problems that you're solving. And we left it with them. We said we couldn't develop community enterprise on there because there was too much to be done, but they did actually get someone in who started working with them and alleviated the problems, you know, negotiating and whatever but that was quite an experience.”

Therefore, release from the rigid social stratigraphy does not necessarily promote the development of new forms of third sector development. However it does in this small sample imply that the developments require a top-down form of development to negate this. Indeed, the case of Trebanog demonstrates how it is possible to restrict the possibilities for an enterprise before it could take off due to small mismatches of personalities which blew up out of all proportion.

The influence of RCT running the community centre since 1998 has generated a new environment in which petty problems are dealt with in a hands-off, top-down manner which appears to by-pass many of the deeply embedded prejudices within the community. As such this offers a template for the development of TSEIs within localities where the elements of social capital are so deeply immersed in local issues that they cannot therefore see beyond to the wider picture.

As such, a note of caution is required before any assumptions are made with regard to the benefits of a locally existing form of institutions. Indeed, I note the following typology of social capital and the potential for trajectories. This is an idealised typology drawn from these case studies and is therefore dependent upon the individual characteristics of localities. However, it recognises the potential parameters for development where social capital is present to one in which it is significantly reduced.

Discussion: Social Capital and TSEIs.

The structural dominance of large-scale industry which forms the economic base of North-East England and South Wales produced a particular, socio-industrial ethos which emphasised the skills of heavy and light manufacturing and extraction underlined by the career apprenticeship system. This removal of the economic underpinning of the third sector exposed a form of work ethos which relied upon employment creation by external companies, most notably mines and industry, rather than through self-employment. The result is that although there was a knowledge and skills resource within the regions, this was concentrated within sectors which have undergone decline. As such, the *range* of knowledge resources has not been adequate to sustain the economic base; nor have they facilitated new growth via entrepreneurialism. This has an impact upon the broader economic structures which produce the context for the third sector to operate. However, it also influences the range of knowledge resources which are available to the TSEIs to facilitate success. The result is a limit upon the specific analytic and technical knowledges which are needed to aid the prospects of TSEIs. Most crucially, with the case of Trebanog, the narrow range of knowledge resources has proven to be a factor limiting the

development of the initiative, as the estate lacked the relevant skills or impetus to develop the initiative. This lack of resources was compounded by the interpersonal conflict which arose when the Trebanog Tenants' and Residents' Association (TDTA), the 'elite' within the community, who possessed some relevant skills, were closely associated with the TSEI's development.

The range of knowledge resources, being allied predominantly to the industrial nexus of the heavy industrial past, potentially produces a particular locked-in response to the needs of the post-industrial economy and society. In addition to this, Healey et al's (1999) notions of relational resources, and in particular the influence of the *range* of relational resources, their morphology and network integration, presents an analytical framework in which to understand the nature of the institutional embeddedness of initiatives, most notably in Trimdon 2000, the Sherburn Road Regeneration Initiative and the Dulais Valley Partnership. Healey et al's (1999) notion of the range of relational resources refers to the number of richly bonded institutional and individual stakeholders associated with the initiative. This relates directly to the opinions put forward in interviews regarding the quality and range of people involved. Those TSEIs which have relatively narrow remits may subsequently possess a narrow range of relational resources as the range of stakeholders is limited. As a result, much is dependent upon the quality or depth of those relationships, to compensate for their narrow range. This is seen for example in the Spennymoor Training Initiative (STI), which has a narrow range of stakeholders it reaches but operates within a richly-bonded network. In contrast, those TSEIs which aim to reach out to the whole community must attempt to create or enhance a range of relational resources.

The form of social capital which has emerged around the leftist socio-political institutions of the each region has created the potential for well-integrated networks of actors and institutions. The experience of Trimdon 2000 demonstrates a well-integrated network of relational resources stemming from a richly-developed set of political and economic structures which had historically developed around the locality. In Healey et al's typology, this represents a strongly-interconnected network of resources which ought to aid community development. However, I suggest that, while such a form of social capital may be inclusive and democratic, it relied upon a particular frame of reference

through which the locality is viewed. The result is that in Healey's typology, Trimdon 2000 suffers from the problems of an overly integrated network which lacks the mobilisation capacity referred to by Healey et al (1999) as an opportunity structure. In a supposedly propitious environment, this is defined as being "contexts where there are structural shifts which create opportunities for change and there should be some agreement about what are the best opportunities to target" (Healey et al 1999: 132). Taking this further, the overly-inclusive institutional structures of some TSEIs therefore produce a tension with the ability of the institutions to offer adaptability, to use Grabher and Stark's (1997) terminology, as opposed to the adaptation offered by T2000. A strongly historical institutional network may therefore restrict the development potential if the combined ethos of that network is towards mainstream or non-radical solutions.

In contrast, the decline of the integrated network of institutions associated with the decline of the industrial structure of the mine has produced for DOVE an opportunity structure which has been exploited to provide a new institutional dynamic. The stifling historical institutions, which were extremely well-integrated in one sense, peripheralised the roles of women in the local economy and society. Through their partial removal, this has introduced new opportunity structures into which the third sector has developed.¹⁰⁶

Together, these elements represent the 'soft' institutions, drawing on the social capital literatures such as Putnam (1993) and Healey et al (1999), which have emerged as crucial to the development of TSEIs. However, the remainder of this chapter will analyse the aspects of Healey et al's framework in terms of the 'formal' or 'hard' institutions which combine to create the more easily observed structures in which TSEIs exist. This again can be related to the knowledge, relational and mobilisational assets suggested by Healey et al (1999), allied to the broader regulatory, policy and power structures which operate.

¹⁰⁶ Despite this, DOVE still offers a relatively mainstream educational solution to the economic problems of the upper Dulais valley. This therefore does not mean to suggest that a 'new' social space inevitably creates a radical solution; it may merely be radical in terms of the local institutional framework or the solutions tried previously.

Regional Institutions

Thus far, I have concentrated upon the informal, 'softer' social capital elements of the support structures around TSEIs. For the remainder of this chapter, I will analyse the formal institutional structures which operate to determine what potential support mechanisms they provide.

The role of region-wide institutions has significantly impacted on the development of governments and governance from the post-war era and thus also upon the structures around TSEIs. While English regions have little autonomy from Westminster and have experienced regional-scale government only through the Regional Development Agencies (RDAs), Urban Development Corporations (UDCs) and the Government Offices for the Regions (GoRs), South Wales has experienced a significantly different governance trajectory during the second half of the 20th century. While it is not the intention here to study in great detail the intricacies of the regional government of South Wales, its development and relative autonomy through the Welsh Office and now the Welsh Assembly will be recognised.

North-East England

As noted above, there are two key governance institutions which operate at the regional scale in the North-East. These are primarily the Government Office of the North-East (GO-NE), set up in 1994, and the Regional Development Agency, ONE NorthEast, set up in 1999. In this section I will establish the roles of these institutions as a reflection of regional identities and as a force in social, economic and political change.

Regional institutions in the North-East can trace their roots back to the 1930s with the North-East Development Board (1935) (see for Example Byrne 1993; Griffiths and Lanigan 1999). Such institutions are primarily based within the tripartite industry, local government and trade union framework created within the North-East, before becoming explicitly central-government influenced in 1963 with Lord Hailsham's plan for the North-East. In addition, the North-East has a degree of regional identity equal to or greater than that of most other English regions due to a historical trajectory influenced by the Prince Bishops of the North-East, allied to a more a contemporary political mistrust of

Westminster. This is compounded by the relative territorial boundedness of the region¹⁰⁷ allied to a socially constructed and to some extent artificial separation of the region from much of the rest of England. However, this ideological separation is not reflected in a significantly different set of governance institutions in North-East England, which in the late 1990s and early 21st century closely mirrored that of other English regions with the exception of London.¹⁰⁸

In the North-East, regional governance in the form of GO-NE has influenced the governance framework through its role as a directly-controlled outpost of central government. Most accurately, the role played is one of policy interpretation between central government and partners within the region.¹⁰⁹ As such, GO-NE has a role of accountability agent for many government competitive funding schemes for TSEIs and also as a means through which funds are allocated. GO-NE also retains the means to provide information and advice to central government departments as to the needs and requirements of the region.

As such, GO-NE can be regarded as a strategic coordinator and accountable body, though one whose power is derived from that of the central government in power at the time. GO-NE has little discretionary power and funding, although its role as a crucial conduit for information as regards funds has been noted. While the principle role is as the accountable body and partnership facilitator, there is an acceptance that this should not become too

¹⁰⁷ The region is bounded by the Scottish border to the North, the Pennines to the West, North Yorkshire moors to the South-East, thus creating a geographical as well as psychological separation of the region and producing a focus around its principal settlements of Newcastle, Sunderland and Middlesbrough.

¹⁰⁸ However, tentative movements have been made towards the establishment of a regional assembly (see also DETR, 2000).

¹⁰⁹ GO-NE has the following statement of objectives, taken from: http://www.go-ne.gov.uk/Corporate/main_corporate_page.shtml

- To support and promote a coherent regional approach to competitiveness; sustainable development; regeneration and social inclusion both through the government programmes over which the Government Office has direct control and by influencing the action of partners/partnerships.
- To manage the Government's relationship with regional partners, by promoting and supporting effective partnership working and in particular through sponsorship of the Regional Development Agency and support to it in the delivery of its strategy.
- To meet the needs of Ministers, Departments and the public in delivering high quality services against Service First Principles, including carrying out statutory duties, and delivering a range of programmes and contracts in ways which add value, secure value for money, and achieve a positive impact on the region.
- To represent and communicate participating Departments' national policy at local levels and provide a channel to inform national policy with local views and issues.
- To manage, develop and train the staff of the Government Office to ensure that they are equipped to deliver their objectives and to work to the Investors in People standard.

onerous, and that the remit should not go beyond this. Steve Muse, of GO-NE, suggests that its role is,

“Certainly not preventative, more an enabling function, spotting links if there are any and trying to get people together if there aren’t. There are a number of roles, I suppose, within a partnership, that have that role and that principally covers what a partnership is anyway, it’s to get better value by working together”.

In contrast, the RDA, ONE NorthEast (ONE), which is barely studied in this thesis due to its creation in April 1999, may potentially bring a new form of autonomy with a strategic and discretionary role in influencing regional politics. Through a role as accountable body for SRB, ONE already has a range of powers which may be exercised. In the following years, it will be of much academic interest to study how the RDA of the North-East and other English regions are able to adapt to the need of the regions and in what manner their discretionary powers are employed.

The overall picture for the North-East suggests that, despite a sense of regional identity, regional inertia has been created by the lack of institutional dynamism. Consequently, a form of Foucaultian governmentality appears to be operating, given impetus through the RDA and GO-NE, transcending the tentative moves towards a North-Eastern regional assembly. As such, the regional governance of the North-East is toothless and has a relatively minor part in the day-to-day development of TSEIs despite its key policy remit of regeneration and social exclusion. To proclaim a degree of regional autonomy of ONE NorthEast and GO-NE denies the influence of central government over these institutions. Little evidence for institutional ethos of independence exists, thus restricting room for manoeuvre in the implementation of government policy at the strategic level.

The Welsh Office and Assembly

In contrast, Wales has had, both in terms of identity and politics, a degree of autonomy from the UK government in the post-war era. The two crucial political and administrative institutions which have shaped Welsh governance experience are the Welsh Office, and the Welsh Assembly which

was created in 1999.¹¹⁰ Like GO-NE, the Welsh Office was a relatively dependent institution which derived its power from Westminster. As such, the notion that Wales was able to create a significantly mediated environment for TSEIs through the institutions is significantly misguided. However, a number of separations from the institutional structures endured by the English regions have created a specifically Welsh context and institutional structure which has influenced the ability of Welsh TSEIs to develop. I will now expand on this.

Griffiths (1999) tempers the claim that by the 1980s the Welsh Office possessed adequate autonomy to implement policies in a manner not stipulated by Whitehall ministries. Through the study of two policy areas, Housing and Education, Griffiths concludes that the suggestions of autonomy are exaggerated and the centre (i.e. Westminster and Whitehall) held a significant degree of control over the policy process which was able to operate within Wales. Griffiths puts the renewed interest in the 'territorial ministries' down to the reconception of the UK as a union state and not as a unitary state. This is allied to a perception that the policies implemented by the territorial ministries were qualitatively different from the edicts of the central government, presenting an explicitly less Thatcherite set of policies in the 1980s. This autonomy was attributed to two particular reasons. First, the possibility of territorial ministries implementing policies through their own (relatively limited) budgets. Second, the political nature of the localities led to the bending of policies to represent more closely the political culture of the localities, whether more consensual or corporatist than in England.

However Griffiths concludes by demonstrating "with few significant exceptions uniformity with, and not divergence from, English practice" (Griffiths 1999: 803). Griffiths suggests this for two reasons. First, the relationship between Wales and England may be regarded as closer in the form of an 'ungrounded union state' (closer to the notion of a unitary state form) rather than the more complex and loose relationship with Scotland. Second, he

¹¹⁰ In addition, the Welsh Development Agency (WDA), created in 1975, has been cited by many as a key institution which has influenced the regional economic development strategy of Wales but which has a lack of explicitly political or administrative functions of the Welsh Assembly or Welsh Office. As such, the WDA has remained through its mission statement more as a business-oriented entity which focuses on the private sector developments of the region. In contrast, the Welsh Office was directly accountable to the cabinet and as such was more directly influenced by political bias. The WDA was subject to the political musings of the time, yet drew its strength from its long-term remit and as such was influenced more by the indirect function of the government mechanism rather than direct political interference.

draws upon the distinction drawn between 'high' and 'low' politics, in which the former has historically been well controlled by the centre but the latter has been given to far more local interpretation due to its little interest in the policy profile. However, Griffiths suggests a more involved form of government stance which attempts to assert a degree of control over even what might be regarded as mundane elements of low politics.

Little interview evidence sustains the image of the Welsh Office as an influential mediator of government power. At best, the Welsh Office is acknowledged as being able to bend central programmes to local needs and influence Welsh development; at worst, the Welsh Office was conceived as a stooge of Westminster, therefore representing an institutional mechanism through which a form of Foucaultian governmentality may be implemented at the regional scale in Wales. Steve Cranston of Wales DTA notes with regard to the Welsh Office:

"Oh they've no real power, or at least they did. Just an arm of Whitehall, keeping an eye on the unruly neighbours so to speak. No, they did do some good things but that was due to individuals, not as a general principle"

However, there was significant support for the view that the Welsh Secretary (excluding John Redwood) was useful in that it created, if not an actual autonomy, a *sense* of Welsh autonomy and political attitudes. Whether this is merely an image as portrayed by those interviewed, and whether true authority was represented by the Welsh Secretary, is difficult to determine. Nonetheless, the mention of a Welsh Secretary appears to give a sense, correct or otherwise, of importance given to mechanisms and policies aimed to operate within Wales and at the Welsh scale. In a reflection of this, the appointment of Lord Hailsham to the position of minister for the North-East during the 1960s could be regarded as an attempt to promote an exaggerated sense of importance given to the region to placate political and social tension within the region and antagonism between the region and Westminster. While the Minister for the North-East experiment was phased out, the Welsh Office, due in many ways to the geographical and administrative distinctiveness allied to the political threat from nationalists, maintained its Secretary and a place in the Cabinet. However, despite this, the notion remained that the central government at best tolerated the

Welsh Office and at worst attempted to use it as political tool, to discredit Labour Party-based political enemies in South Wales. This politicisation of the role of the Welsh Office is made evident by Angela Pulman of CEW, who notes that during the 1980s and early 1990s, the developments in the third sector in Wales were not without a party-political element. Talking with reference to the development of the Trebanog TSEI among others, she recounts a scheme to specifically cause problems in Labour-run local authorities:

AP "The reason for that was they both came under the Community Revival Programme. That programme was designed by the Conservatives, who were in power at the time. Basically to mess-up Labour councils...which we found out from a contact at the Welsh Office. I was working for the WDA at the time, at their community enterprise unit, and if it wasn't for the fact that I managed to divert some revenue money into some of them, they'd be gone. Because what they did was classic, yet looks very good politically. You put half a million pounds into a troubled area, everybody goes yippee; it's all capital, there's no capacity building, and preparation, and you've probably heard, the worst thing to do to divided communities is to throw money at them. It doesn't work. And basically RCT....had three half-to-a-quarter of a million pound projects in communities they have to revenue support. So they came from a standing start of community revival, hardly any research. The things came up, had to be in within six weeks. And actually it's interesting to look at the two phases of that programme. Some of them went (hff) totally belly-up and nearly killed the community."

RB "It was a big act by the Tories to actually...."

AP "To make Labour governments, er...authorities look bad in their own communities."

RB: "Is that written? Is that genuinely what you feel on the subject?"

AP: "That's what I was told, by somebody in the Welsh Office."

RB: "So it was more of a political act?"

AP: "Total. The government...think, 'I think we should sink quarter of a million, half a million'...there's no revenue. How on earth could a community support you know, a capital asset when you couldn't even keep a shop going."

RB: "No-one's ever said that to me before."

AP "Well. It couldn't be said, could it? I was told, I wasn't told off the record, just in this...context on community revival projects."

Whether or not this represents an accurate interpretation of events, it nonetheless demonstrates disquiet at the role played by central government in the administration of Wales, and the inability of the Welsh Office to absorb and influence the edicts from central government. This therefore confirms Griffiths' (1999) suggestions that the Welsh Office was unable or unwilling to substantially influence the policy trajectory within South Wales, presenting a power relation in which the centre held significant sway over the region.

However, despite the perception of a lack of direct Welsh influence on the trajectory of the third sector in Wales, there is nonetheless a number of territorially-bounded auxiliary institutions which are allied to broader UK organisations. As such there is an acceptance that 'Welshness' is able to produce a number of locally-specific institutions, which are more accountable and embedded within the localities they serve. For example, the DTA Wales is allied to the DTA yet in 1998 decided to become separate to reaffirm its Welsh identity. Similar Wales-oriented institutions have emerged in the form of the Wales Council for Voluntary Action (WCVO) and the Community Development Foundation Wales.

This notion of strong institutions which are territorially allied to Wales appears to emanate from a particularly strong brand of regional (indeed, in the case of Wales, a national) identity which encourages and in some cases demands a Welsh institutional basis to differentiate itself from the broader UK/ English context. Stemming from a sense of the 'other' in Welsh politics in opposition to the perception of an overbearing influence of the English, this produces a strong source of institutional development and support. This consequently creates a depth of regional networks, or an institutional thickness, which operate as support structures and which draw strength from the territorial and psychological (and to some extent, a limited political and administrative) distinctiveness of Wales. This overlapping nature of resources with a strong regional focus therefore creates the potential for a more cohesive regionally-based strategy, in contrast to the less explicitly regional structure and hence potentially less appropriate institutional structures in the North-East and other English regions.

The Welsh policy experience also creates a situation in which differential implementation creates particular outcomes. Most notably, the lack of SRB funding and its allied emphasis on partnership precipitated a situation in which many felt the Welsh to be stunted in terms of the regimes which developed alongside TSEIs. As such the particularly Welsh experience influenced the institutional dynamic. Kay Quinn, formerly of Waun Wen Ltd but in this case talking as community development officer for Torfaen Borough council, notes,

“What I know of England, with SRB you’re kind of forced to be in partnership but that didn’t apply as much here. We’ve had some stipulation, and they’re coming in now. But partnerships between local authorities and community groups never really happened unless individuals knew each other or there was an ulterior motive, you know. So now, with the compact it’s better. Actually, it seems to have gone too far the other way, as you’re looking for partners who might not necessarily be the best people to work with, you know, not natural bedfellows but it looks good on a form. So yeah, it’s kind of better now but we’ve lost the licence to go it alone if we wanted.”

The result is a belated response to partnership working which has influenced the trajectory of Welsh TSEIs. The crucial point emanating from interviews is the idea that Welsh TSEIs could choose who to work with, and felt more comfortable working at the regional level with Welsh institutions. This therefore provided a particular form of regime which developed between regional-scale institutions, but which was more based at the voluntary participatory level rather than through requirements to work in partnership. I will discuss this aspect later in the chapter in relation to partnership formation at the local scale.

Local Authority-TSEI Relations

As noted in chapter 2, some change agents are able to mobilise the capacity inherent within the framework with which they deal. This potential capital and capacity is found both within the structures and individuals, and these are mutually interdependent in that the structures frame the manner in which individuals can act, as well as individuals intentionally and unintentionally shaping those structures. To address the influence of this potential support structure, this section will assess the individual and structural elements of local statutory agencies as key elements in producing beneficial symbioses or mechanisms which act to slow or block, intentionally or otherwise, the development of the TSEIs.

The section will firstly analyse the evidence for a crucial TSEI-council officer relationship. Second, the relationship of council officers and the elected members themselves will be analysed. Both these elements are crucially dependent upon the structures in place to delimit the parameters in which individuals may operate. These structures equate to Healey et al’s (1999) notions of relational resources and the manner in which these translate into

broader mobilisation capacities. These will be subsequently analysed later in the section by focusing upon the structure and network potential of the local authority, the political basis of the authority, as well as the broader political basis of the locality. This will suggest the types of local authority structures which provide propitious and unpropitious structures for TSEIs.

Officer-TSEI relations

Empirical analysis identifies interpersonal relationships between the managers of TSEIs and the relevant statutory agencies as key for creating a propitious environment for TSEIs. Implicitly, the range of these relational resources produces particular configurations of power in which the TSEI is able to mobilise the capacity of statutory structures to create both monetary and administrative support to enable development. The importance given to the interpersonal relationships within local regimes of TSEIs and councils can be clearly seen through empirical research. This relationship of TSEI to the local authority is regarded as the key relationship (DTA Wales 1998),¹¹¹ thus supporting claims in chapter 3 that local authorities, retains a role as the key site of local regulation in dealings with the third sector despite the broadening of the governance base.

This relationship formed between local authorities and TSEIs typically represents an *unequal* power relationship, with the local authority in the dominant position. This consequently influences the access to resources, be they monetary or human, as a power differential enables the power broker or gatekeeper to enact a mechanism which either enables or blocks development. As a result, the quality and by association *equality* of interpersonal relationships can potentially aid the development of beneficial TSEI-LA alliances. An equality of relations can be achieved through genuine openness, although this is still dependent upon personal interactions. However, as illustrated by Peter Brookes of Trimdon 2000, in some cases the TSEI may possess a range and integration of relational resources which enable a levelling of relations but which are not held by the majority of TSEIs:

¹¹¹ Roughly 2/3 or 14/23 responded that the LA was one of the key 3 partners in their regeneration efforts.

"I can be quite creative because I know the system. I've worked within the county council for 22 years, albeit social services, so I know a lot of people. And that's handy 'cos I can say, oh I can phone somebody up. But I know who deals with that in County Hall. The problem is that you don't want a system that's reliant upon the personal - individuals knowing other individuals. Kind of personality-based. 'oh I'll do that, Peter, no problem- we can get out to Trimdon next week and sort that out. Because I'm Peter Brookes and they happen to know me, that's inequitable'...there has to be a system that's transparent, and we'll respond to that because that's in the rules, and it's right that we respond, and it's a priority that we respond"

In this case, relatively flat hierarchies of power exist as a reflection of the differential access to power of the members of the TSEI boards although this may be allied to a context of trust and co-operation as part of a mutually beneficial project. However, the mere presence of relational resources does not necessarily represent the sole means through which to produce beneficial development opportunities. Distance and hence a power differential may be maintained between the officers of a statutory agency to provide a working relationship based on a clear definition of rules. Such a relationship is dependent upon two key factors. The first of these is the relative strength of character of each individual which, when intertwined, produce a positive or a negative symbiosis as a working relationship in which distance is deemed to be appropriate. Second, and related, is the notion of the relative security of individuals involved, formed in part through the structures which underpin the parameters of actions to produce relative power differentials which inform interpersonal relationships. Indeed, the power relations are key to the development of TSEIs, in that this reflects the types of relational resources which are able to operate. Should this form of relational resources be perceived as being weighted towards the interests of the TSEI, there is an empirically observed tendency to wish to keep local authorities at arm's length. This represents a desire to avoid over-dependence on local authorities but also to avoid a scenario in which the local authority becomes a meddling interest in the TSEI, a feeling attributable to the perceptions of some local authorities as overly keen to dominate. Sue Jones, of Blaenllechau, elucidates on the maintenance of a particular working relationship with RCT which relies upon a particular form of relational resources

"We have very good *moral* relationship with the local authority, but it remains at that level. We don't allow them to interfere. They have

supported us, and it's no good saying they haven't; they've supported us through everything that we've done. But it 's on a moral basis. They come and give us a hand here or there, yeah; if we need someone to speak to for advice, we get it. They have no input of money, they have no representation on our board, and at the end of the day if we want something we contact them, they don't contact us. And what it has meant is that they have had to keep their nose totally out of our business."

This is concurred with by Dan Dowling of South Tyneside TEN, who notes that the relationship ought to be "Healthy, but not too close - I don't think either party wants that at all."

Such an emphasis upon the relational resources between TSEI and the local authority therefore complicates the notion of *trust* in the development of third sector partnerships, or as Healey et al (1999) categorise it, the power relations within the sphere of relational resources. Healey et al suggest that trusting relationships, when positive, present a potentially more propitious environment for TSEI development. This is backed by the research undertaken here in suggesting that flattened or shallow power hierarchies tend to characterise successful initiatives. However, whether this is as a result of a successful initiative possessing the knowledge and relational assets to *demand* a fair working relationship, or whether such a relationship must be based within an explicitly *trusting* framework, requires further research. What does appear from this research, however, is that interpersonal relationships which maintain a power differential (at least those with a power deficit for the TSEI) produce fewer examples of success through the ability to impose outside will upon the development of TSEIs. As an extension of this notion, a steep power gradient will therefore fail to unlock the full potential of the capacities due to the inherent lack of trust and embeddedness.¹¹² Gatekeepers are therefore key to the access to power and resources within statutory agencies. However, it is erroneous to assume that the potential of individuals within agencies to mobilise resources is fixed. Instead, I will suggest that this is a function of two key factors: the position of the local authority employee within the structure of the local

¹¹² This may be created by a misunderstanding or change in personnel in the sphere of influence, therefore shifting the balance of power and knowledge between the local authority and TSEI. The dearth of close interpersonal relations and the obstructive force this therefore creates is illustrated by the case of Penywaun Enterprise Partnership in which the partial break-down of relations led to the failure of statutory support for the initiative.

authority and the power relationships of officers within the local authorities and elected councillors.

What does emerge is that relational resources do not, as posited by the network literatures, have to depend solely on trust as a feature which can produce effective relationships. While this may aid the development of relations, a relationship between TSEI and local authority which is based upon respect and mutual benefit has been seen to be effective without the engendering of a deeply trusting relationship.

Access to Resources

The placement of officers within the power structure of institutions clearly enables or inhibits that individual's access to power and therefore key resources. Individuals who possess the knowledge and ability to move directly to the resource base are therefore able to mobilise such resources. This therefore depends on the structure of the local authority and the relative emphasis on community economic development as a priority or as a peripheral element of service provision.

The empirical study provides conflicting evidence as to the nature of local authority structures which create a propitious form of access to resources, and hence the *range* of knowledge resources as well as the means to mobilise these resources and reach the arenas in which power is held and exercised (see Healey et al 1999). Two initiatives, Low Simonside and BCR, have both been attached via officers directly to the chief executive's department in their respective local authorities (South Tyneside and RCT). The result was relatively uninhibited access to the centre of power hierarchy of the local authority. Mick Jones, of BCR, states,

"We came under Chief Executive's department, with Peter Mortimer and Graham. We could get information when needed and it made it a real one-stop shop. Any problems with departments were by-passed; we'd just go straight to chief exec's department and put our case. I certainly think it's one of the reasons why in RCT all community development will come under the chief exec's department is because of the success we've had."

However, such access to sites of power does not necessarily create a propitious environment, as Jayne Mills notes in Low Simonside, where the initiative also fell under the auspices of the Chief Executive's Department:

"We were able to get close to the power, but there again that power wasn't really used. There was a lot of mistrust or disdain about us, and people there weren't experts at what we needed. So it could have worked, but in our case it didn't really."

The result is that one connection to power does not inherently create an environment in which development is enabled; indeed, the internal politics of local authorities produce particular environments in which individuals and departments feel aggrieved at a potential loss of power and then create obstructions to the development of TSEIs. The result, therefore, is that power structures cannot necessarily be deconstructed to provide an absolute answer to the best structure to aid the development of TSEIs; as Healey et al (1999) note, it is only when such powers are *mobilised* that they produce results, either to the benefit or detriment of the TSEI.

Local Authority Structure

The structure of a local authority is therefore important in creating particular conduits for power and flows of knowledge and resources, whether operational or not. A common criticism from TSEIs is the compartmentalised nature of local authorities acting as a barrier to efficient usage or access to power and resources. While moves away from a compartmentalised form of government are being made,¹¹³ a tribal feeling remains within local authorities in which departments operate as individual power bases with distinct remits, away from the central power of the local authority. The result has been the characterisation of local authorities as institutions in which there is a distinct lack of a coherent response to the needs of the TSEIs. In County Durham, Brent Kilmurray of Durham County Council notes,

"Well they have corporate mechanisms within the County Council, but when it comes to our interface with the community it is very much a sort of compartmentalised. They ring someone from Economic Development to give them funding advice and then they have to contact someone from

¹¹³ Most notably in the form of proclamations towards the benefits of joined-up government and the shift towards cabinet government within local authorities.

the environment department to come and talk about the environment. You know there's no one person who can sort of act as the interface for them."

This lack of a coherent strategy within Durham County Council is typified by the following example, which demonstrates a level of corporate malaise within the authority which is unable to adapt to the needs of community economic development. As noted by Peter Brookes, in this case operating as community development officer for Durham County Council,

PB: "You see that's exactly what happens. [Name anonymised] rings me up to ask what I could do to a plan which has already been sent away pending the final decision. It's like we should be there at the start, co-ordinating the departments to see how it fits together with the regeneration and community development agenda. To see how it could benefit everyone. Not at the end, when it's all been done to each department's own designs which don't fit together, they overlap...and then we get asked to rescue the thing when they get it back saying there's no CD [community development] ideas in there. Bloody ridiculous...it just shows how narrow a focus some departments have. I don't necessarily blame them 'cos it's the way it's always been done, and that's what they've kind of been told what to do. It's just so bloody infuriating. It is changing, but so slowly. I just guess I ought to be thankful that [name anonymised] at least called me - it might not have happened a few years ago."

RB: "So there's just that engrained idea of how things should be done?"

PB: "Yeah, and no-one has the courage or nous to really change it. It's too cosy until something drastic happens."

A similar compartmentalisation is found within Rhondda Cynon Taff borough council due to the result of a the previous administrative split of the local authority into Rhondda, Cynon and Taff respectively, operating as a tier of government under the umbrella of the mid-Glamorgan county council. Sue Jones notes that despite the shift of political control from Labour to Plaid Cymru,

"I think RCT still sees itself as R, C and T.... regardless of it changing politically."

This research therefore suggests that a number of trade-offs operate to determine the access to monetary and human resources within statutory agencies. The majority of TSEIs are allocated to a particular department of the relevant local authority. While those TSEIs which had access to the chief executive's department were able to access power more readily, this consequently created potential blocking mechanisms through jealousy and

mistrust of motives from other involved departments. This therefore represents an inability to mobilise the resources within the local authority. As such, TSEIs may be inadvertently caught up within the internal politics of local authorities. It is this element which I will now discuss.

Political Attitudes Within Local Authorities

The political bases of localities have the potential to lead to tensions within the local government structure, notably where this is allied to a two-tier local government structure and the subsequent power differentials and jostling for influence over the local decision-making process. With the broad swathe of Labour Party control (see earlier) across the case-study areas, it would appear that political rivalry would be a relatively minor enabling or blocking mechanism for TSEIs. However, deeper analysis of the interview data suggests that there are underlying causes of friction, both explicitly stated and tacitly alluded to, which may be attributable to the political leanings of individuals and groups.

Trimdon 2000, which operates within the home village of Tony Blair, the Prime Minister, is located within Sedgefield Borough Council and the County Council of Durham. Due to its creation through the efforts of a number of well-skilled, well-networked community activists, T2000 has developed a broad range of community and job-based activities which have provided some support to a limited section of the local population. Through a range of sources, T2000 has secured a sizeable funding stream and is attempting to become self-sustainable in the medium term through the development of a call centre as a community business to generate funds (see appendix 1.10). However, opposition to the group has emerged from an unexpected source - the 'Old' Labour party which holds the electoral mandate within Sedgefield Borough Council, and which operates within a political structure which essentially reflects the industrial socio-political framework of the post-war Fordist era. The resulting political and financial impasse of the modernising, Blair-oriented politics of the groups and the paternalist, power-wielding motivation of the council have come into focus and consequently provide a clash of philosophies.

The impact of this on the T2000 group has been to create a minor blocking mechanism on the group by creating what are described as 'walls of bureaucracy' by T2000 members. This is evidenced by the Anne Timothy of the T2000 board:

"Well, I see, and this must sound very bizarre. But you must know that we're in a period of change. Rapid change in all areas. Not just in community development; in industry, manufacturing, education. All sorts of areas are changing. And I see the voluntary sector very much as this third way in that they are ploughing the furrow, if you like. They're doing things that haven't been done before but what they're doing actually is working. So they're facilitating this change from the old, which is the very formal, lots of rules, can't step over them categorising things; to a more liberal, a more flexible way of working, more respect of the individual. A more realising the capacity within people to govern their own lives. And it is the flow between the two that the third sector, the voluntary sector, the community sector, seems to be bridging it. That's how I see it. Now whether that's in reality how it is, I don't know. But if you heard Sedgefield borough council when they were first informed that we were first talking about this development, they were totally against what we were doing."

This commentary suggests a view of Sedgefield Borough Council in which there is an institutional ethos within SBC towards initiatives which challenge their hegemonic status. Indeed, this version of events is confirmed in off-record comments made by officers of SBC. However, this form of institutional inertia, (equating to Healey et al's notion of poor opportunity structures through poor relational resources) does not necessarily lead to the downfall of Trimdon 2000 as an initiative. In contrast to many TSEIs, T2000 possesses the capabilities to overcome certain obstacles or more crucially, employ them in an intermittent fashion when it best suits the group. In other words, they possess the mobilisation repertoires to enable them to by-pass such blocking mechanisms, thus allowing T2000 to access the other arenas in which resources and regulatory power lie. In contrast, other groups without this mobilisation capacity will not fare as well. As such, success in such unpropitious circumstances could be dependent upon the presence or otherwise of key change agents and their capacities to overcome such barriers. This has a crucial lesson for the nature of the regeneration process and the manner in which it is administered.

The literatures summarised in chapter 6 demonstrate that the competitive nature of funding has targeted funds at the areas with the most significant

indicators of deprivation. However the evidence from the case studies examined here demonstrates that it is not necessarily those most in need of funds which receive them but those best placed to receive them. It is those community groups which have the capacity to produce funding applications and who have access to power which are able to create successful outcomes for the communities. However, those communities lacking such skills are most likely to be untouched by the multiple layers of challenge funding which have characterised the sphere in the 1990s. As such, I suggest that what is being created is not an equitable form of funding and opportunity, but a two-tier system in which those pockets of deprivation with requisite skills are able to mobilise resources far more than those which are unable to draw upon such resources.

The result is that competitive funding, by its very nature, creates a dual system within itself in which the most deprived localities have to seek (or wait to be given) more statutory funding rather than being able to seek to improve themselves. As such, while much of this thesis has reflected sentiments which are essentially dismissive of the roles of local authority structures as a means of delivering services, I suggest that such top-down schemes are a more appropriate form of delivery where the locality does not possess the key knowledge, relational and mobilisation resources to ensure success. This is not to create a sense that local issues should be sidestepped; only to adopt the best institutions which will allow such negative issues to be circumvented.

Politics, Locality and Inertia?

Beyond the notions of access to power, the research suggests that a clear tension remains within local authorities between the interests of officers and councillors. Reflecting different views on the role, effectiveness and modernisation of local authorities, this section will draw upon the empirically observed data before reflecting on how this relates to Bemrose and MacKeith's (1996) four-type categorisation of local authorities and the manner in which responses are formed by local social capital.

As noted above, the political heritages of North-East England and South Wales reflect in general a white male, middle-aged population with roots in the corporatism or tripartism of the post-war era. Such a heritage creates a broad

political context which has an often conflicting philosophy as to the role and necessity of community development in their area. The political basis of the local authorities had until 1998 all been primarily Labour-controlled entities, whether one or two-tier. The result creates broadly comparable political ideologies in the local authorities studied. However, after 1998, the electoral pattern in Wales shifted (see above) so that RCT became a Plaid Cymru - controlled authority. This was complemented by the Welsh Assembly elections of 1999, in which RCT elected a Plaid Cymru member. Acknowledging this exception, the statistics underline the continued electoral dominance of the Labour Party in North-East England and some parts of South Wales where the Conservative Party does not offer a realistic alternative to Labour Party control. The continuing (though slightly diminished) historical and current electoral dominance of leftist labour politics therefore create the conditions for broadly comparable political ideologies between the case study areas. However, as noted above, the individual development trajectories of each area and their associated industrial and political histories produce locally- formed regulatory systems and local authority structures which reflect this evolution. As such, while the local authorities are broadly comparable, the influence of the broader institutions of each region has produced local differences within the meta-scale analysis I will now present.

Within the case study areas the continued dominance of (Old) Labour Party politics creates potential tensions between officers and politicians as to the direction and execution of policy decisions.¹¹⁴ Despite the potential decline in the strength of the mandate for local authorities' elected members, for the purpose of this section I will assume a role for councillors as a central tenet of local representative democracy. I now wish to focus on the their role as arbiters of the actions of council officers.

The broad thrust of Labour Party politics in both North-East England and South Wales is that of 'Old' Labour, thus creating particular brands of political and ideological thought which pervade the decision-making process. A crucial

¹¹⁴ One note of caution is critical here: electoral politics is the sole conduit of direct electoral accountability for the actions of local authorities and must therefore be regarded as essential to the political process. This is particularly as a means to counterbalance the trend towards quangos as primary service deliverers which lack the (direct) electoral democratic accountability of the local authorities. However, the poor turnout in local election of late has re-focused attention towards notions of a democratic deficit at the local level in which local politics has effectively been eschewed by the majority of the electorate.

element of this is that councillors are imbued with a sense of duty towards their electorate which emanates from a [normative] view of the social and political spheres in which the role of the state is that of service provider.¹¹⁵ As a result, sentiments expressed within the two case regions demonstrated some sense of resentment at the overly paternalist, top-down interventionist stance of local councillors. While this is regarded by those in power as an obligation to provide for the electorate, interview data suggests a popular perception of councillors which revolves around an 'I know best' attitude which is equated to arrogance in office. Indeed, while some local councillors are active within the TSEIs, the mistrust demonstrated appears to coincide with the electoral shift and disillusionment with local politics, most notably in RCT, where Plaid Cymru offered what was perceived as a valid alternative to the Labour Party. Sue Jones and Mick Jones of BCR note the attitude of local councillors:

Sue Jones: "It used to be the kind of, I'm elected so I'll make the decision. I won't bother consulting until another 4 years or whatever but most felt so safe it didn't matter, so there was a, I dunno, an ethos of complacency and power-wielding that just didn't serve the community. I mean, if you look at what we had as councillors until last year's shake-up, if you look at what we had, you were waiting for them to be carried out in coffins, not only that but prior to that their families. And that has been a shake-up. We're yet to see how this one turns out. Politics is very good on paper."

Mick Jones: "The old sort of structure where it was, don't rock the boat, that's changed. New fangled things - well, they won't work".

While some significantly forward-looking and therefore responsive elected members may be present, this is evidently a minority. Evidence for councillors as a power-hungry breed who have become accustomed to a level of social standing emanating from the electoral positions of responsibility were also represented in the empirical data. Interviews noted the 'monarchical' style of rule and the dynasties of councillors. The consequent social importance gained from this led to accusations of attempts to further the councillor's sphere of influence through capital projects which could be regarded as the brainchild of councillors. These would be typically within the councillor's constituency, to help create a legacy and cement the councillor's standing.

¹¹⁵ See also Adamson (1998a)

The result of such attitudes within elected members leads to a situation in which the councillors and officers may have significantly different philosophies. The resulting obstacles therefore serve to restrict the abilities of officers to undertake particular projects, as illustrated by Derith Powell of AVE:

“We try our best, but at times we’re just blocked off. Nothing doing. I despair at times wondering what right have they to do that?”

The overall result of this is to represent opposition to the efforts to ensure local authorities enable TSEIs as suggested by the *Compact on Relations Between Government and the Voluntary and Community Sector* (Home Office 1998). There is therefore a tension between theory and practice in that the notion of an ‘enabling’ council may be well accepted by the officers and some councillors; if this is not accepted as an acceptable or desirable path by the elected body, efforts may therefore be made to retain the sphere of influence of the council as far as possible. In practice, the reality of budget cuts has forced some councils or councillors to admit they will lose influence; whether this represents in some cases an overt attempt to neglect their responsibilities will be analysed later in the chapter.

What this therefore suggests is that multi-level governance is by no means an inevitability without a significant deal of modification by local authorities as noted by Bemrose and MacKeith’s (1996) four-type classification of local authorities. Bemrose and MacKeith’s work suggests a typology of local authorities of a continuum from ‘enabling’ to ‘top-down’, and while there are some aspirations towards an enabling model, and some evidence that enabling is the sole route open to local authorities, there remains a degree of contestation within local authorities over the exact role to be taken by the authority. The outcomes of such tensions therefore represent a mixture of pragmatism, idealism and the need to appease or *satisfice* all demands.

This moderation of political and practical ideologies within the structure of the local authority produces significant consequences for the attitude to the third sector. While some councillors regard the third sector as a means to retain an influence at a more strategic level, over the process of service delivery and CED, others regard the third sector as a challenge to their hegemony and as such attempt to create obstacles towards third sector institutions. The irony here is

that those local authorities which accept some inevitability of broader forms of governance, and work within that framework, will potentially be able to strategically influence the deployment of resources within their locality. In contrast, those local authorities which attempt to retain control may find themselves by-passed as TSEIs choose to seek funds directly without consulting so closely with local authorities. Mirroring this, the dominant governmentality, allied to strong political action, may therefore be a means by which local authorities are by-passed in the funding and governance process, restricting the local authority's role to that of accountable body.

LA-TSEI Embeddedness

The relationship of many TSEIs to the local authority automatically prejudices the response to its work within the community. While some areas welcome the 'hands off' approach of a local authority, the local authority tag often creates a situation where the oft-aimed-for notions of community ownership and embeddedness fall by the wayside.

This political judgement on the role of local authority towards TSEIs is crucial for two reasons. First, it delineates the form of support to be expected by the TSEI from the local authority, thus providing the basis for an effective relationship. Second, it affirms the ability of the TSEI to operate in independence or under the auspices of the local authority. This is important, as a trade-off emerges in many cases between the need for funding and support and the need to be regarded as independent within the target community. As seen at the Ystalyfera Development Trust, there is a confusion regarding the development trust as an arm or otherwise of the local authority. This creates a situation where a particular association inadvertently prejudices the standing of the development trust within the community. Chris Thompson, of the Ystalyfera Development Trust, states,

CT: "I think some people have the idea, with the trust here, like it looks like it's part of the local authority. Like, they go, they look after the poll tax side of life, anything contentious, so they're coming from there, you know."

This therefore presents a scenario in which it is not just the actions of TSEIs which inform its success but also, through the relations with external institutions, the perception of the TSEI. This therefore adds a different slant to Healey et al's (1999) suggestion that relational resources and webs of networks are necessarily beneficial; depending upon the perceptions of those involved, this may also produce unhelpful circumstances for TSEIs.

Mainstream or Not Mainstream?

Even within the third sector, a number of positions are occupied which deal with the public and private sectors as partners, competitors, or mutual beneficiaries. What this research reveals is that the third sector in the main cannot be completely independent and its vibrancy is in part determined by the public and private attitudes toward its development. Galling as this may be for a number of practitioners, it appears that the regulatory mechanisms of the state and economy have led to series of structures, imperatives and directions which the third sector has to adapt to, challenge or fully adopt. Those third sector initiatives which attempt to challenge such structures may fail at the first hurdle as they are unable to 'compete' with more mainstream solutions which operate within, and indeed perpetuate, the regulatory mechanism of the time. What remains to be seen is whether such 'adopted' initiatives are more subject to the wills of the government mechanism and its regulatory controls and may suffer in the long run if changes occur.

The significance of this is to partly de-bunk any notions, in these areas of the UK at least, that the third sector offers solutions to the problems which have been created by the mainstream policy and economics of the global economy and the government of the time. Instead, the evidence clearly suggests that, even if not operating within the mainstream at the outset, the evolution of TSEIs tends to draw them more towards the economic orthodoxy, away from the radical types of solutions suggested by Birkölzer (1998).

The result is a misapprehension as to the level of the substitution effect, in which the third sector is effectively being drawn away from its role as service provider at the fringe and periphery towards the centre through a combination of political direction, funding regimes and marketisation. As such, there is a degree

of uneasiness regarding the future role of TSEIs: Are they effectively supplanting the mainstream agencies or creating a safety net where they fail to deliver?

There is therefore a sense that the initiatives, while supported by mainstream funding, are also being used in a way as to fulfil the 'obligations' of mainstream providers on the cheap (see for example Amin et al 1999). While not necessarily accepted without question by those involved in TSEIs, there is a sense of powerlessness and inevitability - that over time, many projects will be subsumed under the auspices of the mainstream.¹¹⁶ However, a significant level of disquiet arises in some projects at the perception of the state 'using' the third sector as a means to create welfare services on the cheap. This revolves in particular around the perception that the third sector is matching statutory funds with other earned revenues to provide services for localities beyond their remit and perhaps within the remit of the state, therefore further blurring the boundary of the third sector. This is exemplified by Sue Jones of BCR, who suggests that the funds put into BCR by RCT are subsequently multiplied by the factor of 15 to produce the actual value of funds to the initiative. The result is to produce a perception of exploitation. In contrast, Steve Cranston of the Arts Factory suggests that the initiative itself aims to use the mainstream as a means to piggy-back, thus drawing in funds for the initiative to use. As such, the boundary, if one ever existed, between the third sector and the welfare state is seen to be permeable.

At the local scale, an organisation which is allied too closely with the local authority may become intertwined with the development trajectory of the local authority. This creates a situation in which TSEIs may not be able to project images and radical alternatives to the economic orthodoxy. Instead, local authority influence may lead to the development of a primarily mainstream option which offers little in the way of new economic development for excluded communities. As such, while some TSEIs cite themselves as being part of the

¹¹⁶ Indeed, many projects have the particular aim of doing themselves out of a job - Dan Dowling of South Tyneside Training and Enterprise Network states, "I'd like to think so. But you know what we're up against. As Mike said, we're aiming to do ourselves out of a job, but I certainly can't see any prospect at the moment. We probably have made things better, but, yeah, at times you do feel like it's all going against you."

mainstream, this is by no means a universal aspiration. Sheila Davies, Community Co-ordinator of RCT, shares this:

RB: "The CED that's taking place: do you see it as part of the mainstream or do you see it as slightly separate to the mainstream?"

SD: "I would like to see it as more mainstream...I don't like it being classed as separate, because it is mainstream community enterprise. Because in instances in areas like ours, where there are areas where they are classed as the private sector will not go, the community enterprises are the mainstay of local services and local provision for some small communities..." "But again, there comes a point where they cannot be reliant upon grant support forever. Because they're going to set themselves up as community businesses, there comes a point where - and they do need a longer lead time for this than standard business - that there has to be a point somewhere along the line where they have to stand on their own two feet."

Indeed, the ambivalence of local authorities towards small TSEIs is put into focus by an analysis of an evolving role as funding streams become involved. As noted by Jayne Mills, of Low Simonside,

"It's only when you start to shake the pot of money around that they suddenly perk up and get interested."

Local authorities therefore have the tendency to adopt TSEIs as a means to develop new resource bases which have been perceived to be top-sliced from local authority budgets in the first place - therefore effectively regaining what is rightfully the property of the local authority. This is demonstrated by Andrew De'ath of South Tyneside MBC, who suggests that,

"Well, we feel like we're suffering here to create the funds for the projects - the government has reduced the funding for the council on the premise that it's going directly to the community but they take off the admin costs at each level, so there's less going in, but we're supposed to support them without the funds. So when funds do come available, of course we're going to be keen to get some and make our figures balance, as we're probably the best route for it be made available - I mean, why pay for admin to the DETR or whoever when you're not going to get any help from them?"

Accountability

This revision of the relationship of local authorities to the local area, and hence the relationship of local authorities to TSEIs, creates a particular dynamic

to the relationship when local authorities act as accountable bodies for TSEIs. While interpersonal relations may be beneficial to the participants, the enforced role of accountable body can lead to an environment in which the potential for tension and recrimination is increased. Most notably, while local authorities are often ideally placed as accountable bodies, this complicates what Healey et al (1999) refer to as the power relations (incorporating trust and openness) between TSEIs and their accountable body. Essentially, this may reduce the trust and openness due to the fear of knowledge being used as a tool in an accountability study. Sue Callendar, of St Simon's Community Project, suggests,

"We're normally really open, but you know, we might just be a little bit cagey when STMBC [South Tyneside Metropolitan Borough Council] are around"

Consequently, the enforced roles taken by TSEIs and accountable bodies therefore restrict the potential relational resources, where a degree of secrecy is deemed desirable. This is not to dispel the notions in Healey et al's (1999) template to suggest that less open relationships are of benefit to all TSEIs; merely the notion that in particular circumstance, a laissez-faire attitude or relationship within a broadly trusting relationship can produce a more beneficial environment for TSEIs.

A similar hierarchy of accountability functions raises the hackles of local authorities when they are subject to accountability studies from regional-scale institutions. This is illustrated by Andrew De'ath of South Tyneside MBC, in accepting that the arguments or complaints raised by the local authorities regarding over-zealous accounting from GO-NE are similar to complaints raised by TSEIs. He suggests that the local authorities' hands are tied, passing the buck, stating that,

"Of course. But we're just following rules, I suppose. We're just following what government lays down to us. We don't make the rules about quarterly monitoring."

In whatever manner these accountability criteria are interpreted, the necessity to fill out onerous forms is reflected as an activity which restricts the time available to devote to the actual day-to-day management of TSEIs. A number of interviewees concurred with this notion by citing bureaucracy as restrictive and time-consuming. The need for strong accountability checks on

TSEIs has developed as a crucial element of the shift to governance through competitive tendering for third sector funds. However, this has created an additional blocking and restrictive mechanism, which will be analysed more closely in the following chapter as an element of the internal management of TSEIs.

This crucially raises notions of governmentality as a key structure operating not as an abstract mechanism but as a locally-functioning influence upon the actions of institutions and individuals. The government edicts placed within the framework of challenge funding have clearly produced a hierarchy of accountability which, most importantly, local authorities and TSEIs do not wish to contravene for fear of being less well-funded in the next round.

The accountability mechanism therefore appears to be a crucial element of governmental control not only at the TSEI level but also at the local authority scale. This further complicates the theoretical standpoints which seek to typify local authorities as having particular structural forms as chosen by the local authorities themselves to respond to the needs of the localities for which they have responsibility. Instead, such local authority types are the result of conflicting local and governmental forces.

In relation to the third sector, this research, along with that alluded to by Foley (1999), suggests that the role of the local is becoming usurped by the stranglehold of the centre over the accountability process. This standpoint is echoed by Atkinson and Lejeune (2001), who note that “while local government has been reintegrated into urban policy this has occurred on terms largely dictated by central government who have been able to define the ‘rules of the game’ and thereby to exercise new forms of control over local communities” (Atkinson and Lejeune 2001). Bound up with a governmental insistence on measures which do not necessarily represent an accurate assessment of the success or failure of an initiative, this leads to a conclusion that the emphasis upon the local is merely a mirage while central government concerns are met.

Cross-Boundary Co-ordination.

A key factor in developing support mechanisms for TSEIs is the cohesion of funding and support. As noted above with the lack of continuity in

the recent (1996) shift from a two-tier to a one-tier system in South Wales, the resultant institutional diversity is thrown into sharp focus by the case of Amman Valley Enterprises. Set up in 1987 with the aid of British Coal Enterprises, AVE began in the mining village of Tairgwaith but then has spread out to encompass the spatially unenviable localities of Gwaun-Cae-Gurwen and Ammanford, which stretch across the boundaries of three neighbouring local authorities - Carmarthenshire, Swansea and Neath Port-Talbot. The resulting cross-border identity creates a situation where local authorities have a tendency to restrict their contributions and support to AVE as officers and councillors are not keen to work beyond their obligations and remits on tight budgets. The result, notes Derith Powell of AVE, has two effects. First, local authorities are less keen to devote funds to joint projects or at least the money is less forthcoming. Second, there is the potential to play one local authority off against another to improve the level of support. This is again dependent upon the ability of a TSEI to operate within the key mobilisation arenas, thus identifying where resource and regulatory power lies, and the presence of mobilisation repertoires to take advantage of such situations. Without this capacity, other TSEIs may struggle due to the potential lack of support because of the representational confusion or complexity. As suggested by Derith Powell of AVE,

"You know, we're in an almost unique situation here, being on the cusp of three authorities. Of course we used to be just two but then it was also two-tier so we almost had four authorities. Still, now we have 3 to play with and that's what we do. We're lucky in that we have a good relationship with most people within the councils so we can use them to get information, help or sometimes even funds when we need them. So what we can do is play one off against the other, use it as a kind of bargaining tool to get what we need in terms of support. But er...it's not great at times - I mean they all have different departments who don't talk to each other, let alone between the authorities. So, I mean when the officers are talking about what they can do for us, or we're haranguing them about what we can get them to do, it's kind of a bit cagey - they're not keen to go beyond what they have to do otherwise they'll get into some sort of trouble as they've been too liberal with what I have to admit are pretty limited funds. So it's sometimes a winning situation, but sometimes an absolute disaster. You just find yourself getting completely obstructed by the bureaucracy and the time it takes to make those decisions."

The implication of this for the development of TSEIs is quite alarming. Those projects which are the pet initiatives of local authorities seem to be best able to survive. This therefore appears to create a geographical and

administrative limit on the development of the TSEIs. While this study paints a picture in which TSEIs are mostly small scale and hence locally contained, the dependence upon the support of particular local authorities demonstrates a potential institutional limit to the geographical growth of TSEIs. This therefore prejudices those localities which suffer from a degree of administrative overlap, whereas there are few geographical limits to need. This therefore suggests that cross-border co-ordination may be crucial for the development of some TSEIs. Without this, the institutional parochialism identified may created an unwanted blocking mechanism. Similarly, those TSEIs which are subject to two-tier regulation of administrative functions may also suffer due to the confusion of roles and the inability to develop a cohesive structure between tiers. As with many questions raised in this thesis, this is effectively covered by the call for increased joined-up government; however, this appears inadequate to directly address the problems of the localities studied here.

Non-Statutory Agencies

This section has thus far concentrated upon the explanatory characteristics of the statutory agencies which operate within the sphere of CED. However, despite their perceived (and, in many cases, real) dominance of the field of CED within particular localities, the governance literatures above suggests that there are now a number of organisations which have been created or have developed into this field. As such this section will attempt to understand the role played by the diverse institutions and networks in the development trajectories of TSEIs.

Examples of organisations involved in the case studies are wide-ranging and so will be embellished in the case study outlines in Appendix 1. However, they fall broadly into the following categories, which I outline here with some examples:

Third-sector specific organisations	Development Trusts Association Councils for Voluntary Action Community Development Foundation Interlink
Regional economic development	Welsh Development Agency

institutions	TECs Durham Rural Community Council
Charity organisations	Whitbread in the Community Church Urban Fund BT
Education	Open University University of the Valleys
Others	Groundwork Tower Colliery

The role taken by such originations may vary from funding support through to technical expertise or training support. However, these agencies empirically demonstrate key forms of partnership which are operating at the local level around initiatives. As with local authorities, the exact role of institutions may be strongly delineated or be flexible; exactly what this role is will be crucial in determining the means by which relational assets are mobilised.

The differing remits of organisations produce particular forms of relations which enable or inhibit their chances of supporting TSEIs. As an example, those organisations which may be most accurately described as Quangos (e.g. TECS, WDA, etc) lack the direct electoral accountability of local authorities, and as such are more governed by the financial and accountability criteria built into relatively narrow remits by government. Consequently, the influence of a dominant governmentality may be utilised in that these institutions tend to have the greatest restrictions in terms of the institutional philosophies which must be followed. The result is that as a whole, such institutions are not as able to be flexible as possible towards the needs of TSEIs.

This narrow institutional framework is evident in those non-statutory institutions which are required to enable TSEIs in a manner coherent with their own organisational remit, thus pushing TSEIs towards a particular development path. It is therefore the institutional remit and targets of funders, and by extension the government body which allocates these funds, which influence the development paths for TSEIs. Similarly, qualms arise as to the increased role of mainstream educational resources as a means to develop TSEIs. While funding is broadly welcome, the funding criteria of outside bodies produce effects which are in opposition to the essential ethos of TSEIs, thus producing more 'mainstream' or politically acceptable forms of development.

As such, the overall finding is that certain initiatives, dependent upon the way in which they react within a partnership, can produce a symbiotic relationship which can unlock the combined capacities of the TSEI and support institutions. However, as noted above, the mobilisation of such capacities is dependent upon the strength of interpersonal relations between individuals and groups. This in itself is nothing new; the social capital, governance and community economic development literatures cited above suggest that such relations are key. However, the institutions which have become primary partners with TSEIs are those which were in the past essentially concerned with community groups offering service delivery within the mainstream; genuine TSEIs, in contrast, have different modes of operation and aims. There is therefore a disparity in the form of support required and the manner in which potential support is channelled; a key obstacle for TSEIs to achieve their potential.

Interview data suggests that, beyond funding, the key focus of networks is within the third sector itself. Such a case is particularly noticeable in Wales, where a number of third sector-specific organisations operate. Exactly why such organisations would be more apparent in Wales is open for conjecture; however, it is suggested that such a role has been created by the long-standing autonomy of the Welsh political and economic system which has created an appropriate space for the development of third sector organisations. While similar organisations do exist in the North-East, the relative absence of a cohesive territorially-bounded regional space created complexities of governance where both national and sub-regional branches operate.

However, the Welsh experience bears out the crucial influence of non-statutory relations of both technical and moral support as a help to maintaining the vitality of TSEIs. The DTA in Wales, for example, provides a support mechanism which is cherished by the members of the organisation. Barbara Castle, of PEP, notes that,

BC: "The DTA is something that has been growing in Wales. We've got in to a sort of network with Steve [Cranston] and others; you'll know that we've just launched the development trusts in Wales as a separate entity. That has been like having best friends in the field; it's something I've not had for years. It's been really important for me to have people that have...well, you just drown. You just drown in these projects. You need mentors and friends, really."

RB: "Is that the sort of thing which ought to be replicated elsewhere?"

BC: "Oh yes, I mean absolutely definitely, you know, people who are trying to develop best development practice in a sort of self-conscious way about what they're doing in this field have got to have key networks. There are other organisations who have a very local view of what they are doing and they haven't perhaps had the luxury of someone like me, saying, this is what we have to do, in a very assertive kind of way."... "When you start to network with DTA people who are also, some of them, like Steve, very educated really - the way he thinks about what he's doing and it's great - there are several others as well."

Similarly, in South Tyneside the group of initiatives studied here (TEN, Low Simonside, St Simon's) have an overlapping set of objectives which bring them into close contact. The sharing of resources, and hence what Healey et al (1999) refer to as the network integration thus allowing access to knowledge resources, is outlined by Jen Fettis of St. Simon's when she states, "We couldn't have done it without TEN. Dan and Mike are fantastic". Without this support, projects in County Durham (Sherburn Road, T2000, STI) suffer from a lack of the local cohesion seen in South Tyneside and Wales. The projects therefore exist more in separation from others, and while certain networks are tapped into, there is a less cohesive form of network integration than that facilitated by an umbrella body such as South Tyneside or South Wales.

Unlike local authorities, non-statutory agencies lack the electoral accountability and therefore potentially possess a significantly greater degree of flexibility towards the provision of their services. However, the non-statutory agencies involved in regeneration also suffer significant problems through the funding and accountability criteria which govern their operation. One example from County Durham is the Durham Rural Community Council (DRCC), which operates as a key partner with Trimdon 2000. However, most DRCC employees do not receive core funding as of right, and as such a significant amount of time is used to chase or create alliances and funding for personnel and projects. In addition to this, accountability criteria constrain the parameters of operation to such an extent that the ability to make flexible, locally-specific decisions is significantly reduced. The result is that there is less attention paid to projects than would be in an ideal situation, as illustrated by John Davis of DRCC:

"When you look at us we're in such a precarious position a lot of the time. We've normally got a one-year contract, some lucky ones get four or five, but some last six months. So you barely get into helping a project by the time you've got to start thinking about where you're

going to get paid from again in a few months time. And so that starts to play on your mind and eventually when you're looking for funds it's kind of, OK, 'what money can I get' before you really consider the criteria they're asking. You just find yourself starting to jump through hoops to make sure you get the money, and then either have to stick to that or you carry on what you were doing - kind of programme bending for us, I suppose."

"Basically it means that we struggle to commit ourselves. We know like anyone else that to have started something and then to leave it is so dangerous and it can kill projects, knock the stuffing and enthusiasm out. So it's kind of a no-win situation at times...make us like councils and we've got all sorts of interference but we're safe, or keep us as we are and as individuals, we could disappear because of lack of funding. I don't disagree with some forms of competitive funding, but not all of it".

The internal structures of non-statutory agencies therefore restrict their ability to operate at full capacity for and with TSEIs. What this implies is that the governance forms so widely pushed by central government may in fact be a restrictive force in the development of TSEIs, resulting in a desire for a co-ordinated system. This point is made by Frank Hoban, of T2000, who hails from a local authority background but who is adamant about the potential of government organisations despite their difficulties.

FH: "Maybe there's a big difference between small projects which develop with the help of outside agencies but which remain small, and the larger projects which are led by the statutory agencies generally, but don't actually meet the needs of those on the ground because they're not actually sure what those needs are. And I think the gap is something that Trimdon seems to be filling in terms of the agencies that help the smaller groups don't actually know how to cope with Trimdon 2000 because there are a lot of people in it who are well able to speak for themselves, well able to know how they want to move forward, and they can't meet that. They've only been used to telling people what they need and telling people what they should have. They're not used to being told what they should do- it's the applecart being turned over a little bit. And if we are successful, we're hoping that these agencies that should be helping in a more efficient manner will actually end up more efficient. And they'll learn from their experience that there is capacity within the community - it's not just Trimdon, it just happens to be that Trimdon has harnessed its own capacity - but there will be others, and there *are* a lot of developments throughout the country to do with community development where people use their own capacity to push things forward in a voluntary capacity. And they work."

RB: "They're actually engaging the agencies in partnerships; is it a re-writing of roles?"

FH: "Well, I think it is. Very much you'll talk to agencies such as the CDA or DRCC and they'll talk about building the community's capacity to do these things. But very often the capacity's there; and it's a question of not even helping them along but being there when they are needed. And actually having access to information that is relevant. And not saying, 'we can do this because we've done it before' but we don't know how to do that because oh, we've never

done that before. You know what I mean (RB yeah, sure) and yet having said all that, you ask for some best practice example and they can't give it you"

The research here suggests that, although such government-initiated quangos regard themselves as having an agenda which is in part set by the institution itself, the dominant limitations on action are a function of the institutional remit and framework. This conclusion therefore leads to a Foucaultian analysis which suggests the dominance of a particular governmental perspective, either political or administrative, which signifies the governmentality. This contrasts to previous analyses of the role of local authorities in that they are by-passed, notably in government dealings with the third sector, leading to power being taken away from local authorities and resulting in contestation between these dominant governmental forces. The result, in short, is a new division of responsibilities which to some extent privileges the well-controlled non-local authority sphere of influence, therefore producing a form of divide and conquer through the governmental mechanism.

Third Sector Regimes and Partnerships

The concepts of regimes outlined in chapter 3, which draws upon a particularly urban-related set of cases, are considered in this section as the theoretical underpinning for the practical formulation of partnerships within regeneration initiatives. Anttiroiko and Kainulainen (1998) suggested 4 types of regimes (Pluralist, Elitist, Corporatist and Hyperpluralist) which have different characteristics and power structures which relate to the relative capabilities and capacities to operate in the local context. However, in this section I will take this template and suggest that the idealised forms of governance regimes emanating from the literatures do not fit the reality of the partnerships formed around TSEIs. With evidence from the four case study areas I draw together the facets of the hard and soft institutions of localities which produce particular regimes. Focusing on localised regimes as the context for the particular dynamic of the third sector, I will examine what regimes develop and their impact upon the subsequent development forms of TSEIs.

Interview data and evidence from primary and secondary sources suggest that local authorities retain an ascendancy in the localised governance seen in the four case study areas, although this has been tempered by the pressures to include the private sector as part of a localised coalition. However, in North-East England interview evidence dismissed the role of unions as a key part of local or regional governance, therefore precipitating a move away from the tripartism of the post-war years. This potential demotion of the role of organised labour within the regional governance regime therefore creates a potential space for the institutions of civic society, i.e. the third sector, to become a key partner in localised regimes. However, again the dominant neo-liberal imperatives which have become evident at the regional and local scales of governance lead to the third sector becoming not full members of regimes but more as elements of partnership with selected parts of the regimes of governance. This therefore reflects Anttiroiko Kainulainen's (1998) notion of pluralist regimes in which local authorities are dominant, or corporatist regimes where the business elite is relatively unified.

The practical implication of this is to examine the potential of third sector-orientated partnerships not as key regional regimes but as subsidiary to this. I will therefore seek to contrast these partnerships with Hall's (2000:9) notions of Shell, Consultative, Participative and Autonomous partnerships alluded to in chapter 6. These, the literatures suggest, are dependent upon the philosophies and practical leanings of individuals and organisations involved and the manner in which power within regimes is exercised. Of the locally-based partnerships studied here, South Tyneside demonstrates a cross-sectoral alliance which appears to meet the needs of the third sector. However, STEP (South Tyneside Enterprise Partnership) is also predicated upon the strength of individuals and partnerships involved, and as such Mike Hall of TEN (South Tyneside Training and Enterprise Network) states,

"It's very much about personalities, and people who are on STEP are dynamic people, they're realistic people, people that will rubbish organisations or individuals who don't seem to know what they're talking about. They are very good people and they will support initiatives they think are worthy of financial support or whatever support they can offer. I would wonder, yes, if certain individuals were removed from that group how effective it would be. But they're all long-term players within the region, and have developed so. Some

started in very small ways, and have grown in influence and stature over the life of the partnership.”

This partnership, a borough-wide grouping of local authorities, TECs, private sector and third sector agencies, is regarded as being useful, and potentially inclusive. Mike Hall again states,

“Having seen other partnerships, I think it’s a good one, and I would support all members of the partnership to the hilt. Because I think they have...they’re very clear as to what they want to achieve, and they’ve set out a realistic agenda. I’ve seen part of a partnership down in Stockton...the South Tyneside partnership seems to have enough links with lots of different levels around the community and is engaging people who have something to bring to the community at a local level. But I think South Tyneside is very fortunate to have that particular group working for us.”

“There is always going to be some element by which the representatives are there as figureheads, the organisations go away, do their own thing, they’ve got their own agendas which may differ or conflict in some cases. I suppose the purpose of a partnership is to bring all the groups of people together to thrash out the ideas and defuse the tensions as much as possible so that it helps all the partners. But I mean you can’t necessarily say that everybody’s an equal member of the partnership anyway, as Tyneside TEC is Tyneside-wide, whereas most of the other organisations within the partnership only have a narrow remit within South Tyneside. But er... it’s certainly not just a paper partnership; they meet regularly, they debate things openly and also in closed forums, they have a proper resource manager, Peter Young... and if there’s disagreement between them and the council, then that’s a pretty healthy thing, a pretty lively debate will go ahead to try and resolve those things. But the bidding side of it is very much moving towards the community-led approach as opposed to the partnership of you know, big wigs. That’s how SRB 5 came about, through community panels and consultation with local groups. Tiny local groups that have more voice in SRB than they would have if it hadn’t been there to help it happen.”

As such, STEP represents the closest of the partnerships involved here to a participative partnership (Hall 2000: 9) as opposed to consultative or shell partnership is visible in many of the other key case study localities.¹¹⁷ As a result, the evidence from South Tyneside suggests that the third sector-orientated partnership which has emerged mirrors to some extent the form of corporatist or tripartite regimes (Griffiths and Lanigan 1999) which already existed in the regional economic development sphere in the North-East. The significant difference in the tripartite relations is the replacement of Trade Unions with the third sector to produce a tripartite regime incorporating the third

sector, private sector and local government. However, in this case the third sector appears to retain a consultative role rather than a major leadership role within the STEP partnership, the needs of the private and public players being regarded as crucial. The third sector partnership therefore mirrors previously existing economic development regimes in that they espouse the same inclusive framework but within particular bounds. This operates as a means to retain the corporatist framework within the sphere of the third sector and regeneration now regarded as a key element of regional economic development. This analysis is confirmed by Atkinson and Lejeune (2001), who suggest that,

“greater community involvement can aid the legitimisation of government interventions in an area as well as playing an integrative role in terms of combating social exclusion and increasing social cohesion. However...too often both local government organisations and private sector developers have, partly as a result of the timetables imposed to submit bids to the EC and national governments, conceived and developed projects with minimal levels of community input. At best community involvement has rarely risen above the level of consultation” (Atkinson and Lejeune 2001).

This scenario is therefore a long way from any notion of the third sector becoming part of a new regulatory mechanism to replace the old tripartism of the post-war era. Indeed, the lack of equality in the power relationships between the members of the third sector partnerships suggests that, while often directed towards the third sector as a delivery mechanism in conjunction with other institutions, such partnerships are not specifically oriented around the third sector. Often, at best, they reflect locally-formed regimes in which the third sector participates but wields little power and the private and public sector partners hold the key power. As such an extension of this analysis may suggest that the third sector is becoming reinforced in a role in which it acts as a placatory mechanism for deprived neighbourhoods to maintain the dominance and ascendancy of the private and public partners.

Evidence relating to third sector partnerships suggests that those that do exist do not correspond directly to the locally-formed regimes. The reason behind this, I suggest, is twofold. First, third sector-orientated partnerships come into existence as a reactive response to the existing funding environment as partners are formed together to meet criteria, thus reflecting Stoker and

¹¹⁷ However, Local Authority members and officers chair 58% of SRB partnership rounds 1-4 in North-

Mossberger's (1994) Instrumental regimes. Second, the tripartite nature of some regimes, and local authority-TSEI partnerships which have emerged, operate with different agendas dependent upon the relative influence and power dynamics within each regime or partnership. Consequently, the third sector in North-East England and South Wales, except for some notable exceptions, is as yet underdeveloped, with no coherent third sector-oriented regimes which fully integrate the needs of the sector. Indeed, where formal regimes do exist they tend to be led by local authorities, producing structured regimes which tend toward mainstream economic solutions. As such, a case may be made to suggest that TSEIs may occasionally prefer to be part of no regime at all rather than a regime which emphasises the needs and desires of other institutions and their agendas.

The overall implication of this for regime theory is that its application towards the emerging third sector partnerships cannot be based upon the models of urban development coalitions. The regimes outlined within studies of urban development demonstrate a far higher degree of co-ordination and scale of activity compared to third sector partnerships, and the role of business is far greater. Third sector partnerships appear to operate more as support structures within a broader local and regional economic development framework, rather than being at the forefront of such developments in the first place. Therefore, third sector partnerships are more typified by 'Interlink' in RCT which operates as an informal but cohesive grouping of interested parties initiated by the third sector to co-ordinate dealings with the local authority as opposed to a formally-existing regime.

The outcome of this section is to suggest that the typologies of regimes introduced in chapter 4 do not adequately represent the diversity of partnerships in the third sector in the UK. While most embrace an element of corporatism emanating from the local authority or institutional histories, the evidence from the UK is that regimes depend to some extent upon the historical context of the locality. In North-East England and South Wales, the dominance of local government and the private sector spectrum is represented in current regimes, with the result that the regimes represent these interests well.

Conclusions

The evidence within this chapter has addressed some of the key research questions raised in the theoretical chapters relating to the 'external', and particularly, the institution-based heritages of localities in the creation of propitious or otherwise environments for TSEIs. In this, I have demonstrated that there is a need to look beyond simple readings of structure, agency and power to those which incorporate not only the key formal institutions of the particular area studied but also through the lens of social capital as a function of industrial heritage.

While 'best practice' analyses suggests that it is well-funded schemes which will be best able to cope with the vagaries of the environment in which they are located, this section has demonstrated that the complex relations of funding and ideas are allied to the institutional forms which created the TSEI and are therefore crucial in determining the development path. Drawing on Healey et al's (1999) work on the key relational, knowledge and mobilisation capacities present in successful regeneration partnerships, I have demonstrated the broadly similar assets required to aid the external relationships of TSEIs. The implication of this is that, while a certain level of 'capacity building' may be necessary in any community, this solution requires a tailored form of development which is able to generate or utilise an appropriate form of social capital to create a positive synergy.

Applying this to the institutional heritages and social capitals of the localities in which TSEIs operate, I suggest that a potentially radical industrial heritage may provide the basis for a TSEI as a response to the economic downturn. However, the evidence has suggested that the legacy of an institutional form creates a particular development trajectory. As suggested by the literatures on regional economic development, the initiatives which are embedded within the institutions of the past may succeed up to a point but are restricted by the institutional limitations. As such, there is evidence that TSEIs such as DOVE which are able to break beyond the relatively limited opportunity structure of the inclusive, corporatist institutional framework may be able to

capitalise upon new socio-economic spaces to create further development. However, this remains dependent upon the presence of capacity within the community in question. The analysis of the more formal, or 'hard' institutions influencing the TSEI demonstrates a similar emphasis on the importance of relational and mobilisation capacities in the development of propitious environments. However, drawing on Foucaultian notion of governmentality, I suggest that such institutions, most notably non-statutory agencies but also local authorities, demonstrate a degree of co-ordination, if not control, of activities through the governmental technologies employed.

While both these analyses point to a situation in which a TSEI's success in producing outputs is aided through a series of institutional alliances, we must again analyse what is meant by 'success'. As noted, in chapter 5, I wish to go beyond notions of success which are based purely on outputs and enter into an analysis of how outputs correspond to need in target communities. It is therefore analytically insufficient to characterise TSEIs which produce numerically superior 'outputs' as necessarily better for a target community, even though the provision of so-called 'mainstream outputs' potentially represents a coherent meeting of needs. However, it is those more radical solutions which potentially emanate from alternative or radical roots which may produce more 'value added' solutions within communities - therefore increasing the level of development and capacity within the community rather than taking over mainstream functions. However, evidence also suggests that those TSEIs which operate at the fringes of the institutional history are most able to produce alternative economic solutions. Those within the 'inclusive' regimes of statutory agencies have a tendency towards more mainstream opportunities.

This chapter has also demonstrated that the key to a 'successful' TSEI is not just its ability to mobilise resources but also an ability to remove or circumvent obstacles to development, hence harnessing the key mobilisation arenas. It is these potential obstacles to development which have become apparent from the analysis of 'failed' TSEIs and the analysis of those TSEIs which succeed but which may not have achieved their full potential. The evidence also suggests that those TSEIs which have been regarded as 'succeeding' do not necessarily lack the potential blocking mechanisms, yet have sufficient avenues open through which to stimulate development.

The implication of this for the analysis of the 'propitious' structures is to suggest that a 'smooth' or 'unblocked' development or support structures are not necessarily the best transferable structures. 'Success', as currently measured by best practice analyses, may therefore be more of an assessment of the lack of significant blocking mechanisms as opposed to an absolute measure of success. In contrast, where a TSEI has 'failed', a lack of innovation or blocking mechanisms and a lack of influence may be a key element in failure. There is therefore a need to move towards assessments of success which acknowledge the complexity of the institutional relations around TSEIs rather than seeking to merely transfer frameworks which may still possess inactive or circumvented blocking mechanisms.¹¹⁸

As such, each course of action and blocking mechanism is an idealised type and may not therefore operate within each initiative to the same extent. It is the manner in which, through coherent management forms, such blocking or slowing mechanisms may be avoided that will be assessed in the following chapter, which concentrates on the 'internal' organisation of TSEIs.

¹¹⁸ I am aware that this analysis could in part reflect the comparative focus upon 'failing' and 'succeeding' initiatives, thus drawing conclusions which highlight the negative blocking mechanisms as opposed to the factors which actively promote positive outcomes (see Connell and Kubisch 1999).

Chapter 8

The ‘Internal’ Influences on TSEI Development.

Introduction

This chapter, as with chapter 7, is based upon an analytic distinction between the external and internal influences upon the development of TSEIs. By stressing the *internal* management of TSEIs, this chapter will examine the structures which create an appropriate development framework *within* TSEIs. Drawing on the managerial literatures reviewed in chapter 4, this will focus primarily on the management structures of TSEIs which encourage TSEIs to develop and adapt to a variety of influences from the target community. The manner in which such structures subsequently enable the development of the initiative will be analysed, thus allowing the initiative to be placed within the success/failure matrix (figure 5.1 in chapter 5). To achieve this, the chapter will examine how each particular management structure forms as the practical expression of the configurations of the needs of the community, the resources available and the ideological stances of those involved in the TSEI. It is the interaction of these factors, allied to the input of empowered individuals, which produce the internal influences upon the TSEI. It is these management structures which I will examine in more detail within this chapter.

It is not the intention here to assess the specific details of every case study to examine the relationship to the management ‘templates’ produced by Hudson (1995), Harrison (1997), Campbell (1999). Instead, I wish to draw out and contrast the areas in which the case study evidence concurs with and differs from the ideas outlined in the managerial literatures seen in chapter 4. The result is to provide an analysis of the features which, when present, help create a propitious structure for the development of the initiative. However, beyond this confirmation of the evidence emanating from the literatures, some indications of the potential pitfalls within the internal management of TSEIs will become

apparent as the particular features of 'failed' TSEIs are examined. There are therefore a number of particular instances in which the internal management processes of TSEIs become crucial to the TSEI failing, or, in some cases, not living up to its potential.

To illustrate this, the chapter will focus on three main concepts. First, the notion of the shared *vision* in and around a TSEI, defined as the relation it has to the needs, resources and aspirations of the target community is important. This cements the TSEI within the community and in the process creates an appropriate ideological and practical basis for the initiative. In this sense, the notion of 'community' does not necessarily refer to spatially-defined communities but the target community of the TSEI. This differential notion of 'community' creates a framework to accommodate the potential breadth operations of a TSEI, and thus the ability of the initiative to meet the needs of that community.

Second, I will focus on the management structures utilised in the TSEIs, both in terms of day-to-day and longer-term strategic management. These two time horizons will illustrate the crucial structures which enable or constrain TSEIs to operate and achieve results in both the short and long terms. This section analyses the broad variation of management structures, in an attempt to gain an insight into what key features are present or lacking in 'successful' and less 'successful' TSEIs.

Third, I assess the nature of human agency in the creation and development of potentially successful TSEIs. This will be related to the discussions of vision and management structures to analyse the manner in which the structures in TSEIs both constrain or enable such agency. I will analyse the particular individual and collective skills present within TSEIs which create propitious environments.

In addition to these three key sections, a recurring theme throughout this chapter will be the underlying notion of community embeddedness.¹¹⁹ This is not to devalue the notion of embeddedness but to acknowledging its nature as implicitly relevant to virtually all areas of this discussion. Such an interlinking

¹¹⁹ Community embeddedness is a broad-reaching term, which may encompass a number of interlocking processes. In this case I again tend towards Healey et al's (1999) distinction of the relational assets and mobilisation capacities which operate within regeneration initiatives as the underlying mechanisms which ensure embeddedness.

of themes throughout the chapter demonstrates the inherent complexity of structural processes.

The literatures cited in chapter 4 suggest a degree of consensus over the key features of the internal circumstances and processes within TSEIs which create propitious environments and management frameworks in which successful TSEIs develop. However, it is nonetheless important to study these processes in detail for two reasons. First, the internal mechanism itself is crucial in determining the success or failure of TSEIs. As such, comparative study of 'successful' and 'failing' initiatives may help to establish the validity of concepts alluded to in the literatures which are based primarily on the study of 'successful' or 'best practice' initiatives. Second, there is a need, as far as possible, to establish the 'internal' mechanisms in independence to the 'external' aspects seen to be operating in chapter 7. This ought therefore to act as a means not only to examine the interrelationships between the internal and external spheres but also to establish where possible the internal mechanism as a 'neutral' control factor to analyse the external aspects in isolation. This will subsequently facilitate the analysis in the concluding chapter.

This chapter therefore seeks to address not only how the internal mechanisms operate and thus influence the directions of TSEI but also by *how much*, thus giving an indicator for the discussion of the relative values and interplay of the internal and external factors in the concluding chapter.

Need, Vision and the Mission of TSEIs.

The internal structures within any TSEI are to a significant extent a function of its organisational aims, which stem from an assessment of the needs of the target population or community in which the TSEI rests. An accurate assessment of local needs and resources may be brought together within the TSEI, thus creating the potential for the development of beneficial outcomes. In this section, I will analyse exactly how a TSEI may harness this development potential of a target community to benefit both the TSEI and the broader community. This will examine, from inception, how certain initiatives develop to address particular needs. Through analyses of the manner in which such TSEIs can produce organisations and structures which facilitate Community

Economic Development, I will draw some conclusions as to the organisational structures which result from the origins and evolution of TSEIs.

Hudson (1995) notes a distinction between the notions of 'vision' and 'mission' which are crucial elements in the setting of the objectives for a TSEI. The 'vision' may be most usefully thought of as "a desirable future situation" (1995: 93), and as such it is a powerful networking force on people, though by itself it is not a strategy. In contrast, notes Hudson, missions are concerned "more with an organisation's common belief and reasons why it exists" (1995: 94). The mission therefore acts as a grounding of the broader aspiration of the vision, thus enshrining, often implicitly, the beliefs and missionary zeal. Mission therefore refers to the *process* of implementing a vision, a means to an end.

Exactly how such projects are conceived as a vision and implemented through the mission is crucial in determining their relationship to the perceived needs of the target community, and as such to what extent a *shared* vision for the TSEI may be fostered. As a tentative typology, I suggest the categorisations of initiatives into 'community need', 'top-down', and 'evolving' initiatives. I will now discuss these in more detail.

A. 'Community Need' Initiatives

Many of the TSEIs studied demonstrate roots in the target community of the locality, being the descendants of community-based developments which emerged as a response to perceived need.¹²⁰ Such projects share, to varying degrees, a number of common factors:

- Origins which are primarily traceable to ideas formed within and by the 'community'.
- A grouping (usually informal) of individuals which pre-dates the availability of funding, thus demonstrating a response to need independent of the pull of money.
- Groups which stem from a *perceived* or qualitatively judged need from within the community in question, whether grounded in statistical data and quantitative evidence or not.
- A vision which explicitly emphasises the need for CED as a key to the TSEI and the subsequent development of the initiative.

¹²⁰ Such TSEIs include AVE, DOVE, BCR, St Simon's, as seen in Appendix 1.

The origin of the TSEI within community needs creates what is arguably the strongest *mission* for an initiative, thus building a strong ideological basis for inclusion and subsequent success. In being created by, and formed within, the community, a degree of embeddedness already exists and as such there is an inherent tendency (but no functional compulsion) towards cohesion in aims and objectives as demonstrated by Amman Valley Enterprises. Len Preece of AVE states,

“You know. We’re people from the community, we’ve got an office, we’re visible... between us, those who participate and run the thing, we’ve got to know most of the people in the villages here. We kind of feel everyone’s behind us even if they don’t need us directly - we’ve got a reasonably strong idea of what we want to do, and it’s all about taking people with us, letting them drive even if you want to stretch the analogy. It’s that kind of feeling that had been lost and I reckon we’ve started to turn it around.”

As a result, the creation of a TSEI in a manner which explicitly relates to the resources and needs of the community helps to draw upon a groundswell of support and creates a greater openness and enthusiasm towards the TSEI. This therefore creates an inclusionary resource base, in which a commonly-held frame of reference is pursued through the range of mobilisation capacities in a coherent manner. This consequently creates a personal and community impetus, through the investment of the resources of time, energy and hope, to ensure the success of the initiative.

This inclusive mission and the investment of resources are potentially easier to achieve in TSEIs with a relatively narrow set of objectives which ensure coherence in development of the initiative. Through this process, a degree of coherence is maintained as an accepted development path is pursued.¹²¹ However, should a TSEI wish to develop beyond this in an attempt to address broader Community Development within a spatially-defined community, tensions may be created. The breakdown of the mission or frame of reference supporting the initiative may bring about a limit upon the mobilisation

¹²¹ A note of caution is required here, however. The notion of a community-based vision does not necessarily hold true in that some supposedly ‘community-based’ needs analyses rely, as noted in the previous chapter, on the ideas of locally-based elites. This therefore transgresses the notion that ideas which flow from within a particular community of interest are necessarily attached to the broader spatial community. There is therefore a necessity in some cases to acknowledge elitist politics as an element of TSEI development.

capacities and therefore create a mechanism to stall the development of the TSEI. These will be analysed later in this chapter.

B. 'Top-down' initiatives

Top-down community initiatives are those which originate in local authorities or other non-'community' based organisations. Typically, such TSEIs are formed as a response to need as perceived from outside the community, often as funding becomes available. Such initiatives (and other target areas and groups) are subsequently justified through a number of statistical analyses of the locality such as the index of local deprivation published by the DETR. Top-down TSEIs are often produced with a degree of community 'consultation', a process involving the utilisation of existing partnerships as the conduit for funds and as such reflect the existing social configurations and power relations.¹²² They exhibit the following key features:

- Top-down TSEIs are primarily organised and delivered at the strategic level by local authorities and other statutory organisations.
- They may involve community participation but are rarely community-led.
- They are based in ideas which emerge from outside the community, thus representing need as perceived by policy-makers.
- They are set up through the availability of new funding streams, rather than being needs or ideas-led.

In contrast to the community needs initiatives, top-down projects have a significantly different 'mission'. While a particular remit may be produced from the structure of the organisation's funding, such remits do not necessarily represent the needs of the target community *as perceived by that community*. As a result, while the TSEI may address a particular form of economic (and social /environmental) problem, it may not fully operate with the *invested* support of that community to produce the most beneficial result.¹²³ Top-down initiatives

¹²² Such TSEIs include Dulais Valley Partnership, Sherburn Road 2000, Low Simonside (see appendix 1).

¹²³ The perceived 'need' and real 'needs' of the target community do not necessarily correspond to each other. It may be suggested that the 'needs' cited by residents are less likely to represent the structural, and hence more abstract, needs of the community as opposed to the more tangible and easily grasped elements of the quality of life. I therefore caution the privileging of 'community-based' analyses of need over others, in that it is the *quality* of needs analysis which is most crucial in determining the critical needs of the community. Need is not the same for all; while some will benefit from particular needs being addressed, others will not; many (particularly spatially-based) TSEIs fall into the trap of attempting to address the 'common' needs which in actual fact may directly benefit just a small minority of the target population.

tend to be 'parachuted in', with typically relatively limited consultation periods. The initiatives are therefore more inclined to operate alongside the existing elites or institutions in the target community, the initiatives lacking a sense of clear route through which to engage the broader community and its institutions. The result is to produce a TSEI whose remit may not be particularly inclusive or is operating outside the real need of the community. This is illustrated by Angela Pulman, chair of Community Enterprise Wales, who notes,

"You'll get some communities, who if you throw big money at them they'll have a go, but if you really analyse what's happening there, I have never found a community actually in control, just a part of the community at best."

Some notable problems may result from this lack of embeddedness. First, the TSEI may be regarded as a local authority structure, and therefore may fall foul of perceptions which regard it as separate from the community. In this form, a TSEI may therefore perpetuate the long-standing provider-user relationship seen within the case study areas in which local authorities are expected to service the needs of population as defined in the post-war Fordist regulatory framework. Rather than fostering a 'can-do' attitude within the locality, such TSEIs may instead create a 'what can you do for us?' attitude within the community allied to a notion of 'why should I be interested?' As such the nature of the power relations between the two parties - in which the 'community' is regarded as under-empowered and not included in the process - may lead to a distinct lack of embeddedness and a subsequent lack of a coherent vision.

Second, the appearance of TSEIs which have little obvious attachment to the communities presents problems in terms of the trust relationships, akin to Healey's et al's (1999) notion of relational assets, which may be built with the communities. In particular, TSEIs in the employment field may be perceived by the target community as acting as a conduit for statutory agencies such as social services and the employment service. As such, there is an apparent difficulty in the forging of a common mutual vision. An example of this is the perception of the Low Simonside Employment Initiative, which St Simon's Community Project is determined to avoid. This notion is suggested by Chris Clarke, local authority worker with Low Simonside, who notes the origins of the initiative

and the result it had for the initiative's embeddedness in the community it was meant to serve:

"The main idea behind it was that we had a lot of agencies who were delivering things according to national or regional type programmes - sub-regional in some cases. But we were concerned to see whether they were being delivered effectively at the very local level. And whether at the local level they were seen as a coherent package, fulfilling all the requirements. So we wanted to pick a typical area, well, a typical area with problems. But to use that to see whether what was being done by the main agencies if you like, was meeting all needs. And if not, what would need to be done at a very local level."

"Although it was aimed at community development in a very loose sense, the LSEI was very top-down in that Jayne was appointed by a number of large agencies, and parachuted into the Community Association who never accepted any great sense of ownership themselves for their project. And the community at large had a certain suspicion of it as well which we, well, Jayne, had to work hard at."

This potential lack of vision may be compounded by the reasons behind the creation of a Community Development initiative. This is highlighted by the case of the Penywaun Enterprise Partnership, which began as a top-down initiative due to a 'horrendous' murder on the Penywaun estate. This led to vigilantism, and the convening of a high-level inter-agency group under the Chief Executive of the local authority. The result was that Barbara Castle was asked,

BC: "In a very unscientific way, to do something about Penywaun. That's about all it was, really: *do something* about this place."

RB: "Because it was becoming a political thing as well?"

BC: "Oh it was very embarrassing. They had reporters and lots of high-profile ghastly publicity which everyone hated, people assuming that this was the end of the earth, which of course it is, but in terms of an abandoned estate which it wasn't really."

The outcome is the creation of a politically influenced community development initiative to address the perceived problems in a particular way which was heavily influenced by the local authority. This is not to suggest that the initiative is doomed to failure due to the manner in which it has been set up with little community input. However, PEP subsequently had a significant task to change its perception within the community at large. In effect, this means that the mode of operation, alters to accommodate a shift towards a different mission for an initiative. It is these initiatives whose organisational aims, and hence institutional frameworks, have evolved, which will now be discussed.

C. 'Evolving' or 'Hybrid' Initiatives

A number of projects fit into neither of the above categories as their identities and structures have altered over time to produce different institutional forms. This may go in either direction, becoming more community based or moving towards being more akin to statutory agencies. The reason behind such a shift may be dependent upon the perceived requirement to develop the institutional framework in accordance with evolving visions of the role of the TSEI. This may lead to a gradual shift away from the original target community, or in the case of TSEIs set up under the auspices of local authorities, a move gradually to become part of the community. This is as a means to increase the embeddedness of the initiative within the spatial community and to promote a broadly inclusionary vision and mission.

The above discussion, with its essentially normative stance that community based projects are more beneficial to the community, is reflected in the literatures on community development. Reflecting this, many of the case study initiatives have attempted to shift the emphasis from a 'top-down' structure in order to promote a sense of shared vision within the initiative. The desire for a link within the community is exemplified by the Ystalyfera Development Trust, which has striven to remove itself from the shackles of the local authority and TEC influence to produce a synthesis of vision, community need and organisational structure which will be most beneficial to the community. The reason for this is a perceived lack of embeddedness and an image of the TSEI which leads to pigeon-holing as a local authority structure. Indeed, Clive Thompson of the Ystalyfera Development Trust notes that image, and hence understanding, is a key problem faced by initiatives:

CT: "I still speak to some friends of mine who still don't know what happens here, what goes on. I feel very disappointed actually. For fucks sake, I say, come on, wake up. For goodness sake. You know what I do, we're the local trust."

RB: "So how do you change that mindset?"

CT: "Well, I think we can change their minds by basically showing them again and again what has been achieved and what can be achieved. You know local training as well."

Similarly, Blaenllechau Community Regeneration (BCR) has developed from a small-scale community development project to one which attempts to reach out to the whole place-based community after attempting a

comprehensive social audit - an aspiration which many TSEIs have but few achieve. This attempts to create a relationship between the TSEI and the community (in this case the village of Blaenllechau) in which the TSEI can more accurately represent the needs of the whole target community rather than narrower communities of interest. The aim is to foster an 'embeddedness' which produces an institutional vision shared by beneficiaries. This has the impact of creating a TSEI which is both open to the needs and possible desires of the community, while being accountable to that community for its actions. The impetus behind this is the realisation that, according to Sue Jones of BCR,

"If we're not careful, organisations like BCR will become top-down themselves. We're a grass roots organisation, but how long before a structure is in place where we're actually imposing on our communities just like the council had imposed. So I think we're going to have to think very carefully about what it is we do and we have to always bear in mind the wishes of the community. And if we don't, we could end up the same as the council"... "It's very easy to get on with the business and forget what you're doing it for".

In contrast to the experiences of other TSEIs, the Spennymoor Training Initiative (STI) demonstrates a development trajectory which has moved it away from the 'humble' beginnings where it was set up on the old 'gasworks' site on the target estate towards a much more formal training initiative with newly-constructed premises. With the corresponding decline in 'community' control, a tension occurs between the need to formalise certain relationships and the requirement to retain a level of linkage with the community need. That is, to concretise relational linkages with funders, most notably colleges of further education and the local council, while seeking to retain the key mobilisation capacities within the community. While the original TSEI was predicated on the notion of addressing community need, the current set-up is devolved from this role. The result is to question the formal nature of the STI and, and thus its eligibility and placement to make use of the networks and mobilisation capacities from funders, while retaining its roots in the target community. However, this is a product of the narrow aims (education and training) of the STI and the manner in which it has integrated itself into the formal training provision network. The result is that certain organisations such as the STI tend, through their aims, to formalise the mechanism of provision and hence the *mission* of the initiative, to effectively become top-down. This

institutional shift towards a more formal structure is also allied to a geographical shift in the move to a new centre, which respondents cite as a factor in the TSEI withdrawing from its original status as a community-based initiative. The result, as Julie Cook of STI notes, is a shift away from the origin of the initiative:

“Yeah, I think we have lost sight a bit of where it all started, but that's not saying we've done wrong- you look at this, and it's fantastic. But yeah, you're right- it could be about time we started or encouraged an offshoot in the community ourselves to kind of reclaim that territory if we've moved away from it”

The overall result of this categorisation is to demonstrate that where need and the TSEI are perceived to be co-ordinated, the groundswell of community response, and hence the knowledge and mobilisation capacities, are far greater. In addition, the manner in which the TSEI is able to mobilise the resources of those employed or involved in the initiative is crucial to the development potential of the initiative.

Adherence to the Objectives of the Initiative

While a co-ordinated and coherent vision within a TSEI may help to produce a beneficial development path, this does not necessarily produce a structure which benefits the target community to the greatest extent. By pursuing what can be a tight, narrow objective, a TSEI may be able to produce outputs and outcomes without acknowledging the broader nature of ‘need’ within the spatial community. Consequently, the possibility of a more inclusive TSEI remit may be negated by the pursuance of narrow aims. As such, while the ‘vision’ may be shared and objectives attainable, such initiatives focus on a particularly narrow target community which does not correspond to the broader *spatially-based* community. Therefore, these ‘community ideas’, which represent the needs or desires of particular sectoral interest groups, may not be able to produce a long-term, sustainable mission which transcends particular interests to aid the spatial community.

In contrast, there is evidence to suggest that those TSEIs which operate with a far looser set of criteria may be able to create a more inclusive, yet diluted, sense of inclusion around the initiative. With a breadth of objectives and relatively small scale, the division of labour becomes a stumbling block and

each particular element of the TSEI may not be able to fulfil its objectives. Similarly, confusion as to the aims of a TSEI may lead to a lack of interest within communities due to inadequate understanding of the manner in which people can participate in, and benefit from, an initiative. The implication of this is the creation of a tension between the pursuance of broad objectives in an attempt to meet a range of needs and the ability to form a coherent vision of how those objectives should be realised. Such tensions are likely to be found in more spatially-based third sector initiatives, where objectives aim to address broader community development, in contrast to initiatives with a more narrow target community whose objectives may be more clearly outlined.

This problem is encountered by Peter Brookes of Trimdon 2000, which demonstrates the tension of breadth of objectives within a small-scale framework which may lack the capacity to fulfil these objectives:

“Yeah, at times we’re pulling in so many directions it’s hard for us, and for others outside, to know where we’re going and how to prioritise.”

This view contrasts with that of Anne Timothy, also of Trimdon 2000, who states,

“We don’t actually think that it [broad objectives] is [a problem] because we can relate all those projects back to the village appraisal which highlighted these areas to be areas of need.”

The implication of such a tension within an individual initiative spells danger for the attainment of such objectives. Within Trimdon 2000, two key personnel express differing attitudes with regard to the attainment of objectives and the relation of such ideas to the remit they possess. Peter Brookes appears to be suggesting a situation in which broad objectives are becoming more difficult to attain as one coherent group. This could imply a need explicitly to narrow that remit by dropping certain elements of that remit or by creating different groups to fulfil those objectives. Alternatively, the implicit prioritisation of objectives remains a possibility to retain cohesion. This tension essentially relates to a difference in attitudes and visions of what ought to be done or what can be done. While Peter Brookes regards the benefits of Trimdon 2000 as specific outcomes from actions, Anne Timothy suggest that the strength originates from the adherence to objectives as formed by the community. As such, there is an implicit tension of needs-led and output-led attitudes within the initiative and by

extension, perhaps many other third sector initiatives. However, within Trimdon 2000 this tension as yet appears not to have led to significant breakdowns in actions.

In contrast to the experience of initiatives such as Trimdon 2000, many TSEIs do not have the remit or desire to address the broader questions of need within their target or spatial communities. For example, the St Simon's Community Project in South Shields has a relatively narrow employment-search and training remit and has yet to address broader questions of local need.¹²⁴ Within the initiative, this is considered a significant failing, one which partly reflects the acute employment needs within the locality but also the industrial and social culture of the area which regards community development as the remit of statutory agencies.

A similar view is apparent in Low Simonside, in which the primary aim was, 'to create employment opportunities for local residents' and the secondary aim 'to improve the quality of life for the Low Simonside area' (Bradley Consulting, 1995: iv). The result is to create a confusion of aims, as noted by primary manager Jayne Mills:

"Well, the original objectives of the project had been about tackling unemployment in the Low Simonside area. But I saw right from the outset that wasn't possible. It wasn't going to be possible to do, given the resources we had, which was £60,000 a year for 3 years, to significantly reduce unemployment in that time. So we re-wrote the objectives with a greater emphasis on community development."

"The revised objectives were never clearly understood by the steering group, which included the education department. And because we'd taken that different tack, and become much more a community development project rather than an employment and training project - though we did that as well - but the emphasis shifted. And I think that the education department, and particularly the community education project in which we were based, felt quite threatened - to an extent we were treading on their toes and we were there saying, look at all this community development work that needs to be done before you can think about getting people employed."

As such, the pursuit of narrow objectives may be held back by broader community misgivings, or, as seen in chapter 7, the lack of knowledge and relational resources which therefore restrict the development potential of a TSEI. In addition to this, a tension exists between the formalisation of an initiative and the 'skimming' effect (seen with the New Deal) in which more

formal structures facilitate the development of those individuals who already possess the basic skills and do not require fundamental or intensive personal development. The result is that TSEIs which have a broader CD as well as CED remit, must address broader community need in those areas where there is insufficient knowledge and relational resources to return directly to the economic mainstream. Otherwise, TSEIs may be divisive in that they may privilege a target community which already possess the skills, as opposed to those with few skills, therefore neglecting to fulfil their full institutional remits.

The Interaction of Vision, Mission and Need

This discussion leads to a recognition of two primary forms of TSEI organisation - those which have narrow objectives and which are able to pursue them with a degree of clarity and purpose, against those TSEIs which have less strongly defined objectives but which are able to respond to the evolving needs of the community in a flexible manner which is open to change. This simplified categorisation of TSEI structures leads to a potential dichotomy of organisational structures which represent more formal, output-led TSEIs and those which represent an attempt to address broader needs within target communities.

The crucial element of the discussion of TSEIs relates to the institutional structures within the third sector. Narrow objectives, pursued with vigour, may produce solid structures which are built around a core activity and hence produce a degree of cohesive sense of purpose and well- defined roles. In contrast, a broader set of objectives will necessitate a more flexible management structure within the initiative. The subsequent problems this creates this will be discussed later in the chapter. However, the crucial judgement to be made is these types of TSEI structures in relation to the dominant theoretical underpinnings of the third sector. The 'mainstream' models of the third sector which encourage reintegration into the mainstream economy will tend to fall within those TSEIs which pursue objectives, often narrow, in conjunction with the mainstream. I do not wish to argue, however, that mainstream options are a

¹²⁴ However, the initiative's appointment of a women's development worker suggests a commitment to outreach towards as many potential beneficiaries as possible.

functional necessity of narrow objectives. Instead, the evidence here suggests that a narrowly- defined training and education missions tend towards more mainstream solutions developed within a third sector framework.

In contrast, those TSEIs which actively aim to develop the broader spatial community may be taking over the role of previously more 'mainstream' service and personal development activities once undertaken by the state. However, a broader remit does, as in the case of AVE, allow the development of a more holistic community development programme which incorporates elements of the mainstream to cross-fund more experimental projects.

I make no judgement here as to which form (highly structured or flexible) is best; each key type satisfies to a greater or lesser extent the needs of different communities. Consequently, no clear conclusion can be drawn, although a model with narrow objectives does relate more closely towards a 'business' model of growth as opposed to a developmental model. To define each type by a crude definition of 'success' is to provide an inadequate analysis of the impact of each organisational structure upon the target community. As such, in the concluding chapter a more complex and nuanced understanding of the nature of 'success' will be examined to fully determine the impact of each structure.

The Management of TSEIs.

The internal management structure of any TSEI creates a framework around which decision-making is facilitated or constrained. This structure may revolve around a committee, a number of individuals or one or two key individuals at the 'top'. Within this section, I will assess the different forms of internal management structure in an attempt to define the key structures and their subsequent impact on the potential of the TSEI to react to community need and cement its success. The empirical evidence presented here will subsequently be related back to the discussion of the internal mechanisms outlined in chapter 4. This will analyse these structures from both a practitioner's point of view and a theoretical management framework as presented in chapter 4.

Day-to-Day management

The day-to-day management of TSEIs is a key level at which broader structures are mediated by key personnel to produce the conditions for outputs to be created. In chapter 4, the review of literatures noted the need to understand the key facets by which TSEIs as a whole are able to take decisions and implement their key objectives. The role of managers in this process is crucial and dependent upon a number of factors including their personal remits and the structure in which they operate as a means to enhance or constrain their role. This section will analyse the key features of the day-to-day management of TSEIs as a precursor to a discussion of the interplay of the management of TSEIs and their response and relations to the external environment.

Day-to-day management and strategic decision-making differ in that they are based upon different rationalities and time horizons based on core management competencies and day-to-day routines. This section therefore draws a distinction between day-to-day *management* and strategic *governance*, which mediates interests and is legally, financially and morally accountable to the TSEI and its funders (Hudson 1995).

Day-to-day management utilises an often, though not necessarily, distinct group of managers who may or may not be linked directly to the community or the user groups within the TSEI. The power held by the managers may be crucial in determining the development path of the TSEI within (or sometimes in obstruction to) the vision of the strategic governance board.

The flexibility within the day-to-day group to make executive decisions is dependent upon a level of trust between the strategic management group and the day-to-day managers. Should this basis of trust be present, a greater degree of control tends to be afforded to the day-to-day management committee. However, such a structure is in part dependent upon the manner in which the TSEI was set up - if those who are responsible for the creation of the TSEI are those present at the management level, their influence (such as in St Simon's/ DOVE) is considerably expanded; the result is to shift the power balance towards those managers who have been able to retain a degree of control as figureheads. The consequence of this is to promote the development of management structures in which vested interests are enshrined; it is these

structures which are dependent upon the particular powers inherent within those individuals in any TSEI.

In contrast, some of the case study TSEIs have been set up through partnership led by local authorities and as a result do not possess structures which allow managers to exercise executive power within the initiative. The consequence of this is to constrain the potential to react in the short term to changing circumstances through the inability to take decisions and utilise cash funds. Such an influence by the local authority therefore produces a scenario in which the ability to manage, and hence the potential success or failure of the TSEI, is compromised.

This contrast may be noted by comparison of the day-to-day decision making processes of the St Simon's Community Project and the Low Simonside Employment Initiative. At St Simon's, day-to day decisions are taken as necessary, with the key decision-making process in the hands of the project leaders. Any capital purchases of over £100 are referred to the chairman of the steering group; purchases of £1000+ are referred to the steering committee. Relatively few decisions have to be made, and other workers are usually informally consulted to ensure agreement. The Low Simonside Employment Initiative, in which financial power was held within the local authority (South Tyneside MBC), led to a situation in which it took four months to acquire a computer. The fact that cash was so strictly accounted for created a sense of exasperation within the initiative, as stated by Jayne Mills:

"I mean, we couldn't believe it. They were so bureaucratic about it, and yet all we needed was a bit of money to do with as we saw fit- when it was needed. I can think even now of at least a couple of times we just had to say, 'no, we can't do that. We haven't got money.' So people lost out- the people we were trying to help."

As such, a power balance may exist between the day-to-day management structure and the strategic management structure. This is in part dependent upon the power of the management team to direct the management process and the ability of the day-to-day management committee to challenge, overturn or manipulate strategic directives. While delineated at the set-up of TSEIs, the role of the strategic management board is occasionally characterised by a wish to retain externally-based control over the decision-making process.

As such, a real tension may be fostered between the day-to-day managers of a TSEI, who are directly accountable to the users and the membership, and the strategic management group whose direct contact with users may be limited.

Strategic Management Structure

This structure, and the interplay between strategic and day-to-day management, produces the framework in which the TSEI operates. The strategic management structure of the TSEI, as noted here, is dependent in part upon the nature of the TSEI when set up.

Committees

As noted above, members of the strategic group fall broadly into four types:

- The local 'great and the good' - pillars of the community such as doctors, teachers and clergy
- Day-to-day managers
- Representatives of beneficiaries
- Funding representatives

The broad argument made in the literatures¹²⁵ is that the skilled members of the strategic group are required due to their ability to call on their expertise and network skills to further the interests of the TSEI. As such, a premium is placed on the needs to get such networked people into the TSEI. Similarly, and as a requirement from set-up and funding, there are many TSEIs which have funders on the strategic board. Their presence on the management board may protect the funder's desire to see their money being spent in the manner demanded. However the research suggests that such a situation is more applicable as a safety net and those involved in the management group rarely intervene as active partners.

The combined resources of the well-skilled and networked members of a strategic management board can, if utilised correctly, promote broader acceptance and understanding of the aims of the TSEI. However, the evidence from many of the case studies suggests that the members of the strategic board

¹²⁵ See for example Hudson 1995; Campbell 1999

were regarded as 'cronies' - people with little link to the community in question and hence with little motivation to address problems directly. Similarly, there is evidence that an over-large steering committee may lead to inertia and thus a lack of responsiveness to need within the community or the management group.

This is exemplified by Low Simonside, in which the evaluation report suggests the steering group was,

"Too large to enable focused discussion and effective policy making and forward planning. The group functioned more as a 'talking shop' with over-long meetings and a lack of focus" (Bradley Consulting 1995:13)

The role of users and the community is therefore key to the strategic management of TSEIs. As with those which have attempted to wrest control of the TSEI away from the auspices of the local authority, some TSEIs have attempted to create a proper niche for the community within the strategic management group. Similarly, some have been under pressures to include community representatives on the management group, as noted by Adrian Davies, a 'community' member of the Ystalyfera Development trust:

"At first it was, who are the trust? Who are the trustees? Someone from Pontardawe, chief executive of this and that, and people can't relate to those types of people. I mean, we've got one trustee now who is one of those, I wanna be a tree people. He's fine, good, tidy boy. But who the hell would think he's a trustee, you know. But he was voted on, good, but he's still part of our community and those are the people that we need."

This discussion highlights the fact that strategic management is a crucial element of the potential development of the TSEI. Strategic alliances are created both by the day-to-day managers and the strategic board, and are crucial to the long-term development of the TSEI.

As a result, there is a role for strategic board members to allow a breathing space to look beyond the day-to-day towards a long-term development. The result is to specifically assign the division of tasks concerned with the fire-fighting to the management group, thus allowing the strategic group space for a clearer vision of the TSEI which is less influenced by lower level wrangles. However, there is often little scope to produce such a long-term vision due to the dearth of specialised skills in the management board. The basis for the strategic development also therefore often rests with those workers who

are experts in the field and who are employed as workers and those who are employed as consultants.

Clear or Confused Management Structures?

Broadly, a number of management structures can be identified from the TSEIs analysed here:

Management Structure	Description	Examples
One at the Top	Hierarchical management structure which privileges one individual as the primary manager	<ul style="list-style-type: none"> • Dulais Valley Partnership • DOVE • Sherburn Road Regeneration Initiative • Ystalyfera Development Trust • Sedgfield Training Initiative • Low Simonside Employment Initiative
2-3 key management individuals	A more broad-based management structure which may still be hierarchical but which relies upon an equality of decision-making powers at the highest level	<ul style="list-style-type: none"> • Amman Valley Enterprise • St Simon's Community Project, • South Tyneside Training and Enterprise Network. • Penywaun Enterprise Partnership
Cabinet management	The key decision-making process is through a committee of members	<ul style="list-style-type: none"> • Trimdon 2000, • Blaenllechau Community Regeneration • Waun Wen Ltd (Trebanog)

The literatures cited in chapter 4 suggest that a strongly hierarchical structure in some TSEIs can be both advantageous and disadvantageous for development (see for example Harrison 1997). A strong grip held by the lead partner and manager may be able to create a positive environment for the TSEI, but may also have the consequence of creating a distanced relationship between manager and beneficiary, thus negating the possible development of a more inclusionary mode of operation and community vision. This calls into doubt the ability of management structures which are perceived as being hierarchical to

tap into the knowledge resources within the target community which are vital for the TSEI's success. This is therefore dependent upon the relational resources which exist between the management and 'users', or the broader locality, represented by Healey et al (1999) as the network morphology. Should the intra-TSEI network have a number of access points for the beneficiaries, in which power flows are not too steep, we may assume a less hierarchical management structure. In contrast, a network which has few access nodes with steep power gradients at those nodes presents a hierarchical structure. Therefore, by taking Healey et al's arguments and applying them to the internal structures of TSEIs, these produce a microcosm of the community-partnership identified by Healey et al in Grainger town, Newcastle.

However, by taking this analysis further, it can be argued that one particularly central node may be able to overcome the poor network morphology to act as a hub and spoke mechanism. In layman's terms, this relates to the standing of the manager within the target community, a 'leader' being able to overcome the potential problem of hierarchical control by allying strong leadership with a personal touch.

A strong grip at the 'top' may produce a clear vision of where a TSEI is heading at the day-to-day level and thus provide clear and decisive decision-making. This may lead, however, to accusations of a dictatorial relationship of manager and user. As such, most of the TSEIs studied choose to employ a 2-3 person top hierarchy either for workload or division of labour reasons as a means to make decisions. As such, there is a spread of management powers within executives' decision-making remits. Significantly, this relies upon a good working relationship between managers to promote a coherent management policy.

In contrast, a more 'cabinet style' of management tends to produce a less rapidly responsive but more considered management arrangement. This therefore creates a structure in which more nodal access points are present, thus having the potential impact of speeding up such relations. This is not to suggest that such a network morphology is inherently *better* than a strongly hierarchical structure; this is most dependent upon the overall quality of the access nodes and whether, to draw upon an analogy, the sum is greater than its parts. However, the TSEIs which adopt a strong management stance are those which appear to

develop best; those with a more hierarchical structure create vertical flows of power, responsibility, and a focus for development. Only in the case of Trebanog did this produce a particularly negative synthesis, as outlined above. However, the relative contribution of the internal management structure in creating a potential for failure is difficult to assess, as there is a suggestion that in this case failure was primarily caused by a number of essentially external factors.

‘Ownership’

The discussion of the relative power held by day-to-day management and the strategic board is particularly related to the sense of ‘ownership’ that managers feel for the TSEI in question. As noted above, those managers who were present at the inception of the TSEI have a sense of ownership of the initiative due to the level of time and energy invested in the project. Such a sense of ownership has two potentially diverse results. First, positive syntheses may result as the sense of ownership creates a deeply imbued desire for the TSEI to succeed. Second, it may produce a situation in which negative outcomes occur as the ‘ownership’ is allied to a sense of exclusion. The first of these suggests that ownership of a degree of decision-making at the day-to-day level, allied to an influence on the strategic level, produces a more beneficial alliance to enhance the talents of individuals involved in the management process. This is demonstrated by St Simon's and TEN, in the view put forward by Dan Dowling of TEN in South Shields:

“You see Jen and them down the road, and us here - we feel like this is our place, kind of our little empire. No I don't mean that, but we feel a sense of obligation to this, like, it's our responsibility. I mean, I couldn't imagine feeling the same way if I was working for a big oil company or anything like that, it just wouldn't be the same. Where else would I spend long evenings at work - I only do it 'cos of the, I dunno. A sense of responsibility. I guess we're a bit soft, but it's like, 'cos we care about these people. If we were in some random place or big organisation, I can't believe I'd care anywhere near as much.”

In contrast, a lack of ownership and the result it has may be demonstrated with the case of Low Simonside, in which the ex-post evaluation report (Bradley Consulting, 1995: 13) suggests that the management committee,

“Never came to identify with the initiative or to feel any sense of ‘ownership’ of it.”

This view is confirmed by Chris Clarke, local authority contact for the initiative, who suggests that a lack of ownership could be attributed to the fact that,

“The Community Association never felt any sense of ownership for their project that was going on in their building...there *was* in a very limited way, occasionally, but for the most part that never really developed.”

However, in contrast, a sense of ownership may be a destructive force when it becomes a bitter struggle for power and influence upon the day-to-day and strategic development of the TSEI. Should this sense of ownership be challenged, or questioned by others who wish to share in the management of the TSEI, such a desire for control may be counter-productive. Ownership, by its very nature, produces a sense of responsibility and obligation by those working within any initiative. By extension this also creates a demand for *control* of the operations within the TSEI due to the desire to ensure the full development of the initiative. This scenario is amply illustrated by Trebanog, where the TSEI was initiated by the Trebanog District Tenants’ and Residents’ Association (TDTA). This subsequently created a sense of control over the TSEI to direct it in a particular direction which was not, as noted in the previous chapter, regarded as being in the best interests of the target community in that it addressed sectoral as opposed to broader interests. As such, the controlling interests created an ownership framework which was unable to cope with the challenge from within the community and exacerbated by personality clashes. Michelle Lenton-Johnson of RCT notes this:

“In the centre you had the Tenants’ and Resident’s lot, who were there often, and some other people who hang around in there in the cafe bit, not doing anything. But because of that they started saying things. So it was clashes of personalities all round which...she didn’t like her, they didn’t like someone else, and this community centre was just the focal point, the battleground for it. It was...like a battle, who could control it or have the power.”

Steven Jones also notes that Trebanog suffered from personality clashes both within and outside the initiative:

“I wasn’t that close to it, but you heard all about it - mostly bad - about how she [Gloria Williams] was running the place like an emperor. But it sounded really bad - I mean it was like her against the community, you know. Well, it

was err.... the community against the rest of the community, and she fell in the middle, but I don't think her attitude helped. It was an awful position to be in, with all the pressure and people expecting miracles from this new centre. It just didn't have the answers, though I hope in the youth part we helped. I'm sure we did. But some kids and their families - I remember people saying it had a Wild West feel to the place."

Indeed, the situation led to the demonisation of the management, such that the lead 'community' power (Gloria Williams) was referred to as 'The Equalizer' through her attempts to bar 'troublemakers' and other individuals and groups of the community. Such a feeling of responsibility was borne out of a deep sense of ownership, a factor often encouraged by those who wish to create TSEIs. However when 'ownership' causes friction, at an inter-personal level, clear lessons can be learned. Ownership ought to operate at the broadest scale in the 'community', whereas an analysis of funding documents clearly advocates the roles for lead partners, with a potential backlash as seen at Trebanog. This therefore has policy implications, most notably for TSEIs which are created from inception by top-down structures and which work with elite groups as the most available partners.

However, Kay Quinn, a consultant at Trebanog, notes that a certain degree of sympathy must be retained for those involved in the initiative, indicating that no blame as such should be apportioned when assessing the causes of failure of the initiative:

"You can't really blame Gloria [Williams] too much, I mean she put so much time into it. But she put so much in that she couldn't let go and frankly it ruined her life for a period of time. So I don't blame her but...I don't know. It just became too much and that's why it's better now [under RCT control] as it's not identifiable so much with one personality. In other circumstances, she could have done so well out of it but not in Trebanog."

The resulting lesson from Trebanog is to produce a sense that ownership, while mostly a positive development, may lead to an unrealistic expectation of control over the management process. However, in unpropitious circumstances, as the Trebanog experience demonstrates, it may be difficult for those imbued with a sense of ownership to relinquish control despite the difficulties which may arise. In such conditions, it may be hard to relinquish control until such a time as it becomes unbearable.

The crucial point here is that 'ownership' may be just as much an exclusionary concept and may consequently negate the possibility of a broader vision which manages to encapsulate the whole community. As such, ownership must in practice be broad-based and inclusive or democratic beyond a limited section of the target community. If a management process focuses on included groups, it also defines others as excluded and therefore subsequently creates the potential for frictions. The result of this is the need to establish exactly who is empowered within a management structure, and how this influence is enabled or constrained. The notion of ownership and responsibility felt by key players, both community-based individuals and employed professionals, will be seen later in this chapter.

Democracy Within Management

The level, openness and frequency of meetings of the day-to-day management committee are indicators of processes through which management decisions are made. Of the case studies, ten have management meetings weekly - thus providing a formal and predictable structure to the decision-making process. Of these TSEIs, the majority (7/10) are directly open to community and beneficiaries. Such openness, it is believed, creates the conditions for a trusting relationship.¹²⁶ Other TSEIs are less structured in their decision-making process, emphasising the informal contact of key players in the management process, a factor aided by the relatively small size of the operation and often hence the physical proximity of the working environment. In consequence, the basis in trust was cited as a crucial element of the management process. However, even within the case study group, a variation in the accountability of the management group to the users (if these are a different group) is evident.

Evidence suggests there is a significant degree to which the will of top managers is pushed forward through the management committee; there are few examples of the top management being overruled or undermined by lower-level groups. As such, while the day-to-day management committees are a genuine attempt to increase the level of the democratic decision-making, in some cases

¹²⁶ A reflection of Healey et al's (1999) relational resources

this becomes a rubber-stamping exercise and reporting process in which there is agreement before ideas are tabled at meetings.

A crucial function of the increasing size of TSEIs is the requirement for an enlarged management function and the division of tasking between individuals. This leads to the formal management committee gaining importance as a forum for the sharing of information which may not otherwise take place. In contrast, a number of TSEIs operate at such a small scale which allows the free-flow of information through informal contact and the need of one individual to address many aspects of the TSEI's work. As such, the flexibility of the day-to-day management team may be constrained by size and diversity as this inevitably leads to a degree of bureaucracy.

Consultation

The consultation process between managers and other stakeholders of any TSEI (assuming for the moment this represents two different entities) is crucial to the fostering of a management style which is responsive to those needs. Theoretically, this refers to Healey et al's (1999) notion that nodal access points are required for the dissemination and collection of information. More formalised contact points may provide a better quality of information dissemination, although the control of a particular nodal access point may restrict this flow. In contrast, a series of open and less formal contacts may provide more information of a lower quality, and hence may not be acted upon. However, this may also *facilitate* the process of information collection, particularly from trusted sources. The key element here is how the information received is coded and used by gatekeepers, if at all. This restricts or enables the flow of information, and by proxy, the extent of community consultation and hence embeddedness within the TSEI.

In this case, the management groups can again be classified in one of two ways. First, the management groups act in the interests of the users and the management are not users themselves; second, the management group is formed

of users and as such acts in its own interests¹²⁷. With this in mind, the manner in which consultation occurs will now be addressed.

A. User Consultation

The manner in which users are consulted again varies from initiative to initiative. Some employ a users' committee process which provides a structured conduit for information, ideas and complaint¹²⁸. Regardless of how this is acted upon, this is generally regarded as beneficial as it creates a dialogic process which may not otherwise operate. However, as with any formalised committee processes, this relies upon the talents and personalities of those elected or deemed responsible to address such concerns to the management. As such, there is a translation loss as ideas and argument may be subsumed under other ideas or not regarded as truly worthy of raising by representatives. Again, it is the gatekeepers at the access points who determine the flows of information; this tends to be those most skilled and adapted who may therefore be able to influence the development of the TSEI themselves.

In contrast, those TSEIs which do not operate a structured consultation process which creates a flow of information and feedback rely upon informal contacts and the management teams have faith in these. Such informal information flows are able to produce a more beneficial feedback loop between users and top management without the filtering and interpretation of information through a committee process. As such the flows of information may create a more responsive reaction to the needs of the users. Indeed, a great deal of informality will encourage the flow of information by removing potential barriers. With particular reference to the third sector, such notions of informal access points become less pertinent as one of the traditional strengths of the sector has been its informality in contrast to the state sector.

Consequently, there is a need to build such informal flows into the consultation process to avoid elitist or divisive forms of consultation. The most crucial element of user consultation is that the users as a whole must feel that they are valued. If this is successful then the level of user interaction will be

¹²⁷ It must be noted that the 'community' and 'users' of TSEIs are not the same. Those TSEIs with narrow remits will respond purely to the needs of their target community, those with broader remits will attempt to appeal to the geographical community at large. As such, the manner in which consultation and information flow take place are significantly different

significantly increased. Without this valuation of the role of users, a mental distance may be created between the management and users, thus producing a more authoritarian view of the TSEI. This can be seen by the reaction of two adult learners at DOVE:

"You know, it's like they just care here...not like at school where you're told you're crap. I mean, that's no way to go about it, and so I lost interest at school I suppose. Thought, 'no, this isn't for me' I couldn't wait to get out of there. But here, it's just so different. I *want* to come here, most of the time anyway, and that's 'cos of the people here - Mair, Julie, Lesley, all the rest of them"

"It's the whole atmosphere- it's friendly, we're here to learn and...well, when we ask, we get things, occasionally (laughs). So it's like...it's a respect thing. We're treated as people, and they actually listen to what we think. Even if it's wrong. But at least they'll listen and tell us it's utter crap. But that makes us want to do things, like it's our place and we've got a role to play in the project. No barriers like school."

However, I suggest that such consultation structures can be seen as primarily a response to the evolution of the TSEI - more developed or larger TSEIs require a more structured form of information flows to retain a level of interaction between the user and management. Informal flows, which may be beneficial in the manner in which flows are enabled, are necessarily dependent upon interpersonal relations and as such may be less comprehensive than formally structured flows.

B. Broader Community Consultation

Where a TSEI has a remit covering the local spatially-defined community as a whole, the consultation process requires a degree of sophistication to ensure the participation of the community. Again, this may take the form of both formal and informal flows, which I will now address.

Formal flows seen within the case studies revolve around the uses of newspapers and newsletters, which operate mostly as an information provision resource, and the reciprocal influence of community membership and representation at the management committees. Information outreach flows are undertaken by most TSEIs, to a varying degree. Such a process is regarded as beneficial, both to encourage people's participation through the development of a newspaper and development of an organisational identity. As Brian Aherne of

¹²⁸ For example the Spennymoor Training Initiative; Penywaun Enterprise Partnership

the Dulais Valley Partnership states, "It's all about getting us lodged in people's minds". However, such a spreading of information is a one-way process and does not correspond directly to the requirement to gain information regarding the needs of the community and actively to encourage participation. To create this, at a more sophisticated level, social audits have been attempted to gauge more accurately the desires within the community for the direction of the TSEI. Two TSEIs actively participated in social audits in an attempt to identify the real needs, fears and values of the community (Blaenllechau Community Regeneration; Trimdon 2000). Such an audit at the very least creates a baseline against which to evaluate the activities of the TSEI during its life. This is exemplified by Trimdon 2000, where the 'appraisal' retains an influence upon the manner in which T2000 conducts its operations. The appraisal was carried out in 1995, via a questionnaire offered to all residents of Trimdon (approx. 3500). These were returned with a 47% response rate, identifying the key areas of concern for residents. The appraisal remains a key resource which framed and continues to frame the strategic aims of the initiative, as illustrated here by T2000 treasurer Frank Hoban:

"Well, it is. I've been impressed and that keeps coming up and everything has been discussed. Because people get very enthusiastic about what they want more or less as they get involved in something. But that's been the basis of everything that's been done and... I think will continue to be within the organisation."

"One of the things that has come through over the months is that whenever we were looking to address a problem there would always be at least two or three voices saying, wait a minute, what did the appraisal say on that? And that has been the basis that we look back on all the time. To remind ourselves that we're trying to meet the aspirations of the people who answered the appraisal, not our personal ones. So it's been fairly... I think the appraisal document's been a very good basis for moving forwards. I think the population in the village, when they imagine that they filled that appraisal in four years ago, if they can remember it, nothing's happened and it has gone into history but actually it's taken that long to get to this stage. And it's taken the group of thirty-odd people to push forward the little things that have added up to where we are now."

However, by their very nature such audits are time-consuming and out of date by the time they are collated (furthermore, there are methodological and practical inadequacies of the social audits).¹²⁹ However a key theme of 'failed' TSEIs is that very little community consultation took place, therefore reducing

¹²⁹ For example, Sue Jones of BCR notes that their Jigsaw survey was limited, stating, "it asked people things like what they wanted, and I have to say, I don't think they knew - people ticked every box".

the level of community participation and ownership. While some such as Gloria Williams at Waun Wen Ltd/Trebanog, suggest this is due to an 'unresponsive' community which discourages the efforts of the TSEI, such a lack of consultation may prejudice community feeling against the TSEIs.

The time and energy required to create and sustain such levels of community information may be regarded as counter-productive in that it takes time away from more crucial management and development tasks. However, there is evidence to suggest that TSEIs have to put in significant efforts to alleviate the impression that the TSEI is a local authority structure. Anne Timothy, of Trimdon 2000, notes,

"Because it has a name and because it has meetings, and because it's doing things that statutory agencies have done in the past, I think it does have a problems with people perceiving it as just another agency that has come in, to fly in, to put things on the ground. And we have to get over that."

To counteract this tendency, informal information flows through 'word of mouth' are considered as most crucial to the development of the institutional ideology of the TSEI and able to produce more rapid results. The ability to have a network of community participants who can 'spread the word' is a crucial element in being able to pass on information. This is noted by DOVE, whose review of 1999 states that,

"The committee members of DOVE are women who are politically and socially actively involved in their communities [and] therefore the identification of educational and training needs of women have not proved a problem."

This is also noted at Penywaun Enterprise Partnership (PEP), where Gary Foreman states,

GF: "There she is, Julie - the oracle of Penywaun. We just need to tell her something and it's with all the gossips in the estate within the hour, isn't that right, Julie"

Julie: "Oh, yeah, anything needs doing, fast as you like. Fastest gob in Wales, I've got."

This therefore demonstrates an informal relational resource and hence a mobilisation capacity which may be brought to life by the actions of an individual change agent or set of change agents. More broadly, this refers to the embeddedness of the TSEI within its target community; however, what is

demonstrated here is that such an embeddedness is formed through a series of formal and informal interactions which operate within and outside the auspices of the TSEI. Only when such interactions operate will the TSEI be able to engage fully with the target population.

Need for Visible Developments

This discussion suggests that there is a tension between the requirement to meet the needs of the community as perceived by its members and the same need as viewed from a disengaged and hence supposedly objective (and potentially normative) analysis of community need. Interview data suggest that there is a need for a substantive element of (predominantly environmental) community improvement which can act as a tool for grounding the basis and identity for the TSEI. Such processes and ideas may not accurately address the more deeply-seated needs of the community, such as unemployment, demography, amenities and the local economy. However, this represents a *perceived* need and as such meeting these needs is required.

Examples of such developments are:

- PEP - road blocking technologies have been implemented in response to calls for their introduction.
- Trimdon 2000 - the creation of community garden and landscaping for the millennium celebrations of 2000; an annual music festival to be held in the village under the auspices of the initiative.
- Blaenllechau Community Regeneration - landscaping of one road in the village; use of local children to provide ideas for art within village
- Ystalyfera Development Trust - which has resurrected the local Gwyl festival as a means to create community cohesion but also to promote the development trust.
- Sherburn Road Regeneration Initiative- which has introduced a number of aesthetic improvements to the estate alongside the installation of security cameras throughout the estate

TSEIs therefore appear to require a demonstrable success to take the level of community confidence to a higher level. Peter Harding of the National Assembly of Wales, notes this:

“One of the things we’ve learnt quite dramatically with our projects is that when you’ve got expectations to a certain level...you have to deliver pretty quick otherwise people will start saying, oh, we’ve been here before. Things have to be perceived to change”

This is confirmed by the experience from Penywaun where, in the words of Michelle Lenton-Johnson, of Rhondda Cynon Taff Borough Council, the partnership,

“Has transformed not just life but the appearance of the estate as well. So I mean the fabric issues go hand in hand with the others, and quite often - it's not...Trebanog, if you look at the houses actually, themselves, that is a bleak environment. But the houses aren't badly maintained. But the environment is awful. I mean, the environment isn't very well maintained, a lot of them are empty, there's burnt out cars, you know, there's a significant environment issue. And there's no real kind of work to tackle the problems...Penywaun differed hugely from the loss of coal-related jobs...because they've done a lot of practical things and they've made an enormous difference"...“they're based in the community and they're actually getting out and they're making improvements physically to the community which individuals can then see happening and individuals- they've gained the trust of that community and individuals then have benefited, they're coming into the centre, and as I said it's in their local environment and they're comfortable there.”

As such a key task for the management is to produce a steady stream of results, whether beyond or within the core remit of the TSEI. This is not a radical departure from received wisdom; indeed, there has always been a need for concrete development to create an embedded vision of the TSEI within the community. A twin-track approach is therefore required to back-up the less visible (but not necessarily less important) developments with a level of more concrete development which can radically alter the perception of the TSEI within its target community.

However again a tension exists as there is a perception that the betterment of the local environment (in a broad sense) becomes a problem to be solved by the TSEI. Moves made by TSEIs to develop such a strategy *may* be able to create jobs through addressing such needs and employing local people and resources. However there is a crucial element in the evolution of such a strategy to develop a realistic element of expectations in the communities. Evidence suggests that there is a need both to develop the expectation and optimism within a community, thus fostering a can-do attitude which can encourage the mobilisation of the knowledge and relational resources of the target community. However it must be recognised that expectations, created as a function of the hopes of the target communities, must be capable of being realistically met and actively tempered by the TSEI. If an initiative attempts to

alleviate certain problems which are beyond its capabilities, it may bear the brunt of a backlash of community ill-will when it fails to deliver. As is often commented, should expectations be raised and then dashed by a TSEI, a greater degree of damage to the community may be done than if no attempt was made at all. As such a role for the management may be not only to raise expectations but also to temper such an expectations to ensure their realism.

‘Inclusion’ vs. ‘Exclusion’: A Willingness to Adopt Ideas?

The development of ideas within an initiative, both from within and outside the organisation, is related to a sense of a common theme and a sense of purpose. As with the discussions above regarding the nature of the link with need, a set of narrow objectives may produce a successful development which addresses needs *within strictly defined boundaries*. However, such a strict regime of ideas and concepts may limit the ability of the initiative to adapt to changing circumstances and the subsequent flexibility of the management regime to adopt new and potentially worthwhile challenges. As such a new tension arises between the ability to pursue tightly framed objectives which are negotiated with the target community and the potential to fulfil a broader remit for community tasks.

A connection may be drawn between the delineation of a set of objectives and the potential for those objectives to tend towards being either radical or institutionalised.¹³⁰ Notwithstanding the small scale of the sample studied here, a link may be drawn between the tendency of a TSEI to pursue narrow objectives and their form as being primarily mainstream (see for example DOVE, TEN, St Simon’s, STI in Appendix 1). In contrast few TSEIs operate solely as a non-mainstream entity and it is within this broad outlook of such TSEIs that the more radical role of non-mainstream facets are framed as part of a bundle of broader Community Development or Community Economic Development opportunities. As such there is again a tension between the vision of a narrow objective for a TSEI and the manner in which such objectives

accurately reflect and address the problems faced by the community in a way which is different from those of mainstream providers and by the private sector economy.

Thus it is those TSEIs which demonstrate elements of radicalism (for example PEP, BCR) which are able to accommodate this within the broader structure which encapsulates both mainstream and radical solutions. Radical solutions, one would conclude from the sample case studies, are configured more as experiments and offshoots of the TSEIs rather than being as part of the central focus, and are often funded through such initiatives. Indeed, as AVE demonstrates, there is a flow of funds to the more radical ventures which may or may not be deemed appropriate by the funding frameworks available and hence not funded. As such through a combination of programme bending and capital flows within the TSEI, funds may be employed as a means through which to develop a wider needs agenda.

A distinction may therefore be drawn here between those organisations which pursue narrower objectives and outputs as the be all and end all of the TSEI, and those which operate a profit-making or fund-raising shell as the means through which to pursue other objectives, outputs or outcomes.

Agency

As noted above in chapter 4, the role of individual change agents in cementing and facilitating the direction of a TSEI is crucial to its development. It is also recognised that actions of actors are dependent upon the motivations of the individual, and as such are difficult to predict and, where necessary, to constrain. However, accepting the potential impact of change agents, both individuals and collective groups, upon the success of TSEIs brings three research questions to the fore:

- What change agents exist and are used - either 'experts' outsiders or 'community' representatives - and the manner in which such change agents influence the development of the TSEI
- How interpersonal conflicts occur and how such tensions are resolved

¹³⁰ This is not to suggest an absolute dichotomy of these two features in other circumstances and environments.

- The manner in which ‘management’ and ‘user’ agency decide to concur with or challenge the structures created by and around the TSEI

This therefore opens up discussion of the relative strengths of the framework to determine the actions of individuals and the reflexive impact of individual actions in changing and channelling the frameworks for their own needs.

Expert and Community Change Agents

The individuals involved in the governance and management of TSEIs fall broadly into two categories: ‘expert’ managers who have been brought in to the initiative to add a degree of professionalism, and community representatives who may or may not possess expert knowledge resources to perform many of the tasks required.

This potential two-tier arrangement may therefore create divisions between the ‘imported’ managers and community-based agents, dependent upon the power relationships between each group. The role of expert agency in the development of TSEIs has recently undergone a revision from managerial function towards an entrepreneurial function. We therefore have to move to analyse the role of agency in TSEIs not just as a manager of community needs, resources and desires but as an entrepreneur who is able to develop and enhance this community resource. There is therefore a twin-track role for management, and this role for manager and entrepreneur is cemented through both day-to-day and strategic decision-making.

The role of the community entrepreneurs or animateurs has therefore become accepted as a key need for TSEIs to develop a level of embeddedness within the target community. As such, a degree of imagination is crucial for the development of success. Community entrepreneurs rely on innovative strategies to produce beneficial results, particularly as the nature of funding application process for competitive funding sources requires a degree of innovation to make them stand out. The result is that, as Sheila Davies of RCT notes, “to get

funding you have to be very innovative and it's actually quite hard work to be on top or in the forefront all the time."¹³¹

As such, the skill level of the individuals involved with a TSEI is crucial to the development of the initiative. While this is not a surprising conclusion, concurring with Healey et al's (1999) suggestions of the importance of change agents, it nonetheless emphasises the role taken by agency to determine the development path, indeed ultimate success or failure of any initiative. Empirically, this is illustrated by Angela Pulman, of Community Enterprise Wales, who in comparing Trebanog with Blaenllechau, suggests,

"The difference there is in Blaenllechau was Paul Burke, who you probably won't hear about. But Paul - he worked in industry and was very interested in communities. And he took it by the scruff and was the catalyst there, the community entrepreneur. They didn't have one in Trebanog. Now if you look at the other ones; Bryncynon has Bryn, and actually the Arts Factory¹³² when it started had Bryn too. So there was a person who had the skills, the knowledge and the determination to be the focal point...Trebanog didn't have that."

This need for such skills has led to a professionalisation of the TSEIs, with two results. First, it necessitates a professionalisation or formalisation of the role of volunteers who may not be able to give adequate time to the organisation, and second it places an over-reliance upon professionals to do a good job on a long-term basis. St Simon's illustrates the first of these points, where the current managers are all originally volunteers who have been trained to do their job. Current leaders Jen Fettis and Sue Callendar illustrate this development of personnel towards a more professional outlook:

Jen Fettis: "When we started we really didn't have a clue at all. You know, we were really thrown in at the deep end and we felt well out of depth at the start. Didn't we (SC: a-ha). But we got training in how to deal with people pretty early on - we've all got that now-er...so nowadays we're the ones who...well, we don't feel lost any more. It feels a lot more like it's our place, although we'd never let ourselves become snooty about it and tell the blokes out there to take their feet off the chairs. Well, you might, but I wouldn't. But we don't take any stick from the committees and the so-called professionals now- we just feel more confident about it and sure about what we're doing."

Sue Callendar: "I think we scare Mike and Dan now in those meetings"

¹³¹ This is not to disprove the claims made earlier with regard to governmentality and means by which TSEIs must fulfil the criteria within funding proposals. Governmentality retains a strong framework in which TSEIs must operate, and within which a degree of 'innovation;' is encouraged within the bounds of the funding criteria.

¹³² Arts Factory: a TSEI situated in Ferndale, Rhondda Canon Taff.

In contrast, where professionals have been brought in, there is less acknowledgement of the need to encourage a more broad-based range of change agents with a variety of knowledge and relational resources. Sue Jones of Blaenllechau Community Regeneration notes this:

“ I think one of the biggest factors [in Blaenllechau’s success], and it’s actually turning out now to be our Achilles heel, and that is the board made a conscious decision in the first place to make this a professional organisation and they did not have the time to devote to it that it would need. Because we’re open long hours, at times we’re open late. It couldn’t be voluntary and they took on board the fact that we wanted community businesses; we would have to become a company limited by guarantee to protect the interests of the community. We would have to become a registered charity because at the end of the day our aims are charitable, but we have to take on board there is a business aspect involved in all this, so they took on a professional team. And that was our biggest strength. The only problem now is it’s becoming our biggest weakness in as much as people... the whole emphasis now for all funding bodies has switched to community. Consequently, it’s switched to a system of ‘we will no longer fund professional staff’. If people want things to happen in their communities then they have to be prepared to make them happen themselves, you know. I mean, ideally, we should, as a professional team, we should have left by now. We should have been drawing out for it to be run by the community. How realistic that is, I still have grave doubts about that.”

The consequence of such a division of responsibility and the focus of management processes and skills is to develop a structure in which the potential exists for an inordinate level of power concentration. While concentration of power may be a potentially useful management tool, such a concentration may in actual fact produce a fragile management framework in that an illness or job move may initiate a collapse in the structures built around that key individual. Sue Jones again illustrates this:

RB: “So you don’t feel there’s that succession there to take it on?”

Sue Jones: “No, I just think it’s too big, too much for them to take on. As volunteers it’s too much. I think we’ve moved from the time now when the skills weren’t in the community, I think the skills are there to do it, and I think they’d do a fine job, but they would still need paying. So there’s a big difference between running an organisation of this size as a volunteer with all the responsibilities that puts on you and doing it as a paid member of staff. But I...we’re at a position now where we could effectively run it, paid staff that were drawn from the village. But for funding bodies to take the attitude they should run it themselves for nothing... I think the dole would have something to say about that.”

Frank Hoban of Trimdon 2000 also voices this fear:

RB: "So is it in some ways too reliant on particular people like yourselves?"

FH: "I think it is"

RB: "So at the moment you can't see the progression?"

FH: "No, no I can't. I can see it going with what it's got now. It will have to continue to look at that. Er... I don't know what the answer is, really, whether at some point we particularly try to target young people to get another generation involved or some such like. I don't know how we do it. Even this organisation I've no idea how long it will last.... there aren't dozens of people able to take up the key posts successfully. I mean, Peter Brookes has been a very very good chairman and he's made people feel very welcome. I'm not sure that there are many, in fact I know there aren't many others who could do it, if any others. So a lot of it is dependent upon the skills that a few people have. I don't think many people would have flogged through the administration I've gone through, because it is boring. But it's the only way you can keep records and look official on paper to these people in partnerships. They all get letters inviting them, an agenda. Minutes of the previous meeting, and things like that, and it looks sometimes more than it is. And that helps to keep the thing going. And I don't know if I'll do it for ever either. I've been doing it for a while, but I'm not sure: depends what else happens."

A similar situation was seen in Low Simonside, where the Evaluation report (Bradley Consulting 1995: 5) suggests staff changes were regarded as a key element in the downfall of the initiative:

"The initiative lost its focus and administrative structure during its later stages as a result of a number of staff changes. This could have been remedied by clearer organisational lines of responsibility and improved management of the initiative in terms of bureaucratic procedures imposed by the local authority and its relationship with the community centre."

The result within some TSEIs is an attempt to create a long-term strategy in which a succession exists to promote continuity within the TSEI, although an acceptance exists that this is far from perfect. Similarly, when a sense of concentration of power is noted, this tends to lead to a concerted effort to establish a more broad-based set of agents within the structure of the TSEI. The result is to produce a more flattened management hierarchy, although the key management positions remain in place while delegating some power to the broader base of individuals. Thus, some TSEIs which are unable to adapt to a change in personnel are more vulnerable in the long term to shifts in the environment, demonstrating the fragility of TSEIs.

Change Agents and Embeddedness

The role of personalities and agents is, as noted above, key in developing a trusting relationship with the users. In a positive light, this may be illustrated by St Simons, in which a relationship is built up between the users and the management group. This creates a beneficial synthesis in which those agents are catalysts for development. From a user's perspective, this may be seen by David Brown and Alan Smith, beneficiaries of St Simon's Community Project in South Shields.

DB: "Jen and Sue are like Bobby Robson coming to Newcastle. The enthusiasm rubs off. Er...you've seen what Newcastle's been playing like...he, Bobby Robson hasn't changed his team, but then they score 8-0 on Sunday. So it proves a point, you know. If you've got people that's got enthusiasm in here..."

RB: "Is there a lot of respect as well?"

DB: Yeah, they have a bit of a joke as well, but that's just banter, you know. Makes the place what it is."

Alan Smith: "Well, there's nothing else like this: it's really relaxing. They're really very helpful to you; they'll do virtually anything you want for you. There's other places around, but not like the same people there is here."..."It's these people here that make it. I'm saying, if you have the same people in another one, in another area, a different area, they'll not. That's why I come here."

This role is in part a reflection of the need for the management team to be social workers, beyond the original remit, thus creating a key element of the interpersonal trust and relationships to develop the individuals involved. In Healey et al's (1999) terminology, this is the role of agents being able to revive the capacities of individuals. The result is to significantly increase individual confidences. However, this again points to a discrepancy in the nature of the targets and remits for TSEIs. An increase in an individual's confidence, and hence the unlocking of unrealised potential, is often central to the work of TSEIs in contrast to the more formal employment initiatives. Within third sector organisations, any boost to individual morale counts as a successful outcome. Sheila Davies, of RCT Borough Council, outlines this:

SD: "And the community groups themselves are far better placed to access the socially excluded and those aren't working and bring them back in to access the facilities that are there - which I'd class as the mainstream institutions."

SD: "It's not because it was inadequate, it's because people who were classed as a drop-out have a mistrust of institutions. And because they view the DSS and the job centre as government, controlling, giving

them their money and keeping an eye on them, the big brother bit, they've rejected it and rather than having the perception of 'they're here to help', the staff in those bodies don't help a lot by being officious, by being, 'here are the rules and regulations, you have to stick to them', whereas groups like the Arts Factory and the DTA have a completely different approach and they value those people and they give them a certain self-respect back, and encourage them in different ways. Kind of like social workers, I suppose. And the people don't feel threatened and they don't feel like they're being watched, and they don't feel as if, 'if I don't behave or act in a certain way they're going to take the money off me.'

This social-work role, in which confidence in both individuals and the target community as a whole is crucial, depends upon the quality of interpersonal relationships. Such a role is cemented through the fact that the managers are resident within the local spatial community itself, and are thus easily recognisable and become identified in everyday life as members of the community. However, this does have a downside for those working within the initiative. Sue Jones of BCR notes this:

"I've seen it happen in other areas where you have to live in that village after, you know, and when Western World¹³³ went in, over in Treherbert, it was horrendous. I was living in Treherbert and was just working behind the bar there. And when that went belly-up, I was having people shouting at me about it, and it was horrendous. They blame you, because you are the only one that's left, you know. All those Brummies that came down to set it up disappeared back to Birmingham and never saw it again."

The result is that such an identification within the community of a particular agent and the TSEI may produce a trade-off between the benefits for the TSEI from the relational resources this propagates and the potential stress for the agent involved. Potentially, this may create a situation in which agents are dissuaded from becoming part of the community as a whole, or begin to detach themselves from the TSEI, thus negating the benefits of embeddedness. As such, embeddedness may be thought to take a variety of forms, dependent upon the strength of network linkages or nodal access points which are present. The greater the variety of binding mechanisms through which the TSEI-oriented network and broader community-based networks are integrated forms a potential strength and a number of nodal access points through which information resources are transferred. In contrast, should the key binding factor between

¹³³ Sue Jones' previous employers, also a community project.

networks be one person or a small number of people, the potential impact upon those individuals may become undesirable, should the weight of any conflict fall upon them.

It is also the *form* of embeddedness which influences the impact upon individuals, as related above to the aims of the initiative. If a TSEI aims to be explicitly inclusive and representative of the broader spatial community, there is a need for embeddedness to enhance the standing of the initiative. In contrast, more targeted or mainstream economic TSEIs that do not depend on the community embeddedness to such an extent are able to forge relations within the locality which are held at the level of a working relationship. As such any incidents of conflict are likely to remain at the level of workplace relations as opposed to becoming interpersonal conflicts.

Conflict resolution

In contrast to such a positive reinforcement of beneficial trends, there is an evident dearth of interpersonal understanding in some TSEIs. This was particularly notable in Trebanog/ Waun Wen, where the TSEI became a microcosm of community malcontent. This malcontent revolved around particular personalities, both within and outside the TSEI. With such clashes, there was an inevitable break-down in relations between those agents involved in the initiative. The ensuing rivalries created blockages for the development of the TSEI through disruptions and clashes of personality, thus contributing to its demise.

Trebanog evidently failed, through the personalities involved, to reach an accommodation or understanding as to the root causes of disruptive influence, and as such was unable to resolve conflict. Indeed, it is arguable that it was not just the manner in which individuals handled conflict but it was the personality clashes which were the roots of the problems. Consequently, the key lesson which must be drawn from this illustration of conflict is the need to balance personalities such that clashes may be negated through the management process. This will lead to conflicts being resolved either through particular conflict resolution structures or kept external to the TSEI.

Of the case studies, AVE, through its size and influence, is the sole TSEI which has a formal procedure through which to resolve conflict. However, this has apparently never been needed as no conflicts have arisen which have been of adequate severity to warrant official procedures. This lack of conflict is never fully explained, although Len Preece does state, “ you get the odd oddball, but then you can hush them up, quiet word, and send them on their way”. As such, this relates to a sense in which power relations may influence the manner in which conflict is dealt with. The AVE example shows how the relatively inclusive, ‘embedded’ nature of AVE gave strength to those wishing to dismiss the potentially disruptive influence of an individual. In contrast, the lack of embeddedness of Trebanog and the lack of sway the initiative felt within the Rhiwgarn estate meant that the ‘disruptive’ forces could amplify their objections through interactions with others, thus deepening the divide between the TSEI and its target community. As such, an official resolution structure could have been potentially beneficial at Trebanog. If it had been available in this case, official sanctions may have been able to regulate conflict rather than create an atmosphere for feuding.

In other situations, there are few formal procures in place which offer a solution to conflict. Such following statements exemplify the attitude towards personality clashes - they are just worked out. The lessons from Trebanog are not clear, as no other case study has demonstrated such a tension between the TSEI and its target community. As a result, no concrete and repeatable lessons may be learned in that the structures in place have not been tested by such a level of tension.¹³⁴ It is through luck and a degree of personal judgement rather than through structural forces that such potential conflicts are resolved or negated at an earlier stage.

Gary Foreman of PEP, illustrates this:

“We’ve just been open and talked people through things. Been blunt at times, but the lesson is that we’ve managed to nip things in the bud, shake hands and get on with it. From what I know of Trebanog, these were just things that were left to fester and so became engrained.”

“When things come up here, we deal with it somehow...we’ve never encountered the need for a formal arbitration process and I don’t think it

¹³⁴ however, the one structural cause of the tension in Trebanog, allied to the interpersonal problems, was the general confusion over the aims and frame of reference within which the TSEI was operating. When it was found that certain sectoral interests were not catered for, this created tensions which were applied by the personal attitudes which came to the fore.

would work - by introducing that you kind of officialise... if that's the word... acknowledge in official terms the problem, but we don't want to do that. It's better to smile, address the concerns informally and then move on. Don't dwell on it."

As such, the role of agents, supported by the interpersonal relations within an agreed frame of reference, appears key to the negation or solving of potential conflict.

Structure and Agency: Control vs. Flexibility

The role of agency in mediating the development framework of an initiative is, as always, key to the development of a TSEI. Again, as a microcosm of the wrangling which occurs between TSEIs and broader governance institutions, individuals must be able to adapt to, and where necessary challenge, the structural edicts of the development framework, funding criteria, and their influence upon the capacities of the TSEI to meet its potential. The result is that TSEIs, and the individuals within them, produce contestations of forces, thus bending programmes towards the outputs and outcomes as seen in appendix 1.

Thus, human agents within TSEIs are aware of the manner in which they must challenge the structures which constrain their actions. Gary Foreman of PEP notes the role of the Employment Service in that it incorporates,

"The sort of people who are used to putting the tramlines down which make it difficult to manoeuvre. So I think that's probably where people like myself, and other professionals would have to do something about shaping it ourselves on behalf of the beneficiaries to see if we can get some programme bending, to try something new, really, and to see if it works. It's still a big step for people to jump from being an unemployed single parent to becoming involved in a community business or a sole trader or whatever."

Individuals with both formal and informal power may be able to influence the direction of the TSEI through a series of contestations. As such, the values of that individual, when enabled through the structure, may become to some extent imposed on the TSEI. Indeed, the power of any individual to influence unduly their development has become an area of concern for many TSEIs. The result is to produce a tension between the need for flexibility of action, thus empowering individuals to make decisions and develop the TSEI,

and the need for structures to prevent the possibility of individuals taking decisions and courses of action which may be damaging to the initiative. As such, a tension therefore exists between the control of actions as a preventative element versus a free/liberal structure (or less 'structured' per se) to produce beneficial results.

TSEIs rely on individual enthusiasm and action from both professionals and volunteers to produce results. To constrain the scope for individual action in a manner designed to negate disruptive consequences has the potential to divert the TSEI from its vision. The basis in trust is therefore paramount; indeed, many volunteers may not take on jobs if they are under constant scrutiny. This therefore produces a quandary for those wishing to create a template for the ideal, transferable TSEI. In reference back to Healey et al's work in chapter 2, it is the notion of capacities which may provide an academic framework in which to pursue this argument. An inevitable trade-off emerges between the need for individual agents to realise their potential within the structure of the TSEI, thus activating the positive social capital and capacities to produce results, and the need to restrict the potential for negative consequences. This will be addressed in more detail in the following chapter.

Conclusions

This chapter sought to outline the key features of the internal management of TSEIs in a particularly managerial context, in order to understand the manner by which TSEIs are able to cope with the pressures generated by the external environment outlined in the previous chapter. There is a significant degree of agreement over the features which appear to be present in 'successful' TSEIs or lacking in 'failing' TSEIs. However, what does emerge is that no 'one size fits all' template for the internal organisation of TSEIs can be formulated. Rather, a number of tensions exist which exemplify the trade-offs between different forms of TSEIs.

The result is that each form of internal organisation, based on a set of core principles and dependent upon the evolution, size and origins of the TSEI, is a reflection of the core competencies of the TSEI. As such, attempts to

produce an all-encompassing template of internal management which produces a suitable development plan for all situations fails to accept the inherent complexity of organisational forms required by TSEIs to realise their aims.

The fact that such tensions exist represents a quandary for those wishing to draw transferable lessons from the analysis of 'successful' management structures. However, while there are a number of 'variable' management factors which reflect the particular aims of organisations, a number of 'core' features or aspirations remain which are transferable and apply to all. These 'core' and 'variable' features of the process will be identified below, thus identifying common features from the literatures which are applicable to all TSEIs, and the features which are specific to the origins, management and change agents operating within particular initiatives.

Core attributes include:

- Ability to manage conflict
- Knowledge-based management skills
- Adherence to legal requirements
- Adequate safeguards to prevent financial instability
- Pro-active crisis resolution
- Ability to spread and collect relevant information

These 'core' attributes of TSEIs refer to a group of aspirations which vary between specific management practices and anodyne statements of intent. These attributes are features identified in both the literatures and empirical analysis which reflect the features of TSEIs which may be of benefit to every TSEI. This is not to suggest that all 'successful' TSEIs exhibit the core attributes to the same extent; these core attributes operate mostly as '*aspirations*' which appear to concur with healthy structures and hence successful TSEIs. Indeed, the transferability of such core attributes is open to question due to their inherent reliance upon the actions of individual and collective agency and hence essentially ephemeral nature. As a result, even a TSEI which demonstrates the majority of the supposedly beneficial features may fail due to one particular element of agency or unforeseen circumstance which operates beyond its control.

Table 8.1 demonstrates the variable organisational types: the trade-off between organisational aims and community need. The central column

Table 8.1: Organisational Choices for TSEIs

Organisational Factor



Structured	Organisational remit	Flexible
Targeted/Sectoral community	Extent of 'community'	Wide/Geographical
Narrow	Diversity of operations	Wide
Low	Democratic control and openness	High
High	Partnership with mainstream services	Low
Infrequent	Programme bending	Frequent
Outputs	Impacts generated	Outcomes
Low	Complexity of organisational aims	High
High	Legal and accountability requirements	Low
Low	Ability to adopt different modes of operation	High
Low	Susceptibility to broader community tensions	High

represents the key variable organisational factors around which TSEIs choose an appropriate structure. Columns left and right offer potential organisational choices for a TSEI, which represent the configuration of needs and capacities in the locality. Elements which are in the left-hand column are predominantly associated with narrow aims and are structured around potentially mainstream solutions to those aims. Characteristics in the right-hand column typically

represent the organisational choices and features of TSEIs which operate under a broad remit and require flexibility of action and embeddedness within the target community to succeed.

The 'variable' attributes are those which are dependent upon the stage of development, vision and mission of the TSEI. These variable attributes represent the particular developmental patterns of each TSEI within its institutional and cultural context, combining to produce a particular organisational structure which is a reflection of, and response to, the aims and vision. Consequently, the framework suggested here is one which represents an appropriate organisational set-up which reflects the needs of both highly structured and flexible organisations. Unlike the 'core' attributes, this is not a set of aspirations which will be followed by all TSEIs; instead, such variable attributes represent a 'pick and mix' of factors which are dependent upon the aims, concepts and desired outcomes of each initiative. A TSEI must therefore adopt the most appropriate elements of structure and flexibility to create the most suitable structures around it to maintain a positive synthesis.

A crucial implication is the need for a flexible attitude towards TSEIs, particularly those with relatively small budgets.¹³⁵ This empowering of those involved to develop a management structure which is sensitive to the particular needs of the organisation and its target community is crucial. Without this, management tasks tend to become overburdened by bureaucracy and the ability to work on an ad-hoc basis, a distinctive element of the third sector's operations, will diminish. The resulting lack of ability to take full advantage of opportunities may prove financially costly for the organisation, as well as forcing an identity crisis in which it becomes regarded as just another statutory agency.

The transferability of the lessons from an initiative is largely dependent upon the locality and people involved in a TSEI. Data collected demonstrate that the key to success is the role of change agents and the standing of these workers within the community. These change agents and their embeddedness therefore represent the essence of the initiative, with the consequence that key staff changes potentially destabilise the internal dynamics. The crucial lesson is that

¹³⁵ Although these budgets may be the equivalent of the SMEs they are wishing to create.

although the mechanism employed is potentially transferable, it is the organic nature of the initiative's development and the workers which provides its strength.

This chapter has outlined a number of internally-specific features of TSEIs, some of which are transferable and some which are not. Other factors, I note, are dependent upon the particular context of the organisation as defined through its remits, origins and agency, to produce particular configurations. The concluding chapter will address these specific features in conjunction with the discussion in chapter 7 of the external environment, in an attempt to address how the interplay of these factors influences the potential development of successful or failing initiatives.

Chapter 9

Concluding Remarks

Introduction

The concluding chapter of this thesis will be split into four parts. First, I will briefly summarise the theoretical arguments put forward in chapters 1-4 regarding the institutional influences upon the operation of TSEIs in the UK in the late 20th century. This will provide the basis for the second part of the chapter in which I will draw together some conclusions from the research regarding the key internal and external factors which operate upon TSEIs to produce particular outcomes. This will link together the findings from the research undertaken here in relation to the research questions which arise from the literatures. The third part of the chapter will reflect upon these findings in the light of the epistemology and methodologies employed to critically examine the validity of the conclusions presented here. Section four analyses the policy impacts of the research and the potential for further studies in response to both the methodological challenges and the unanswered questions which are raised.

Theoretical Overview

The theoretical literatures reviewed in chapters 2-4 sought to present a worldview which could provide the basis through which to view empirically the key factors which influence the success or failure of TSEIs. This thesis has presented an argument which adapts a multi-scalar analysis of political, economic and social phenomena to reveal the structures which influence, predominantly at the local and regional scales, the operation of TSEIs. This revealed a number of factors operating at a varying spatial scales. The regulation approach (RA) is therefore a useful tool in that it conceptualises the manner in which the impacts of particular regulatory practices may be felt by TSEIs via both the governance process and the economic climate this produces. The regulatory structures in place therefore help to produce the broad-based

international and national structures which first of all create the economic conditions in which third sector input into work creation schemes is deemed to be desirable, and subsequently determine the path by which it develops. The regulation approach, while offering a degree of abstraction from real-world phenomena, therefore produces a synthesis of economic, social and political factors which could be used to conceptualise the structural influences upon the development of TSEIs.

It has been seen that the UK economy is not entirely permeable to global market forces due to mediation of these pressures by the state regulatory mechanisms. However, these mechanisms do not shield local and regional economies from global market change where this lies within the legal constraints enshrined by the state. Indeed, the political and legal spheres combine to produce a partially regulated framework in which economic and industrial sectors may be privileged or disregarded by the market and state.¹³⁶

The regulation approach, within the UK context outlined in chapter 6, provided the context for the study of the TSEIs in chapters 7 and 8. This noted the crises within the Fordist regime of accumulation precipitating a shift in the mode of regulation in a thus far unsuccessful search for a stable, or at least an emphatically characterised, successor. The result has been a revision of the role that the state should play, reflecting a gradually more rightward-leaning view of social policy. This leads towards and a re-drafting of the welfare state into one in which rights and responsibilities have been re-drawn towards a new contract between state and citizen. However, the regulation approach by itself has been deemed to be insufficient to analyse the real-world structures and actions which influence the operation of TSEIs. As such, chapter 3 sought to reflect a number of theories of governance to understand, within a theoretical context framed by the regulation approach, the actually existing structures which both directly and indirectly influence TSEIs.

In a similar vein, the third sector has been appropriated by national government in the UK as an essential form of welfare provision alongside, and in some cases as part of, the local welfare state. This conviction comes from an

¹³⁶ The closure of the majority of the coal industry in the South Wales valleys and the North-East, which was arguably both a political and economic decision, demonstrates this; similarly, the rationalisation of the steelworks at Llanwern and Ebbw Vale demonstrate the influence of global economic forces, mediated through national structures, to produce particular economic conditions the TSEI localities.

analysis of the historical pattern of the boundaries of the welfare state and the relation of the third sector within this. Through a placement of the third sector close to the mainstream, there has been a perceived shift of responsibility from the statutory agencies of the welfare state towards the quasi-non statutory agencies of the third sector. Allied to the communitarian evangelism of the New Labour government elected in 1997, this trend has been led by calls from practitioners to develop the third sector as a genuine *alternative* to the welfare state.

This political basis for the development of the third sector, allied to a shift in the governance of the state as a whole, produced a set of questions which needed to be addressed, namely to investigate the institutional structures, both formal and informal, which produce propitious environments for TSEIs to operate. This drew upon the institutional literatures in chapter 2 as a framework in which to study a group of TSEIs. Empirical work undertaken in the two case study areas concentrated upon 'internal' management structures and 'external' institutional factors which have influenced the development of TSEIs. This focused on a comparison of geographical locations and success and failure within these locations. This offered a qualitatively different method through which to study TSEIs in contrast to the 'best practice' studies which had been attempted in the past. Key conclusions from the empirical research will now be presented.

Reviewing the Institutional Influences on TSEIs

Institutional Theory, Social Capital and the Third Sector

The institutionalist notion of social capital outlined in chapter 2 suggested that particular forms of civic institutions can facilitate the economic development of places, as suggested by Putnam (1993). Drawing on Healey et al's (1999) discussion of forms of human capital and capacity, it was subsequently suggested that a similarity may be drawn with the forms of social capital elucidated in the regional development literatures which may be present in and around third sector initiatives to aid their development. In this research, I have employed a historical and comparative analysis to examine how past and

current institutional forces in North-East England and South Wales have created particular institutional environments to aid or hinder TSEI development.

A comparison of the social capitals of North-East England and South Wales reveals that, despite relatively similar industrial heritages, each region demonstrates its own form of social legacy. Critically, the empirical research revealed a number of factors which influence the formation of third sector-friendly social capital in each case study locality. The comparison reveals that the North-East and South Wales possess broadly similar industrial heritages formed from the creation and subsequent decline of extractive industries and manufacturing in each region. Consequently, the regions have been seen to develop particular forms of social capital which inform and shape but which do not determine the base for the development of the third sector.

The differences in the strength of adherence of each locality to the social structures created and maintained by the industrial base can in part be accorded to the strength of the ties which existed in the first place. The literatures and some empirical evidence suggests that the original tendency of the North-East was to be a highly communal, yet nonetheless less politically and socially homogenous entity than the South Wales valleys. This, given the strength of a communal valleys' identity, allied to the relatively homogenous form of industrial settlement, created a relatively coherent, well-integrated, multi-layered but still *locally-defined* form of social capital. The legacy of these local social capitals has subsequently remained in existence, to create the conditions for the third sector in the South Wales valleys. This revealed a highly gendered, male-dominated institutional past for many of the localities in question but one in which the roles of women have become more apparent in the development of TSEIs. This subsequently created new spaces into which the TSEI may be able to develop.

This notion of the 'strength' of social capital in the South Wales valleys (defined here as the homogeneity and hence the allied dominance of any particular mode of social organisation) can be in part attributed to the one-industry dominance of the coal industry and its broader influence upon social relations. This strength may also be a function of the 'isolated mass' wherein the industrial dominance created a set of locally isolated (in terms of the locational geography of the valleys) forms of social development within a strong regional

framework. Again, this strength (or indeed, the lack of alternatives as noted by Kerr and Siegel 1954) may have been the basis for the development of a set of key social structures around the South Wales Miners' Federation which were established, maintained and indeed reproduced during the industrial peak. The result was to produce a particularly stratified social and economic system within both regions. In contrast, a difference may be seen in that the emphasis placed on the formation of social capital in the North-East is at the regional level; it is at this scale that the tripartite structures of trade unions, local government and the private sector industrialists coalesced to produce an economic and social framework which subsequently influenced the development of local institutions.

While the South Wales Miners' Federation (the 'Fed') operated at the regional level, the relative territorial isolation of each valleys community may have precipitated a more local-scale, parochial form of social capital. This is more closely bound up with local trade union lodges and the social institutions, namely religion, sport and the miners' welfare to produce a locally-specific ethos and identity allied to a macro-regional Welsh identity; hence the effectively *regional* (or national) South Wales or Welsh identity is muted by the pull of these other scales of activity.

The result of this is to conclude that the geographical and economic variation within the North-East created a slightly watered-down version of the South Wales collectivity, without the homogeneity of social structures and the radical leftist or communist politics of the South Wales valleys. The influence on the third sector and the formation of 'community-based' initiatives therefore reflects to some extent this formation of social capital and a particular ethos of community involvement. 'Social capital' and the call to the historical social formations is therefore relevant in that it partly informs the types and level of third sector operations in each area. The implication of this is that many of the valleys of South Wales, which appear to retain many of the communitarian ideas of the industrial era, may be more fertile patches on which to 'sow' the seed of third sector operations as a response to unemployment. This contrasts with what may be expected from a different form of social organisation which is not organised by locality or industry. Similarly, the question arises as to whether the third sector is borne out of, or is a response to, the lack of formal sector opportunities or whether it is inherently a feature of such communities in that it

may exist if there were full employment. This question, along with many others raised in the course of this thesis, remains to be answered.

Government, Governance, Governmentality and the Third Sector

The theories of governance outlined in chapter 3 suggest a shift away from the notion of local authorities as all-encompassing service providers, something which has been subsequently borne out in the roles local authorities perceive for themselves in the delivery and support of TSEIs. A key feature to emerge from this research is the continued dominance, even within a flattened governance structure, of local authorities as key partners with TSEIs. The result is to produce regimes and partnerships in which local authorities and informal institutions more associated with economic structures of the past have remained as key elements in the production of social spaces and hence the means through which TSEIs develop.

However, such structures have been seen to be influenced from the national scale despite the reorganisation of the state and its 'hollowing out' in which there is a perception of a loss of powers from the national state scale. Although the third sector may be subject to a less explicitly *directed* form of national-level control over its operations, there is a nonetheless a significant body of evidence from both the literatures and empirical work undertaken here of a dominant *governmentality* influencing TSEIs. This favours policies which focus upon competitive funding and is underpinned by accountability criteria to aid TSEIs which are not sustainable without government support.

Crucially, the evidence from the empirical research and literatures, suggests that the third sector, in its present form at least, does not represent a panacea for the potential social and economic problems caused by the decline in local economies. While the third sector appears, in this case, to be able to produce systems which operate alongside the public/private sectors to smooth and enhance local economic development, such ideas and initiatives are notably stunted in their ability to offer real and lasting alternatives to economic problems. This, I believe, creates inherent tension between the academic visions of the third sector and the view of practitioners, a tension which has been the

source of conflict both between and within initiatives. Most are resigned to the necessity of their work as a response to the inadequacies of the welfare state and formal sector employment. However, a significant number of practitioners find they are torn between the need to make a difference within the funds provided by statutory agencies and the desire to create innovative, non-statutory agencies. Few examples among the case studies exist to suggest that there are genuine alternatives to the mainstream. In contrast, there are many examples of the third sector 'piggy backing' on the mainstream to aid its own development. The third sector may therefore be limited to the level of development within the mainstream itself, thus delimiting the potential for its own developments.

The third sector is unlikely to offer a comprehensive solution to local economic problems for a number of reasons. First, there is the limited potential of the third sector to create and subsequently maintain genuinely alternative forms of economic development. As pressures to grow and 'succeed' emerge, the need for finance leads to a 'mainstream' vision for the TSEI, thus subsuming a number of 'alternative' elements within a broader framework. Second, and in relation to this, there is evidence to suggest that third sector organisations are required to search for funds to ensure their survival; this therefore negates the likelihood of long-term sustainability. The result is therefore twofold - either TSEIs must adhere to the economics of the private sector in order to generate funds, or must adhere to the dominant ethos of funding bodies to protect the TSEI. In short, the policy process is forcing TSEIs to adopt the structures of governmentality which operate at the time to ensure survival, let alone success.

As a result of this, many TSEIs operate more as a 'ladder' into mainstream employment structures rather than as alternatives to them, limited by their ability to become genuinely self-sufficient alternatives to the mainstream. At best, many of the cases here represent alternative service providers which offer organisationally different structures (as seen in the examples of St Simon's and DOVE) rather than genuinely alternative and radical approaches to meeting local needs with local resources.

The 'external' elements of the environment produce an institutional framework in which the TSEI rests. This may be propitious or unpropitious towards TSEI development, although I contend here that this framework is not necessarily a key factor in determining the success or failure of a TSEI. Instead,

what is crucial is the manner in which the TSEI places itself within the framework, adapts to it, challenges it and in some cases works around blocking mechanisms to produce beneficial results. Thus, the manner in which the internal and external interact produces key developments in the circumstances of TSEIs. This is demonstrated by Trimdon 2000, which 'succeeds' despite several blocking mechanisms in place. In contrast, the Dulais Valley Partnership suffers from relative failure due to its limited engagement with the target population despite significant support from the local authority. Consequently, the relative impacts of 'internal' and 'external' influences on TSEIs are not equal, bringing a diversity of pressures to bear upon TSEIs.

'Internal' Organisation of TSEIs- the Managerialist Perspective

The internal organisation of the TSEIs, which as in the literatures have been the focus of the analysis of TSEIs through their management structures, produces the mechanism through which TSEIs adapt to and challenge this context. This internal structure focuses on the organisational template, which I conclude to be not one which offers blindly transferable features of successful TSEIs but which must be regarded as a structure to adapt to the institutional context, needs and resources of the locality.

The influence of agency is paramount in determining the success or failure of TSEIs. Examples within the research here (most notably the example of PEP, see appendix 1.2) suggest that where TSEIs have been helped to avoid failure due to the influence of individual agents; in contrast, the destructive influences at Trebanog suggest a potentially divisive force. There is therefore a task for those wishing to learn transferable lessons from TSEIs. I suggest this requires flexible mechanisms and the notion of an open framework in which actors have more opportunity to act within their own capacities where such capacities exist; where they do not, TSEIs may require a more structured environment to limit the maverick actions of individuals.

Bringing the Strands Together: The Interplay of Complex Internal and External Processes in Structured Flexibility

At this stage of the thesis, an analysis of the empirical data emanating from the research must be reviewed to draw some conclusions as to the relative importance of the internal and external factors in determining the success or failure of TSEIs. This section will essentially attempt to draw out the general underlying factors which influence the development of TSEIs, thus subsuming the individual characteristics of certain case studies to suggest lessons which may be generally applicable, while accepting that these lessons are drawn from a relatively limited set of case studies and hence transferability may also be limited.

The most crucial element to emerge is the distinction between critical and more gradual assessments of success and failure in TSEIs. Critical failure, such as that seen in Trebanog/Waun Wen reflects the absolute and often sudden failure of a TSEI. This is most likely, though not exclusively, the result of internal pressures or problems, which cause the ultimate and often irreversible breakdown of the TSEI. This may be through the mismanagement of funding, for example through the embezzlement of funds, which essentially starves the initiative of its life source where funds are required. In the case of Trebanog, the mismanagement of funds in terms of the (disputed) failure of a funding application was one reason for the failure, in terms of the initiative failing to reach its proposed 2nd and 3rd phases, and ceasing operations well before the projected end of its funding stream and expected life. The result was to produce a relatively abrupt and cataclysmic end to the life of a TSEI. In this case, the legal restrictions which do not allow initiatives of the kind studied here to enter into debt produce a 'hard landing' for TSEIs which, due to inadequate internal management, may become insolvent. This contrasts with initiatives which are able to raise extra capital or non-third sector organisations which can draw upon other funds, both private and public, thus borrowing to ensure the short-term continuance of the initiative. This therefore produces a 'soft landing' from which the TSEI can possibly recover when cashflow problems are rectified.

Funding therefore represents the key factor in determining critical failure of a TSEI. Remove funding, or the stability behind funding, and the TSEI will struggle to survive unless via innovative actions it is able to tap into alternative

funding streams. Such a scenario was illustrated by PEP, which entered into a dispute over EU funds and as a result was plunged into severe cash flow difficulties. This was only rectified and the initiative returned to an even keel by the efforts of two employees who undertook much outside consultative work in an attempt to shore up the financial security of the initiative.

In contrast, more gradual analyses of success and failure are dependent upon both the external and internal factors influencing TSEIs. Gradual failure emanates potentially from a relationship with the external environment (both in terms of formal and informal institutional alliances) in which there is a lack of coherent effort and vision to produce 'success' alongside efforts made by the internal management. The result may be twofold: the gradual decline of an initiative (see for example Low Simonside, appendix 1.11), leading to the eventual closure of the initiative due to the lack of embeddedness in the community, or a lack of support from funders and other institutions in the form of blocking mechanisms. In contrast, the conditions for 'successful failure' (Seibel 1999) may be created in which the initiative may continue to operate without meeting its targets due to the presence of a critical mass of internal or external resources to continue the initiative. Should this support or conviction emanate from institutions or agents from the external environment such as funders or other support institutions, this may help to preserve the initiative despite not reaching targets in what Seibel (1992) refers to as Functional Dilettantism. In contrast, successful failure may occur when support of many funders and institutions declines, but the local community takes control of the initiative and preserves it without outside support because of the appreciation of the value added to the community which may not be quantifiable in accounting terms. In such cases, success is determined mostly by the knowledge, skills and interpersonal resources of agents within a broader value structure which does not privilege 'bottom line' accounting.

In these terms, complete 'success' could be conceptualised as structural interlinkage of internal and external elements, reflecting the best adaptation to the institutional framework. As was seen in chapter 8, it is the relationship of needs and resources to the organisational template which potentially creates a coherent vision for the initiative. The interaction of these two factors therefore poses questions regarding the transferability of any organisational template, due

to the need to contextualise this within the institutional framework of each locality. The result is that best practice refers to best practice *within a specific context*, and should not be immediately regarded as an 'off the peg' solution.

This analysis of these case study TSEIs reveals a trade-off between structure and agency in the development of the third sector. There is therefore a need for a 'middle way' between extreme positions of a highly structured organisational framework which restricts and controls the operations of a third sector initiative and less structured frameworks which allow the input of individual agents into the development of TSEIs. The highly structured elements of a TSEI are required by the legal and to some extent accountability frameworks to fortify the TSEIs against cataclysmic breakdown by misappropriation of funds or illegal actions. However, the essential essence of the third sector and what it represents depends upon the actions of individuals who act collectively for particular reasons, be they through communitarian convictions or more personally-defined rationales. A highly structured organisational framework may therefore preclude this most crucial of inputs into TSEIs if it does not allow the creation of a collective vision to engage individuals. There is therefore the need to create licence within the structures of any TSEI or a *Structured Flexibility* for employees and volunteers to maximise their own inputs and outputs from the initiative. Only in this way will the third sector benefit from its distinct position in relation to the public and private spheres. To conclude, therefore, the relative strengths of internal and external impacts upon TSEIs is dependent upon an initiative's organisational mission and its requirement to interact with its wider environs.

However, such interlinkages which create the conditions for 'success' are in the main dependent upon funding for TSEIs to enable agents to employ their creativity. Herein lies a significant problem for TSEIs. The majority, which are not able to generate their own funds, are financially unstable and fragile. Even those initiatives which are able to generate funds are subject to the vagaries either of the private sector or of state funding (and hence policy priorities) to develop a surplus of capital which can help the funding of the TSEI's non-commercial activities. As such, the frameworks of policy, legal and funding strategies which have been pursued over the last 20 years again seem to militate against the development of genuinely alternative, self-funding and

sustainable TSEIs. There is therefore a responsibility on government to redress this balance and to promote a structure for TSEIs which supports their activities without the demands for draconian accountability procedures.

Methodological and Theoretical Challenges

This section will seek to address some of the methodological and practical challenges raised by the research undertaken here. This recognises that this research is both temporally and spatially situated, and as such represents a 'snapshot' of the multiple causal structures which vary in strength and validity over time and space. The set of case studies examined here must be placed in the geographical-historical contexts in South Wales and North-East England, inevitably raising questions regarding the validity of the conclusions which have been extrapolated from these cases.

It is therefore necessary to comprehend the intricacies and varied nature of space and place in order to adequately conceptualise underlying social processes that exist and their relation to spatial differences and differences between places (Hudson 2001). Analysis should therefore not just concentrate on Sève's (1975) science of the singular or Layder's (1981) science of the specific, but should also be able to conceptualise such specificities within the broader spatial, scalar and temporal framework. While this thesis has attempted to acknowledge this, I recognise the weakness of the empirical research in the light of these arguments.

Similarly, I acknowledge freely that this research offers only a snapshot into the localities, communities, third sector organisations and policies which interact to produce the observed outcomes and narratives reviewed here. These cases are temporally located in the last two years of the 20th century, although I suggest this permits an analysis which acts as a 'window' onto the processes which were and still are operating. This does not invalidate the findings outlined in this thesis; it merely generates a contextually-situated insight and should be regarded in that light.

Together, these spatial and temporal difficulties offer a methodological critique of the research undertaken here. However, seen from another perspective, the research is more a window onto the social processes which

operate more generally over spaces and scales. The task, therefore, has been to focus upon the specific and extrapolate generalities from the research to provide a wider understanding of the processes influencing TSEIs.

The *relatively* shallow analysis undertaken here has constrained the ability to assess the depth and complexity of social capital (or capitals), conflicts and structures around each case study. As such, a full ethnography of each case study would offer a deeper insight into some areas. While such a task is beyond the remit of one three-year study, efforts could be made to pull together a series of detailed studies which could be undertaken with a degree of academic rigour—i.e. beyond the mere assessment of success and failure as related to the funding or accountability criteria. Such a broadly-based approach might be able to pool together a set of knowledge which would more accurately describe and analyse the deep structures which tacitly and explicitly influence the conduct and operation of TSEIs.

Similarly, process of interviewing does have drawbacks in that the nature of data collection focuses more heavily upon those interviewed who are regarded as giving greater input into the process. This does tend to lead towards a situation in which there is a greater emphasis upon the activists as opposed to the participants within any given initiative. While this methodological bias is acknowledged, I do not feel this has compromised the standing of the research or the conclusions produced here.

Bearing in mind this potential critique, I do acknowledge that the slight majority of interviews were conducted with activists as opposed to participants or beneficiaries. The result is to promote a set of views which may focus more upon the procedural and strategic matters which are dealt with on a day-to-day basis by such actors. As a result, a different focus may have emerged.

However, I am also aware of the accusation that there are a number of people within any given geographical area or target community which will be untouched by an initiative or who do not feel represented, or are willing to participate. There is therefore a number of people who are not directly associated with any initiative. However, to have undertaken to interview such a road section of the target population is, one has to suggest, a daunting task and one beyond the scope of such a research project as outlined here. As a result, there is no attempt to suggest that the findings outlined here represent the views

of all people within a locality; it merely represents a snapshot of views within and around a project without necessarily being able to put those into the context of the locality.

This study has demonstrated and outlined both the written and first-hand evidence of a link, though no functional mechanism, between the industrial and hence social heritage of each region and the current form of social capital. However, the industrial and institutional similarity of North-East England and South Wales provided little overall difference while emphasising the substantial similarity of the two areas. A broader study is therefore required to examine the structures which operate beyond areas of common industrial heritage. An inter-regional comparison would therefore provide an analysis of the common factors influencing TSEIs, which operate within regions of disparate industrial and social heritage while isolating those factors which are associated solely with the case study regions seen here. For example, regions of the UK which anecdotally appear to have significantly different industrial and political heritages such as South-East England, may demonstrate different collective ethos around work, politics and community involvement. The hypothesis that more communitarian forms of social organisation in Wales and North-East England would produce a more propitious basis for the third sector as opposed to the perception of a more individualist society, is one which deserves more attention than was possible in the research undertaken here.

However, such a comparative study necessitates the study of dissimilar localities in which the nature of unemployment or welfare need may be significantly different. This therefore requires a different response by the third sector to produce the desired benefit for those localities. As such, allied work on the non-industrial forms of social capital, community and philanthropy may be required to understand the development of the third sector in these localities by contrasting dissimilar circumstances.

The prospects of a longitudinal study hold out the potential to examine the evolving policy and institutional environment in the development of TSEIs. Of particular interest in this case will be the future development of the Welsh Assembly and its role in producing a framework, both in monetary and institutional support terms, for the development of TSEIs. Of similar interest will be the conferring of EU Objective One status to Wales. This will be a

significant determining factor upon the future of the TSEI and the manner in which the Welsh experience begins to differ from the rest of the UK as the institutional network fronted by the Welsh Assembly gathers momentum. This will also be influenced by the manner in which the economic contexts around each TSEI develop over time. Furthermore, work studying the emergence of the Regional Development Agencies (RDAs) in the UK may help to produce an evolving analysis of the governance structures influencing the development of TSEIs.

Similarly, a longitudinal study can potentially assess the success or failure of TSEIs as the case study localities either suffer from further breakdown of the post-industrial social structures or are able to re-create these structures via the third sector. Correspondingly, an alternative to the former economic base may be created via inward investment or endogenous growth and with it a different social ethos or rationale to act collectively. As such through a number of conduits, the existing social structures may be challenged or broken down in such a manner as to radically alter the social capital of a locality in relation to the perceived importance of work, community and by extension the efforts of the third sector. The possibility of the third sector replacing or acting as an alternative cushion for the economic development and hence a tentative element of a localised mode of regulation, will in the future provide a fruitful avenue for research.

In contrast, the potential revitalisation of once economically-depressed areas may give clues as to the potential trajectory of post-industrial social capital, and the result this will have upon the need and potential development of the third sector in relation to the mainstream economy. Should there be an uplift in the economic fortunes of these areas which have in the main been in decline, an analysis of the social structures and networks which overlay or supersede the current institutional matrix may be of interest to social scientists.

The 'soft institutionalism' referred to by MacLeod (2001) has been signposted in this discussion of the influence of social capital upon the development potential of TSEIs. While I have put forward the case that this dimension of the external environment of TSEIs is a key part in understanding the development of TSEIs in particular locations, it must be acknowledged that it is not in itself an adequate explanatory factor. As such the concept of social

capital is crucially lacking the explanatory weight that has been (perhaps mistakenly) attributed to it in the study of regional economies.

I therefore suggest that there are crucially different dynamics and rationales to the notion of social capital applied to the study of regional economies as compared to when it is used as a tool to understand the development of TSEIs. These factors include,

- The industrial-social legacies of the regions and localities in question.
- Notions of public and private action, and the rationalities behind these; the notion that a particular form of social structure, demographics, wealth or legacy of communitarian ideals fuels an upsurge in volunteering and third sector action.
- The relationship between the need for voluntary action in the third sector and the desire to participate in third sector initiatives; this therefore accepts the motivational aspects of self-interest in the third sector as a job creation tool, as opposed to a purely philanthropic rationale.
- Relations between the modern-day functions of work in the paid sense and the subsequent limitations on time budgets traded off with the skills of those in work, allied to the forms of economic activity.

As such, while the notion of social capital is certainly not redundant as a factor in the explanation of third sector development, it requires a degree of fine-tuning to incorporate these specifically third-sector related dynamics.

Funding: The Key Structural Input?

This thesis has attempted to analyse the structural frameworks which produce propitious or otherwise environments for TSEIs. This has concentrated upon defining success and failure within an analytic framework designed to minimise the distortions created by a plentiful or otherwise funding stream. This produces two results which need to be addressed. First, this underplays the influence of funds upon the development potential of TSEIs. Second, it could be said to have the result of tacitly accepting the dominant policy environment which stresses efficiency of outputs and outcomes as a function of monetary input, mirroring the influence of market principles in the third sector.

First, it is far from controversial to suggest that perhaps the most significant factor which has allowed the TSEIs studied here to produce outputs

has been the presence of outside funding from different sources as both capital and revenue funds. Those TSEIs with ample funds are those most able to develop a framework which can continually produce outputs, while producing a strategic plan for the long-term. In contrast, those with limited funds may struggle to produce the outputs and outcomes, most notably due to a dearth of revenue funds in the short term. Consequently, in response to enquiries about the factors which would significantly improve the ease with which TSEIs and their workers produce their outputs, funding was cited by most as key. Indeed, this was often dismissed as an obvious element of enquiry and so was effectively regarded as a 'neutral' or 'control' input factor in the study of other environmental factors which influence success and failure. This therefore underplays the influence of funding as one of, if not *the*, key element in the success-failure matrix, thus affecting the chances of a TSEI achieving both long-term and short-term targets. However, the principal focus of this thesis has been to analyse the process by which funds are utilised through the external influences and internal structures of TSEIs to produce success and failure.

Second, the very nature of funding defines it as a key input into the 'environment' which determines the success or failure of an initiative. However, by accepting funding as a potential constraint upon the operations of the TSEIs when viewed as research objects, two issues are raised. First, this acceptance during the research process tacitly underlines the hegemonic tendency towards the privileging of cost efficiency as a key element in the allocation of funds. This analysis therefore has the potential to reinforce this dominance of cost-efficiency (as noted in the discussion of governmentality) as the pre-eminent means of analysing the benefits of TSEIs. Second, and in response to the first point, the success-failure analysis must therefore be open to the impact of the quality, scale and types of funding as factors in success and failure without prejudging those TSEIs which offer less 'efficient' output-cost ratios. As such the assessment of success and failure presented here specifically seeks to analyse TSEIs as a whole, with efficiency of outputs just one of a set of complex factors in defining success rather than being the sole criterion by which success is measured.

The Third Sector in The 21st Century: Politics, Policy and Research?

This thesis has addressed many of the key factors which influence the TSEIs studied here. This final section will re-engage with the political and policy environments to sketch out some future directions for the third sector and the research community.¹³⁷ Primary among questions for further research are the methodological and hence theoretical difficulties and challenges created by the close association of the third sector with contemporary government policy priorities. There is therefore the need to understand the governmental technologies which have created and sustained the emphasis on the third sector as a key conduit of welfare and service provision. Allied to this, focused study is needed, through the lens of governmentality, governance and theories of the state, into the policy processes which create and subsequently direct the mechanisms and policies through which the third sector is constrained and enabled. Conclusions could be drawn regarding the internal policy process, allied to this study, to provide a fuller understanding of the structures which constrain and enable TSEIs.

Indeed, from a Foucaultian governmentality perspective, the prevailing attitude towards the third sector has been seen as a key element in the development of the third sector as both a practical and rhetorical response to the needs of 'excluded' communities. The result is to create the regulatory conditions through a particular governmentality to establish the third sector as a factor in what could be local modes of regulation. However, this is dependent upon the prevailing policy environment to privilege and focus on the third sector as a means to adapt to and develop localities within the regulatory framework. A shift in the policy emphasis may therefore move funding resources away from the third sector and towards other potential solutions to local and regional employment problems. I therefore suggest a more focused set of questions need

¹³⁷ I am wary here of MacLeod's (2001) warning of the role of academic work being taken as read by governance at all levels and hence implemented as a 'truth' regarding the framework in which to develop the third sector in a particular form. I believe that the unquestioning appraisal of the work examining the third sector has been interpreted as a policymaker's 'how to do' manual. The consequence has been an attempt to address the local characteristics of supposedly underdeveloped localities through the applications of rigid policy frameworks which fail to understand the individual contexts and aspirations of each locality.

to be raised, and answered through the lens of governmentality to analyse how such political acts influence the development of the third sector over time.

The revision of government policy towards the third sector means the third sector (as far as it can be defined) must itself address the role it wishes to play in relation to the mainstream economy and welfare state in the 21st century. This comprises two intertwined factors: first, the fragmentation of the 'third sector' towards its role in relation to the mainstream, and second, the continuing government policy over the direction of the third sector. The evidence from the research undertaken here suggests that there are significant differences within even a relatively homogenous group of third sector organisations, between the role they feel they ought to be undertaking in service delivery and employment generation and the role it has been encouraged to fill. As envisaged in chapter 4 the third sector occupies a broad spectrum of positions ranging from an alternative to the mainstream, to a position within its auspices. There is therefore little cohesion in terms of a broad 'third sector' role which encompasses the views of all those involved in the sector.

There has therefore been a move in policy towards the third sector becoming an arm of the Third Way in the UK, with the boundaries between the private/public (which was becoming blurred with the introduction of market disciplines into the state PFI, CCT etc) and the third sector now less distinct than ever. The state, through the policy mechanisms it has employed, allied to the technologies it has been able to employ to discipline the third sector, has therefore in many ways incorporated the third sector into a new state. While this has only been a partial incorporation, the Third Sector has the danger of becoming an arms-length part of the state itself.

The long-term consequence of this in the UK may be to radically alter the conception of the third sector as one entity. Returning to Anheier and Seibel's (1990) definitional aspects of the third sector, it may be that the third sector may no longer be definable through its organisational rationale, if this is subsumed under the state. The third sector may maintain a distinction in terms of its organisational structure, but this does not equate to a truly independent sector.

Conceptually, I suggest that this offers a critique of the third sector as an entity for enquiry. Any neatness of definition has diminished, as the state

appears willing to embrace and utilise the third sector. This may require a redefining of the notion of the third sector away from one in which it is regarded as separate from the state to one in which there is a significant degree of permeability between the two. As such, the 'residual' nature of original definitions of the third sector may have to be re-established. This will entail redefining the third sector as genuinely additional to state provision; otherwise, it may lose a significant level of descriptive power.

What this suggests, therefore, is that the third sector in its current guise will become more of an element of the broader regulatory system, in which the third sector is an inherent part of the state-private structure as opposed to being separate from it. What this therefore reveals is a crucial element for geography, as well as other disciplines interested in the third sector, to emphasise that the third sector is therefore inherently politically motivated and therefore cannot be analysed in separation from these values. As such, the academic analysis of the third sector needs to move beyond a naivety of the structural factors involved in the creation and sustenance of the third sector. Geographers are ideally placed to employ a range of methodological tools and analytic lenses to conceptualise the third sector in this way.

The third sector must also be cautious of becoming a tool for the use of governments to fill the gap left by a less comprehensive welfare system. This can be seen by the suggestion that the presence of voluntary action is an inherent advantage in the third sector (see for example Campbell 1999: 28-29) due to the relative cheapness of the inputs from volunteers. An analysis such as this essentially results from a policy-maker's view of the value of the third sector in relation to the values of the public sector. However, the mainstreaming of the third sector contrasts with the views of many of those involved in the sector. The input of an individual's resources is dependent upon a particular rationale for volunteers to lend their time and effort, which emanate from a perception of shared goals and common vision (see for example St. Simon's Community Centre; Blaenllechau Community Regeneration; DOVE). The consequence is to suggest that if the government wishes to mainstream the services provided by the third sector, it must also realign the funding and payment gap between the public sector and the third sector. Otherwise, despite the current availability of voluntary input, the mainstreaming of the third sector may remove the essential

rationale of those volunteers and reduce their input, therefore compounding the fragility of the third sector. The task for government and the third sector is therefore to clearly set out the organisational aims and goals and to ensure that the policy environment regards the voluntary input as valued and not exploited. Otherwise, the inherent advantages of the third sector may be removed.

In parallel, the government has demonstrated its preference for a more mainstream version of the third sector to work alongside the formal sector economy. This therefore synthesises with the power gradient to suggest that the third sector may, through the direct control of policy and the influence of governmentality, lead to the third sector developing in a particular direction. However, the lack of cohesion within the third sector suggests that if such a step were to be taken, it might create a 2-tier framework which could detrimentally affect those third sector organisations whose activities do not fit with the mainstream-orientated thrust of government policy. This therefore does not bode well for the TSEIs whose activities cannot be evaluated within the current framework, thus militating against 'alternative' aims and frameworks in the third sector.

This study has examined the essentially uncomplicated and hence crude nature of the accountability process undertaken in the analysis and evaluation of TSEIs. Until recently, the criteria for success or failure have been determined by the accountability criteria set by funders, whose tendency to emphasise numerical outputs and statistical evidence has led to the establishment and legitimisation of such criteria as the means by which to assess the impact of TSEIs. However, such an emphasis clearly devalues the non-numerical, tacit and implicit values of TSEI to their target communities and beyond. There is therefore a need to address, via alternative methodologies, the broader outputs of TSEIs and to establish new modes of evaluation which measure more accurately the value of the inputs and outputs of TSEIs.

In response to this, the New Deal for Communities (NDC) Outcomes and Milestones Statement (DETR 2000a), suggests that the UK government is beginning to move away from a focus on the production of outputs towards outcomes. It acknowledges that, "most outputs will tell you little or nothing about the long-term impact a project has on people's lives" (DETR 2000a: 7). As such, the outputs and outcomes it refers to in relation to worklessness

suggest a focus on the outcomes of proportion of working aged in work, reduced claimant unemployment rate, and increased level of average incomes. However, these proxy measures remain at the level of proxy measures and do not go beyond the measurable into the realm of non-measurable impacts and thus fall into the trap of the raw outputs in many ways; in its example of outcomes, the NDC claims that the outcomes it suggests are 'clear and measurable targets' (ibid: 10). The change is therefore one of timescale as opposed to a radical shift in the form of measurement itself. In the meantime, the NDC suggests a focus on *milestones* as the short-term measure of progress. This is regarded as crucial, as this is also the means by which future funding decisions are made. The NDC states, "ministers need to know about these milestones because continued funding, through the lifetime of the scheme, will be dependent on their achievement and on satisfactory progress towards...long term outcomes"(ibid: 9).

Similarly, the NDC's reliance upon measurable impacts attempts to isolate the impacts of a particular project above the impact of other structural and contextual factors, be they economic, social, cultural, or indeed environmental. The NDC's output and evaluation criteria therefore neglect the broader changes which influence the development potential of 'communities', in this case, and by extension the TSEIs which may emerge as parts of the NDC scheme. As such, the evaluation of a TSEI is done in relation to baseline figures taken at the start of the project period, and reassessed at 3, and 6 year intervals as 'milestones'.

The result is a slight adjustment in the focus of the outputs from the NDC, while it still retains a strict set of guidelines surrounding the ascendancy of audits, financial accountability, monitoring, reviewing and evaluation as the key tenets of the approach. There is therefore the need to address this significant gap in the study of the third sector and to reverse the seemingly unstoppable shift towards crude value-for-money measures as the measure of success.

This essentially questions what constitutes 'economic' development. As Williams et al (2001) and Williams and Windebank (2000) suggest, there is potential for full *engagement* as the key role for the third sector. If this is accepted, the third sector may have a role in promoting a revised notion of what

constitute economic development in a locality and indeed more widely. The challenge is for the policy and institutional structures to allow this.

As such, I am therefore sympathetic to Connell and Kubisch's suggestion that a Theory of Change approach to accountability and evaluation allows for a new structure in that "Stakeholders are collectively accountable for the theory, and thus the ultimate outcomes based on it" (Connell and Kubisch 1999). However, the current policy context of the UK, in which the availability of funding is underpinned by power and political will, has moved away from local government. Consequently, its flexibility to address more locally-defined and negotiated goals, values and needs has been limited. Until there is a relaxation of the means by which Community Development initiatives can define their own objectives, the localisation of policy outlined in chapter 4 will at best lead to the development of small-scale versions of mainstream programmes under the auspices of the third sector. These initiatives may consequently fail to utilise the essential strengths of the third sector in the creation of genuine workable alternatives to the mainstream, potentially resulting in the throwing of good money after bad in the pursuit of misaligned goals.

Alongside this, the lessons which have been learned from case studies (accepting the limited transferability) have not been applied horizontally to inform actions taken elsewhere. This in part is due to the nature of the policy frameworks which offer fixed period, non-recurring initiatives. The consequence of this is to suggest that if the third sector is to become a genuine part of the economic framework of the 21st century, a move will have to be made away from token localism, or, evaluation must inform the long-term developmental framework within the localities.

More broadly, this fits with the recognition that the problems of 'excluded' localities cannot be 'fixed' by the third sector alone in its current guise. Broader national pressures and policies have far-reaching implications for localities, but without the local targeting which is de rigueur partly for its potential cost implications. However, as Robinson (1999) notes, "It can be argued that problems facing disadvantaged communities cannot be solved from within, and stem from much wider causes. Mainstream policies, on welfare benefits, for example, can have far greater impact than small-scale initiatives.

An area focus is valid and valuable, but must be integrated within the larger policy framework” (Robinson 1999:135). The result is the continuing need to address the wider economic and policy structures; the third sector, in its current form, is a potential solution to some of the symptoms of uneven development. It is not in itself the solution to the cause.

This thesis has presented an analysis of the institutional elements which produce supportive or unsupportive environments for TSEIs. It has added to the debate over the desirability of the third sector and questioned the received wisdom regarding the institutional factors which help to determine success or failure. Accepting the limits of any research, I hope these findings will help to further the analysis of third sector employment in both the academic and policy spheres. Furthermore, more broadly for human geography, this research suggests that questions of what constitutes the economic and non-economic spheres must be constantly re-evaluated. The incorporation of the third sector into the state, albeit a partial and contested process with shifting and dynamic boundaries, does not easily allow the separation of the third sector into an independent academic enquiry. To compartmentalise the objects of enquiry in such a way, while perhaps methodologically neater and conceptually clearer, is symptomatic of an ontological myopism which must be guarded against. Therefore, by offering a partial critique of the notion of what constitutes the third sector, I hope to redress this balance and offer a reminder to other spheres of human geography.

By stressing the disparate nature of institutional environments and the needs they contain, I urge that government policy be constantly reviewed to assess the validity of privileging mainstream economic solutions above those of the more experimental, alternative nature for which the third sector is renowned. In doing so, I return to the central geographical notion that people and places matter. The third sector, by virtue of its institutional flexibility, possesses some of the tools to address the employment problems of the late 20th century and early 21st century but must be given the licence to respond in the most appropriate manner.

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Appendix 1: Brief Case Study Outlines.

Rhondda Cynon Taff Borough Council

- 1.1 Blaenllechau Community regeneration (BCR)
- 1.2 Penywaun Enterprise Partnership (PEP)
- 1.3 Waun Wen Ltd

Neath Port-Talbot Borough Council

- 1.4 Amman Valley Enterprise (AVE)
- 1.5 Dulais Opportunities for Voluntary Enterprise Workshop (DOVE)
- 1.6 Dulais Valley Partnership (DVP)
- 1.7 Ystalyfera Development Trust (YDT)

Durham County Council

- 1.8 Sherburn Road Regeneration Initiative (SRP)
- 1.9 Spennymoor Training Initiative (STI)
- 1.10 Trimdon 2000 (T2000)

South Tyneside Metropolitan Borough Council

- 1.11 Low Simonside Employment Initiative (LSEI)
- 1.12 St Simon's Community Project
- 1.13 South Tyneside Training and Enterprise Network (TEN)

Appendix 1.1

Blaenllechau Community Regeneration (BCR)

1. General Information on the Initiative

Origin and Aims of Initiative:

Blaenllechau Community Enterprise Group was set up in 1993 by a group of village residents on a voluntary basis who recognised the need to bring jobs and services back into the village. The original group drew up a business plan for the village on the strength of which it made a successful bid to the Welsh Office Special Development Scheme (SDS). This provided the initiative with sufficient capital funds to renovate a disused building in the centre of the village to use as a multi-purpose community and enterprise centre. Funding from the local TEC enabled the project to employ a computer and development worker for six months to establish systems and courses.

Blaenllechau is a small village in the Rhondda Valley with a population of around 2,000. The village has suffered from social, educational and economic depression due to the closure of traditional industry in the area, particularly coal mining. Many local people live on benefit, suffer from low self-esteem and have poor health.

BCR is a community regeneration project dealing with the economic, social and environmental problems of the local community. BCR established a Community Resource Centre (the Bell Centre) as a focus for its varied activities, including computing, training, childcare and a community cafe. The cafe is one of four community businesses already established by BCR, the others being a building firm, a registered day nursery and a fish and chip shop.

Key Partners and Funding Bodies

- Rhondda Cynon Taff County Borough Council (Unitary)
- Rhondda College,
- University of Glamorgan
- Welsh Office and Welsh Assembly
- Interlink
- Welsh Development Trusts Association (WDTA)

Local Data: Indices of Deprivation (2000)

Ferndale:

NB: Blaenllechau village itself is too small to warrant its own ward-level statistics and as such has been merged with the neighbouring village of Ferndale.

Index of multiple deprivation score

36.49

Rank of index of multiple deprivation rank	117 (out of 865 divisions)
Employment domain score	24.41
Rank of employment domain	94 (out of 865 divisions)

2. Outputs and Outcomes from the Initiative:

Quantifiable Outputs: (1999)

Clients into employment/ jobs safeguarded	23 in community enterprises and Bell Centre
Other outputs	The Bell Centre runs many courses, which also train and educate young people and adults, in conjunction with a number of providers.

Non -quantifiable outputs:

Social effects; community and individual confidence.

- The closure of traditional industry in the area undermined both the economic and the social structure of the local area. As a result the focus of the community was disrupted leading to low self-esteem, lack of confidence, ill-health, crime, substance abuse and isolation for many local people, particularly the young. There are very few job opportunities coming into the area from outside so that the greatest potential for regeneration must be through the development of the local social economy.
- BCR has been able to support a number of courses in the Bell Centre which focus not only training but also on more social aspects of the village. This has led to attempts to integrate as much of the village into BCR’s work, particularly those without job prospects. BCR anecdotally suggest a number of otherwise excluded or marginalized people, particularly those with disability, have been able to reintegrate fully with village life as a stepping stone to greater interaction in the job market.

Development potential of the area

- The nursery and after school care facilities run at the Bell Centre allow single parents and women returners with children to take up training opportunities through BCR or elsewhere.
- The long-term strategy of the project includes making improvements to the local environment and to housing and to halt the emigration of young people from the village. The hope is this will help the long-term economic and social development of the village.

Changing culture

- BCR has social integration and inclusion as a primary aim. The establishment of the Bell Centre as a community asset and meeting place has been very important in establishing a focus for the community. The recent re-opening of the village fish and chip shop as a community business is also seen as a very significant element in the recreation of a sense of community.

- In addition to these services BCR is encourages involvement by members of the community through outreach and youth work. BCR also offers support services for the disadvantaged including attempting to deal with alcohol and drug abuse.

Environmental impact

- A number of projects within the village have sought to benefit the aesthetic appearance of the village, most notably a mural drawn by local children.

Assessment/Evaluation of Initiative

Key factors in success of the initiative

Mechanism of provision

- The project is able to offer training, employment, youth work, childcare, sports facilities and a focus for community life. BCR publishes a monthly newsletter to keep the village informed of progress and activities and actively networks with local people to encourage participation.
- BCR runs a variety of vocational and non-vocational courses for all members of the community. Several courses are run in partnership with Rhondda College including aromatherapy and beauty, dressmaking and crafts, foreign languages. The Bell Centre has a computer suite which offers training courses at several levels in information technology skills.
- BCR is therefore holistic, with a number of engagement as well as employment projects, to address many of the needs of the locality.

Governance

- BCR demonstrates a very co-ordinated governance structure. Relationships with the local authority are close, but kept at arms length and are used for the benefit of BCR. The initiative is also well integrated into third sector governance frameworks in the region. All elements of BCR are integrated to offer a co-ordination within one governance framework, with as flat a hierarchy as possible to integrate decision-making with the daily running of the Bell centre.

External Environment

- The main difficulty for the local workforce is a lack of available jobs. There are many skilled people in the community who formerly worked in local mines and support industries, but these jobs are not being replaced. Whilst there is inward investment, this has tended to be capital intensive or relies on an imported workforce, further displacing local employment potential. However, the structure of mining jobs provides a basis for a stable and cohesive community which is beneficial to BCR.

Key failings of the Initiative:

- The early phase of the project has not been without problems, in part due to mistakes made during the construction of the Bell Centre on the part of the architects which left the initiative with a community hall with very poor acoustics. Other problems included a lower than expected attendance at the crèche and low use of some other revenue generating spaces. Although the SDS funds allowed for the project to be established, these were exclusively capital funds and the project found itself with barely sufficient funds to deal with the running costs once the capital expenditure had been made. Since it was established BCR has recognised a need to obtain charitable status to enable it to

apply for further funding from sources not available to it at present. In order to do this the project is separating the community enterprises from the core project into a wholly owned subsidiary to be called Blaenllechau Community Enterprise Ltd

3. Processes

A. Funding/Financial situation

- BCR was established on the basis of a successful bid for £500,000 from the Welsh Office SDS programme. All of this money was intended for use on the development of capital projects and was used by BCR to develop the Bell Centre and to purchase other properties in the town for use by community enterprises. A further £500,000 was secured in 1996 from the ERDF to allow further development of the project over three years. The majority of the funds to date have been for material expenditure on buildings and equipment.
- The main difficulties have been concerned with the securing of other funds to ensure the running of the project once the capital sums have been spent. The original management team did not apply for sufficient funds during the early phase of the initiative and were further constrained by the legal status of BCR. Without charitable status many potential funding sources were closed to them.
- Funding is administered by RCT (the local authority). Support for funding applications are significant, but at the behest of BCR rather than imposed by RCT.

B. Targets set by the initiative; output-led funding

- Most of the funding to date has been linked to specific capital projects which has had a bearing on the results of the project in that, first, it has allowed the project to develop assets and, second, in that insufficient funds were set aside for the ongoing running of the project. These problems may have a bearing on future funding.
- BCR heavy reliance upon voluntary work to maintain core services is partly an expression of these financial difficulties but is also a necessary part of community involvement in the project.

C. Governance of the Initiative

- BCR is managed by a Committee of 17 local people elected by the community. This group meets once a month to determine policy and take a day-to-day management role in matters of personnel and finance. All other aspects of the project are co-ordinated by the Centre Manager and support staff including volunteers.
- The community businesses are currently an integral part of BCR as a whole and thus are run by the same management team. As part of the effort of the initiative to win charitable status, the community enterprises will be separated into a different, but wholly owned, organisation, Blaenllechau Community Enterprise Ltd. leaving BCR as a co-ordinating body as a company limited by guarantee. This move will entail some devolution of the management structure.

D. Community embeddedness

- BCR produces a monthly community newsletter to keep local people informed of events, courses and services. The project provides a detached youth worker and the provision of some limited sporting facilities.
- BCR was established by volunteers and still relies on a high level of voluntary work from around 50 local people (10 men and 40 women). Volunteers work in all aspects of the project including running the general office and all of the community enterprises. Many of the volunteers are older, retired people who have a strong commitment to the purpose of the project in regenerating the centre of the village. BCR also, however, benefits from voluntary work by some local young people which has been particularly important in developing youth work in the village. Voluntary work is particularly important to the project during the present time of financial uncertainty brought about by the problems highlighted above.
- The newsletter published by BCR each month is helping to develop and strengthen community links and social interaction. The initiative also organised events such as entertainment, conversation forums, group discussion and liaison between community members and official bodies.
- New facilities have been made available in the village with foster social interaction and a sense of community. Youth issues are being tackled through the work of the detached youth worker who is able to prevent future problems such as alcohol and drug abuse.
- The village lacks facilities for the elderly but many older residents use the cafe in the Bell Centre which provides them with low-cost and nutritionally balanced meals.

E. Role of Agency in Enhancing the Initiative.

- In the past, there has been a key identification with key actors in the initiative, particularly when this was members of the community who began the group. However, the more recent times have seen over-reliance upon professional staff, leading to potential problems when staff members leave. There are ongoing attempts to ensure a continuation of the initiative beyond the influence of particular staff members by introducing a more flattened governance hierarchy.

F. Relationship with external partners

- BCR is part of a network of community initiatives in the area which support each other through the exchange of ideas. BCR also enjoys positive relations with the Rhondda College, the University of Glamorgan and the Welsh Office. Relations with the local authority, Rhondda Cynon Taff Borough Council, have been more problematic, though overall the council has been supportive. The lack of a coherent policy towards the voluntary and community sector on the part of the council has presented problems for several initiatives in the area.
- Current plans include the deepening of networks of communication and exchange among neighbouring community projects.
- Close relations are also held with the Welsh Development Trusts Association.

G. Position relative to other service providers

- BCR works in partnership, but not necessarily in elements which ought to be done by the state. BCR attempts to add additional or complementary services to the state.
- BCR will continue to tackle problems of drug and alcohol abuse by raising funds specifically for these issues to raise awareness and to establish a rehabilitation

programme. This would include residential facilities, work skills training, behavioural modification and extensive after care support. Further work in this field will be developed with ex-offenders and children excluded from school through continued work with the probation service and Education Authority.

- Negotiations are under way with the council to establish a day-care facility for the elderly and the Youth Project will continue to grow.
- BCR is examining the possibility of purchasing a local farm to run as a model for LA21 and plans to purchase residential properties for the provision of low cost housing to local people.

H. Institutional Learning

- BCR is an unusual project in that it is rare to find such a very large amount of capital investment being put into a relatively small community. The problems that the project has had have stemmed largely from an imbalance between capital income and funds needed to run the initiative on a daily basis. This came about partly as a result of cost overruns on the building programme, inadequate provision being made by the original management and a lower than expected amount of revenue generated by the community enterprises. From this, BCR has quickly learned to target revenue funding as a key stream in the development of its ongoing activities
- Despite these problems, which are being addressed, BCR has been able to fulfil its immediate objectives in providing the community with a focus, creating jobs and bringing people together. This suggests that whatever mistakes were made in execution during the initial phase, the fundamental objectives of the project are sound. BCR offers valuable lessons for other small communities which find themselves in receipt of large scale capital investments.

Formal Interviews with managers, beneficiaries and volunteers

Sue Jones	Centre manager, now departed
Mick Jones	Ex-miner; original member of the committee which initiated the creation of BCR
Allison Evans	Current Centre Manager, resident of Blaenllechau

Other related interviews:

Michelle Lenton-Johnson	Rhondda Cynon Taff County Borough Council
Steve Cranston	Manager, the Arts Factory, also head of the Development Trusts Association, Wales
Meurig Brookes	Rhondda Cynon Taff County Borough Council

Ruth Hopkins	Director, Interlink (RCT)
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Appendix 1.2

Penywaun Enterprise Partnership (PEP)

1. General Information on the Initiative:

Origin and Aims of Initiative:

The Penywaun Enterprise Partnership (PEP) was set up after a fairly long consultative period beginning in 1992. The initiative is a community-based regeneration project serving two large housing estates, Penywaun and Trenant with a combined population of 3,500. The estates are situated at the head of the Cynon Valley in what was the South Wales Coalfields. Since the closure of the local pits the area, which was already deprived, has experienced chronic unemployment, poor housing, physical isolation and high levels of crime. The many problems of the estate were drawn to the attention of the local authority by a highly publicised murder which took place, and which motivated some action. The estate had been in long-term decline since the 1980s and the closure of the local coal industry.

A series of small-scale initiatives were started by the local authority and a major consultative exercise was conducted, led by a council officer who has since become the project co-ordinator. As a result of the consultation exercise it was decided that any regeneration scheme needed to be based within, owned and run by the community. Funds were secured through a successful bid to the SDS scheme in 1994 to purchase and refurbish a derelict 19th century chapel on the estate, a building chosen as much for its symbolic significance (it had been a school attended by many of the estate residents as children) as its size and availability. This has now become the Cana Centre

Penywaun Enterprise Partnership (PEP) has been established to help regenerate all aspects of the life of two multiply deprived housing estates at the top of the Cynon Valley, an area traditionally supported by coal mining. PEP's work is holistic, including, housing refurbishment, traffic-calming, training, an after-school club, a computer and Internet suite, a community cafe, training and the provision of development workers to encourage community businesses and self-employment.

PEP has four main aims: to acquire assets owned by the community, to adopt a community development approach, to continually assess performance and policy to ensure that the project remains relevant to local needs, and to develop effective partnerships with all relevant organisations.

Key Partners and Funding Bodies:

- Rhondda Cynon Taff BC (Unitary)
- Groundwork Merthyr & RCT,
- Cynon Valley Crime Reduction Centre,
- Aberdare College,
- People and Work Unit,
- Community Enterprise Wales,

- Tower Colliery Ltd.
- South-East Wales TEC

Local Data: Indices of Deprivation 2000

Penywaun:

Index of multiple deprivation score	73.34
Rank of index of multiple deprivation rank	2 (out of 865 divisions)
Employment domain score	35.75
Rank of employment domain	4 (out of 865 divisions)

2. Outputs and Outcomes from the Initiative:

Quantifiable Outputs: (1998)

Direct employment and jobs safeguarded:	15
Community business supported:	2
Number of training course run annually:	30 (including Computing, Community/Youthwork GCSE, Playwork/Childcare, Catering, and Estate Management.)

Non -quantifiable outputs:

Social effects; community and individual confidence.

- A core function of PEP is to build the social as well as the economic capacities of the local area to overcome some of the barriers to regeneration that have been produced by unemployment and deprivation. The project works to combat apathy, low self-esteem, cynicism and hopelessness through community arts work, outdoor pursuits, visits to other community projects, competitions, performances and outreach work including advice sessions.
- Although PEP is still at a relatively early stage of its development, it has already been able to tackle the negative image of the Penywaun Estate. The estate formerly had a reputation for crime and poor housing but, whilst these problems have not been resolved, it is now seen as a safe and even desirable place to live. Garden enclosures, the erection of anti-motorcycle fences and general environmental work have all begun to transform even the most run down areas of the estate.

Development potential of the area

- Via training and employment schemes, the initiative has been able to aid in the development of the skills base for the population of the two target estates. However, the reliance upon private sector job creation, has led to a lack of new employment in the area. However, a new environmental project is aimed to meet the needs of the local population in terms of environmental improvement and

education, while creating permanent jobs within the estate. However, at the outset this has been reliant upon outside funding rather than funding from within the estate itself.

Changing culture

- PEP has heightened interest in the possibilities of the social economy and community economic development as opposed to the previous reliance upon mining jobs. However, there is a deeply engrained culture which does not focus on entrepreneurship or self employment, thus making it more difficult to establish community businesses. However the protection of the PEP structure is believed to be a potential avenue for such developments to emerge.

Environmental impact

- A significant number of works have been carried out within the estate to improve the environmental aspects of the estate. These have significantly altered the appearance of the estate and have helped to embed the PEP in the community.

Assessment/Evaluation of Initiative

Key factors in success of the initiative

Mechanism of provision

- Specifically PEP carries out physical improvements such as garden enclosures and traffic-calming, has established a community asset base in a refurbished chapel which is now a Training and Enterprise Centre, is in the process of establishing community businesses, has acquired a neighbouring field for environmental projects, offers a variety of training courses, meeting places and community services. Together this holistic and community development- based agenda helps to address many of the needs of the target estates.

Governance

- The governance framework of PEP is very transparent. A formal hierarchy and democratic process exists but this is, where possible, circumvented by the workers to produce more responsive decision-making. The external partnerships and strategic board, made up of partners and PEP employees, allows a strong day-to-day mechanism and strategic board.

External Environment

- A deeply engrained culture exists which does little to aid community business development. There is very low self esteem and social capital on the estate, allied to severe economic problems as demonstrated by the index of multiple deprivation figures outlined above. The estate is in need of substantial employment input and change in the attitude towards the social economy if PEP is ever to become self-sustaining.

Key failings of the Initiative:

- PEP has had a high level of involvement from some groups but has found it difficult to reach some of the more troubled young people. These problems have been difficult to overcome due to the deeply engrained economic and social problems of the estate.

Lessons for Transferability?

- PEP has successfully completed the first phase of its development and is beginning to make significant differences to the estate. The development model used by PEP, based on local ownership and control, with careful planning to develop community businesses and employment is one that is used elsewhere in the immediate area, in different local conditions, and is certainly transferable. However, the essential fragility of the initiative has been demonstrated and the reliance of individual agents has limited the transferable lessons to be taken from the initiative.

3. Processes

A. Funding/Financial situation

- The initial phases of the project were funded by the Local Authority which was trying to identify how best to resolve the problems of the state. The first major funding for PEP came from a successful bid to the Welsh Office SDS scheme in 1994 which provided £750,000 for the purchase and refurbishment of the Cana Centre. This was followed in 1995 with a further £525,000 from the ERDF.
- Funding is administered by RCT Borough Council Finance Department which acts as 'banker' for the project, giving it a degree of security and continuity it would not have if funds were administered by it alone.
- PEP suffered dramatically from a lack of funds when a funding application was paid in arrears rather than in advance, only through the efforts of the key employees, Barbara Castle and Gary Foreman, was the initiative saved through extra consultancy work to ensure the continuation of the initiative.

B. Targets set by the initiative; output-led funding

- Most of the grant funds are restricted to specific projects such as the Cana Centre construction and the various physical improvements that have been carried out on the estate. Only recently has a idea of discretion come into the usage of funds.

C. Governance of the Initiative

- PEP is a membership organisation with four different categories of member. These are: local residents, local organisations and groups, outside organisations with a role or concern in Penywaun and outside individuals with a role or interest in Penywaun. It is to this membership that the project is ultimately answerable. The main use of volunteers by PEP is on the management committee which consists of nine local people. Volunteers have been used in the past to a much greater extent than at present and may be again, depending on the requirements of specific projects.
- Daily running of the project is carried out by the project co-ordinator, business development worker, development officer and an administrator.
- The greater number of the membership of PEP is made up of local residents and they constitute a majority on the Management Committee. PEP is evaluated both internally through formal and informal consultation with local people, and by the various funding bodies that have contributed.

D. Community embeddedness

- PEP has ensured significant material investment in the fabric of the estate. This included garden enclosures, traffic calming measures, environmental improvements and the Cana Centre, and these have significantly improved the standing of PEP within the target community. There is an identification of workers within the community, as they are figureheads for the project, most notably Barbara Castle. An improved attitude towards estate residents on the part of the local authority would also help to break down some of the barriers that currently exist.

E. Role of Agency in Enhancing the Initiative.

- Individual workers have significantly been important in developing the PEP initiative. Of these, Barbara Castle was asked to return to the estate after having set up the initiative. In all, she stayed for 5 years before the initiative was handed over to Gary Foreman as the project leader. These members have crucially aided PEP when in financial difficulty.

F. Relationship with external partners

- PEP enjoys generally good relations with the local authority and receives funding and support. That said, Rhondda Cynon Taff council is criticised for a lack of an overall strategy towards the voluntary and community sector and can be insensitive to local issues and people.
- By including categories of membership that include organisations and non-residents, PEP had close links with a wide variety of organisations from the public, private and third sectors.
- PEP has established a number of working partnerships with other local and regional organisations, in what Gary Foreman refers to as 'Aggressive Networking'. The following are cited as partners in PEP literatures: Groundwork Merthyr & RCT, Rhydywaun Community Education Centre, Penywaun Junior School, Penywaun Community Centre '84, Task Force, Penywaun Senior Citizens, NCH Action for Children, Cynon Valley Crime Reduction Centre, Aberdare College, Cynon Valley Waste Disposal Ltd., People and Work Unit, Whitbread in the Community, Community Enterprise Wales, Scott-Cowan Associates Ltd., British Red Cross Society, North Glamorgan Health Trust, Tower Colliery Ltd., WS Atkins, Chapman Warren, Green Meadows Riding School, Rotary Club of Aberdare, Community Design Service, HGM Engineering Ltd.

G. Position relative to other service providers

- PEP acts as pressure group at times, to ensure statutory services are performed correctly (see also Trimdon 2000, appendix 1.10). Most of the services provided by PEP are relatively mainstream, but these are carried out under the auspices of PEP and are therefore regarded as significantly different. However, these services are regarded as part of the broader community development of the estate and are the means through which to develop other projects in the estate. As such, these relatively mainstream approaches will eventually add significant value to the target estates.

Formal Interviews with managers, beneficiaries and volunteers

Gary Foreman	Project manager, PEP
Barbara Castle	Ex-project manager; originally a local authority employee, who was asked to return to work in Penywaun after the initial consultation.
Sarah Mayze	Financial assistant and local resident
Julie Gooding,	Local Volunteer

Other related interviews:

Steve Cranston	Manager, the Arts Factory, also head of the Development Trusts Association, Wales
Meurig Brookes	Rhondda Cynon Taff County Borough Council
Dimmock, Steve	South-East Wales TEC
Richard, Chris	Princes Youth Business Trust (at YDT)
Hopkins, Ruth	Director, Interlink (RCT)

Appendix 1.3

Waun Wen Ltd, Trebanog

1. General Information on the Initiative

Origin and Aims of Initiative:

The Rhiwgarn Estate, Trebanog, in Rhonda Cynon Taff, is a housing estate which demonstrates some of the most acute economic and social problems in the South Wales valleys. An estate of roughly 350 homes, the estate had been declining since the local mining industry was removed in the 1980s. To help regenerate the estate, a group involved with the Trebanog and District Tenants and Residents Association (TDTA) began to search for funds to create a community centre to fill the acute services, leisure and employment problems on the estate. After several attempts, funding worth £512,000 was forthcoming from the Strategic Development Scheme (SDS).

Work was due to start on a community centre march 1995. However, the local authority, RCT 'put numerous obstacles in the way' and delayed work by 8 months-estimated at a cost of £42,000. In March 1995, a submission for ERDF funding made for capital and revenue. This funding was for capital for an annexe to centre, which would be a dedicated youth space. However, the first form returned from the Welsh Office due to the revenue bid being printed on wrong coloured paper, despite assurances that this would be OK. A second application was made, and this was rejected as it was suggested that the chair of the TDTA's signature had been photocopied (an assertion denied by the applicants).

Consequently the application had to be resubmitted in round two and was successful for £243,000. However, this could not be matched to SDS funds due to rule changes from first round, leaving the community centre which was being built with very little revenue funding with which to commence operations.

Work began on the centre in December 1995; when completed, this was handed over to TDTA on 5 July 1996. To consolidate the centre management as a new legal entity, Waun Wen Ltd was set up, its directors comprising representatives of the TDTA, RCT (Local Authority); Legal representatives and Community education agencies.

Due to the lack of revenue funds, South Wales TEC offered £12,000 to buy basic equipment and allow the centre to open in August 1996. However, due to a number of factors, the initiative had to cease operations in December 1996. Another abortive attempt to open the centre was made between February to December 1997 with £30,000 funds for ERDF. Due to problems, the initiative never achieved its second phase. It has been reopened since 1999 by RCT, due to the threat of claw-back of £384,000 from the local authority if the initiative remained closed.

Key Partners and Funding Bodies

- Rhondda Cynon Taff Borough Council
- South Wales TEC
- SDS funding
- South-East Wales TEC

- ERDF

Local Data: Indices of Deprivation (2000)

Nearest possible data for ward-level Indices of Deprivation (N.B these figures mask the real extent of deprivation on the Rhiwgarn estate)

Porth

Index of multiple deprivation score	30.14
Rank of index of multiple deprivation rank	199 (out of 865 divisions)
Employment domain score	24.09
Rank of employment domain	105 (out of 865 divisions)

Tonyrefail East

Index of multiple deprivation score	33.98
Rank of index of multiple deprivation rank	140(out of 865 divisions)
Employment domain score	23.65
Rank of employment domain	108(out of 865 divisions)

2. Outputs and Outcomes from the Initiative:

Quantifiable Outputs: (1999)

The initiative produced no quantifiable outputs except the temporary employment of managers and staff. However, the second phase of the initiative planned to include increased space for practical training opportunities, therefore encouraging greater take-up rates amongst local people. There was also planned to be a dedicated space for young people, a network room, job club, careers advice and literacy centre. This phase had the following targets within 18 months after completion:

Direct job creation:	Minimum 14 jobs
Indirect job creation:	Minimum 10 jobs
Jobs safeguarded	(permanent) 35-40 (temporary) 10
Assisted community businesses – 4 over 3 years	

Non -quantifiable outputs:

Social effects; community and individual confidence.

- Very few effects- due to the poor relations with community. The initiative is actually thought to have reduced community confidence; those 'best placed' to bring together funds were subsequently put off the job.
- The initiative started and failed almost immediately, thus actually creating more resentment towards the initiative and the concept of community economic development.

Development potential of the area

- Trebanog started from a very low base; economically, socially, and politically the estate was very poor. Apart from some small success with youth work and drugs which were housed within the community centre, very little was achieved.

Changing culture

- The initiative did very little to improve the culture within the estate. The original community centre actually acted to reinforce community divisions and did not raise the likelihood of increased participation in third sector operations.
- However, before its re-launch, 100 people turned up to a general meeting, regarded by Michelle Lenton-Johnson of RCT as perhaps the biggest gathering on the estate ever. The result was that some sections of the community were united in their resentment at the manner in which the centre was originally conceived and managed.

Environmental impact

- The environmental impact of the initiative was effectively negative; the centre took over green space in the estate, which used to be available as a football pitch.

Assessment/Evaluation of Initiative

Key factors in success of the initiative

Mechanism of provision

- The provision that came from the centre was essentially low-key due to a lack of funds. It was intended that the initiative would involve broader community development and community economic development in phase 2 but this was never realised. Provision revolved around activities for the elderly and the very young, with drugs and youth workers holding surgeries twice per week.

Governance

- Essentially top-down from within the TDTA, the key group involved in the initiative. The management of tensions was difficult, and came to be one of the key stumbling blocks for the initiative.

External Environment

- The environment within the community regarding the centre became poisoned very early on. This is put down to a turnover of population, lack of community institutions such as sports teams, leading to a lack of cohesion. The initiative therefore struggled to cope with a fragmented external environment within the estate. This led to a lack of support and open hostility at times.
- A major problem which developed over a short time was a group of menacing youths who were hanging around outside the building and which was putting other people from the community off, thus seriously disrupting an already limited programme.
- The initiative also failed due to tensions within the target community, namely two families whose actions led to factions being created within the community which became associated with the initiative.

Key failings of the Initiative:

- The 'vision' of what constituted social and economic development within the community was too narrow, and focused largely upon the activities of the older members of the community. This therefore did not extend needs and ideas agendas of the young people on the estate. The initiative therefore did little to address the real needs of the disaffected youth of the estate.

Lessons for transferability?

- The experience of Trebanog/Waun Wen provides a key case of what not to do when attempting to set up a community centre before the community was ready to participate in it fully. Therefore, a significant amount was learned with regard to the need for community development in the initiative before it was re-opened.

Processes

A. Funding/Financial situation

- Funding from the Strategic development Scheme (SDS) was administered directly to the initiative, Waun Wen Ltd. Rhondda Cynon Taff (RCT) borough council was the accountable body for the funds. Accountability was also direct to funders in the case of TECs, although this was relatively small amounts.
- Financial control consisted of the operations of an independent consultant, Kay Quinn in association with the Trebanog District Tenants and Residents' Association (TDTA). Support for original funding applications was forthcoming from RCT, although most of this was done by Kay Quinn in association with TDTA.
- The original allocation of funds to the project consisted of £512,000, which was earmarked for the building of a community centre and as such was not time limited. ERDF and other funds which were hoped to be matched had time constraints, dependent upon the completion of stage one and stage two of the centre.
- Duration of funding never became a particular problem for the initiative; the scale of funds and the restrictions which were attached to the funds were far more key to determining the failure of the initiative.
- Due to a failure of an original ERDF application, this left the centre with no revenue funds as all SDS funds were ring-fence and had been put into capital expenditure. The result was institutional sclerosis, as it could not meet basic needs and aspirations.

B. Targets set by the initiative; output-led funding

- The Trebanog/ Waun Wen initiative was a broad community development and community economic development scheme which incorporated 3 phases.
- However, the actual focus- had to be changed due to lack of revenue funds- therefore reducing the scale and scope of the initiative's operations.
- The initiative closed down for a second time in 1997- RCT had to re-open the initiative to avoid claw back of £384,000

C. Governance of the Initiative

- The Strategic board comprised members of the TDTA, RCT (Local Authority); Legal representatives and Community education agencies.
- Some autonomy was given to the manager, but tension existed in this relationship. The relationship did not work at all and the TDTA became 'enmeshed' in the day-to-day running of the initiative. The formal decision-making process therefore was not adequately defined.
- Day-to-Day decisions were made by the centre manager, but mostly done by members of the TDTA; it was those members who held real power in the initiative. Internal decision-making was therefore made on an ad-hoc basis; finances were under the control of the TDTA team and Kay Quinn, but these small funding packages were mostly tied up in ongoing expenditures in cafe and running the centre as opposed to being available for decisions.
- Board met monthly; from the outset this was more a coping strategy rather than a long-term planning board. There was little leeway to take long-term strategic decision due to the uncertainty of funding and the future of the centre.
- Little community consultation occurred prior to the application for funding and the opening of the community centre. No audits, no formal data collection. This should have been done with the aid of a community development worker had the funds been available. result was a narrow definition of the aims of the centre.
- Provision therefore suffered, as the strategic board became involved in crisis management. If there had been adequate funds, the TDTA would have perhaps been able to take a more hands-off approach. As such, the TDTA became too embedded within the day-to-day management of the centre, with little scope for other decisions. The TDTA was effectively too embedded and invested in their time and effort in the centre. This resulted in a particular rationale for the centre's running, to aid the particular interests of that group.

D. Community embeddedness

- The initiative lacked any great sense of being embedded in the community. It was regarded as being a centre in which the TDTA participated in their own activities while freezing out the rest of the community. Eventually, TDTA left an office they had taken up in the building-which was regarded as good as its members were becoming enmeshed in the day-to-day running of the centre
- One of the major disappointments for everyone was a perceived lack of support from the local community. Eventually, the centre was burgled on several occasions and an arson attack gutted the building when closed. This contrasts to nearby Gilfach Goch, where around 300 people use their community centre throughout the week and is rarely damaged.

E. Role of Agency in Enhancing the Initiative.

- Individuals involved with the initiative had a significant impact in precipitating the failure of the initiative. The TDTA was regarded as an elite group and as a result had little identification with many others on the estate the centre was proclaiming to help. In particular, there was little identification with the needs of young people on the estate beyond primary school, leading to barriers being created on both sides as tensions mounted.
- Tension in the community and the centre were related to clashes of personalities which became associated with the centre itself. Externally, the estate was riven by

the presence of two family groupings who were not keen to share the centre. Extreme tensions were associated with disruptive teenagers, who were barred from the centre and subsequently caused trouble outside the centre itself.

- Internal tensions with managers and many of the centre users led to the centre again being regarded as elitist. Internal tensions also emerged between the manager and the day-to day management board, who were perceived to be meddling. One temporary manager was brought in, which turned out to be disastrous not least because of the clash of personalities and inappropriate alliances. Consequently, there was an over-reliance on particular individuals, who held to much sway at the day-to-day level; the initiative would have benefited from a flattened hierarchy.
- There were no formal or informal mechanisms to address such tensions, and as a result the situation became internalised within the initiative. Youth members lost interest and eventually became yet more disruptive and intimidated by other youths hanging around outside.
- Gloria Williams, head of the TDTA, became to be referred to as the 'equaliser' in the community due to her propensity to call the police. Because it was known she talked to police she had her windows smashed several times. Eventually, the members of the TDTA who had fought hard for the funding to set up the initiative became disillusioned with the initiative to the extent that Gloria Williams states, 'they should bulldoze the place down as far as I'm concerned because on this estate the people just don't care'.

F. Relationship With External Partners

- RCT were regarded as being little help with planning applications, thus delaying the initial build of the centre by 8 months at an estimated cost £42,000. A generally poor relationship was cemented by the building of the Dai Davies day centre in nearby Porth, causing accusations that the local authority was attempting to continue with their own projects while leaving Waun Wen in the lurch.
- TECs gave £12,000 to help with the original opening of the centre, but there were few other links with the local governance institutions. Private sector funds were due to become involved with phase 2 of the development, although this was never achieved. No other substantial linkages with the private sector; little private sector involvement in the area due to limited disposable incomes.

G. Position relative to other service providers

- The initiative aimed to cater for the whole community, with the hope of achieving a holistic community development/ community economic development remit.
- No 'mainstream' provision was undertaken; RCT had little impact in the area beyond the housing department. The initiative was therefore attempting to develop the estate socially and eventually economically, but this was never achieved in the period 1996-7
- The initiative attempted to fill a niche which had been neglected- few social initiatives existed on the estate, where they were badly needed. Services for the local population were clustered towards other parts of the ward, away from the Rhiwgarn estate. RCT regarded Waun Wen as a means to stimulate the development of the estate.
- It has been seen that RCT has taken over the running of the centre, suggesting this form of provision should have been previously done by the local authority. However little funds were available to the local authority and so the problems of the estate were not considered feasible to engage. There was an acceptance of the

need to develop the social and economic development of the estate

H. Institutional Learning

- The initiative, having been reopened in 2000, is now de-personalised with the RCT owning and running the centre. The centre is now used by a broader section of the community, and is not a focus for derision and tension. This demonstrates a positive top-down influence, but all the while the community are involved with the initiative as part of a concerted outreach program.
- The 4/6 month opening periods meant the initiative did not have adequate time for the evolution of the initiative; too much emphasis was placed on crisis management rather than institutional learning.

Formal Interviews with managers, beneficiaries and volunteers

Gloria Williams	TDTA and Waun Wen Ltd
Alma Cogan	TDTA and Waun Wen Ltd
Stuart Jones	Worker in drugs drop-in centre; also researcher at University of Glamorgan
Sarah Leyshon	Current Centre co-ordinator, employed by RCT
Kay Quinn	Independent Consultant involved in the development of Waun Wen Ltd

Other related interviews:

Michelle Lenton-Johnson	Rhondda Cynon Taff County Borough Council
Steve Cranston	Manager, the Arts Factory, also head of the Development Trusts Association, Wales
Meurig Brookes	Rhondda Cynon Taff County Borough Council
David Adamson	University of Glamorgan
Ruth Hopkins	Director, Interlink (RCT)

Appendix 1.4.

Amman Valley Enterprise (AVE)

1. General Information on the Initiative

Origin and Aims of Initiative:

Amman Valley Enterprise (AVE) was not originally established as a social economy project but was established to support and train local women in the aftermath of the 1984-5 miner's strike and the subsequent closure of the mining industry in South Wales. AVE combines community development, education and training with the encouragement of enterprising activities in the social, economic, educational, leisure and environmental fields. The project has been developed to provide an holistic range of services, delivered through community businesses that are run by and for local people, which meet the full range of needs for the local community. Activities include formal training, childcare, catering, youth work, health initiative, forestry and environmental services, a community arts project, a local minibuss and consultancy work with other projects in the area.

AVE is an holistic community co-operative which caters to a very wide range of local needs. The local area was already marked by social deprivation, poor housing and low income prior to the closure of the local coal industry which had been the main employer. The first pit closed in 1988 the last in 1993 leaving only large, opencast developments providing limited, low paid, short-term work. Many other local employers were attracted to rate-relieved sites along the M4 motorway corridor. Communities that had been built around the coal industry were left isolated with little or no employment and high rates of long term ill-health.

AVE began in October 1987 when a group of five local women moved into semi-derelict offices in the village of Tairgwaith donated by the National Coal Board. The set-up period of the project consisted of the renovation of the offices, through voluntary work, help in kind and some one-off charitable grants, and the establishment of contacts in the community. The first classes were held in the building at Easter 1988. The courses brought more women into contact with the project and expanded the range of volunteers available to provide services. This method of growth, through gradual and progressive involvement of local people through training courses and on into employment has remained constant throughout the initiative's lifetime.

Key Partners and Funding Bodies:

- Neath Port-Talbot (Unitary)
- Carmarthenshire Council
- Swansea Council
- ERDF funding
- Environment Wales
- Arts Council Wales
- University Wales Swansea

Local Data:

Gwaun-Cae-Gurwen: Indices of Deprivation 2000

NB: Though AVE operates in areas beyond Gwaun-Cae-Gurwen, this ward includes the original locality of the initiative in Tairgwaith and as such indicates the degree of deprivation in the locality.

Index of multiple deprivation score	37.78
Rank of index of multiple deprivation rank	107 (out of 865 divisions)
Employment domain score	23.11
Rank of employment domain	134 (out of 865 divisions)

2. Outputs and Outcomes from the Initiative:

Quantifiable Outputs: (1999)

Total Jobs created/safeguarded:	35 Part-Time 10 Full-Time
Individual Recruitments into Training	348
Total Enrolments onto Training Courses	415

Non -quantifiable outputs:

Social effects; community and individual confidence.

- The broader changes in the local economy, and a number of social and community arts projects instigated by the initiative have no doubt increased the confidence of both individuals and the community as a whole, by creating new optimism for business and social interactions. However, these effects are still fragile due to the weakness of the private sector and declining banking facilities in the locality. To address this, AVE is seeking to set up a LETS scheme.
- The impact of the community arts and music projects have been regarded as having a significant impact upon the lives of some individuals in the locality, most notably young people. However, there have also been impact across the age range as part of a number of policies which promote full engagement.

Development potential of the area

- The effect of the initiative on the community has changed since it was established. In the first instance the main client group were local women who took up the training opportunities to improve their employment potential following a sharp rise in male unemployment. AVE now caters to as many men as women.
- AVE has established a number of CED projects which operate in the private economy, but which produce funds for attempts to develop the area's development potential. Added to the effects of the extra funding being brought into the area a number of initiatives act to increase the development potential, notably child care, catering and minibus services all help remove barriers to employment.

Changing culture

- The work of AVE has undoubtedly contributed to the regeneration of the community and has empowered local people by giving them a stake in something concrete. The project has deliberately sought to replace some of the communal functions that developed around the coal industry, working men's clubs, chapels and so on, with new forms of community involvement that bring people together in constructive and positive ways.
- AVE has heightened interest in the possibilities of the social economy and community economic development as opposed to the previous reliance upon mining jobs.

Environmental impact

- Through a range of projects under Fforestwr Woodland management, local children have been learning about the various skills involved in woodland management. Fforestwr has also won grass cutting contracts for Llanedi Community Council.

Assessment/Evaluation of Initiative

Key factors in success of the initiative

Mechanism of provision

- AVE was set up by local people to provide an accessible centre for education and training and a general community resource. It now also develops the potential of the local social economy by establishing community businesses that could meet local needs and provide jobs and training. The project currently consists of a core business, handling administrative, management and personnel functions, departments established to deal with particular projects and Education and Training and subsidiary businesses run semi-independently. The subsidiary companies are either community businesses in their own right, offering childcare and catering for example, or are responsible for the establishment of further community enterprises.
- The structure of the initiative allows for great flexibility in terms of service provision, the maximisation of income through the establishment of internal markets and the constant development of new projects. AVE is able to share its experience of community economic development with neighbouring communities through consultancy and outreach work.

Governance

- AVE is a large organisation and as such requires a formal organisational structure. AVE itself is a core company with a number of projects and wholly owned subsidiaries. The governance structure allows for the development of individual projects and community business within the whole enterprise, thus allowing for suitable directions and local decision making for each part.
- Through the efforts of individual workers, AVE has been able to involve a number of outside agencies from public, private and third sectors to enhance the scale and scope of provision in AVE.

External Environment

- The closure of the mines left the male workforce with very little labour through large companies as had been traditional in the area. Women took most of the part-time, office based jobs available in the area whilst the men predominantly became self-employed, often in the construction industry. The jobs lost by the closure of the mines, however, have not been replaced by new inward investment. A tradition of working for large employers and/or benefit dependency created a degree of apathy, ill-health and low expectation in many local people which has been a problem for AVE to overcome.
- AVE has helped overcome this by promoting CED and entrepreneurship, as well as broader community engagement as a means to revitalise the local economy.

Key failings of the Initiative:

- While AVE has been able to generate nearly half its turnover from community business, this has not been sufficient to allow for long-term financial sustainability. As such, AVE still relies on a variety of grants and funding streams.

Lessons for transferability?

- AVE is a key example of what is regarded as 'best practice', developing a holistic community development and community economic development initiative in the Amman valley. However, this is dependent upon a great deal of work over 14 years to develop this, while the template may be transferable, this is not a quick fix and has developed in accordance with the needs and values of the area.

3. Processes

A. Funding/Financial situation

- Of AVE's turnover of roughly £300,000 annually, nearly half comes from sales of services- more than any other case study here. The various parts of the project are evaluated individually and together, depending on the funder and the nature of the work carried out. Individual projects and subsidiary companies are evaluated by statutory bodies and other local organisations to ensure conformance to national standards of service delivery.

B. Targets set by the initiative; output-led funding

- Some funding, particularly that attracted through training contracts with local colleges, is linked to specific performance indicators such as attendance and teaching quality. Other funds, such as those for capital building programmes are subject to value for money criteria and completion deadlines.

C. Governance of the Initiative

- Day-to-day decisions on the initiative are taken within each individual part of the initiative, to help ease of process. The organisational structure is therefore represented by a number of heads of operation who oversee different part of the initiative's operation.
- AVE has a complex and dispersed structure centred on a core company - AVE

itself. AVE Ltd is responsible for Policy, Finance, Management, Strategic Planning, Administration, Personnel, Buildings, the Resource Centre, Consultancy Services and Community Enterprise and Development for the entire group. AVE has two standing committees concerned with Policy and Resources and Personnel. The central AVE also runs, through separate committees individual projects (the Health Initiative, Community development in various surrounding villages Community Arts Project and Youthwork) and the Education and Training section. In addition there are a series of wholly owned subsidiary companies within the group set up as community businesses by AVE. These are:

1. *Amman Valley Community Business Ltd.*, which in turn runs the Amman Centre, Lotus Outside Catering, Gwyliau Hwylus (after school care), the Hale-Bopp Diner, Taigwaith Cafe and the local Minibus.
2. *Bandcheck Ltd.*, which runs the Lots of Tots Day Nursery.
3. *Fforestwr*, a company that provides work experience in forestry, gardening, charcoal-making, woodland management, fencing and hedging for the unemployed.
4. *Cakemagic Ltd.* a catering company that is also responsible for 'Classic Catering' at nearby Betws.

D. Community embeddedness

- The policy of employing local people that have started as trainees with the project ensures that it remains rooted in the community. Outreach and consultative work both formally and through informal networks helps to ensure that services on offer are relevant to local needs. There is extensive internal monitoring by the group as a whole to ensure overall quality and relevance and to get feedback from the community.

E. Role of Agency in Enhancing the Initiative.

- The role of individual change agents is regarded as being crucial factor in the original development of AVE. However, as the initiative has grown and developed, the impact of key agents upon the whole of the initiative has diminished. The impact of organisational structure has now become just as important as the role of individual agents in achieving goals in AVE
- However, original members of AVE still remain at the initiative, and have successfully led AVE to becoming one of the largest Community Economic Development initiatives in the country. Individual agents are also responsible for a number of micro-scale impacts upon users and beneficiaries in projects and businesses under the auspices of AVE.

F. Relationship with external partners

- AVE maintains strong links to a very wide variety of other organisations including local schools and colleges, local authorities, local doctors and health organisations, local businesses, national networks of community enterprises and other community projects in the immediate area. These relationships take a variety of forms ranging from informal contacts to established partnerships.
- AVE is well-established and enjoys good long-term relations with funding bodies and sponsors. The project is actively seeking new sponsors among local businesses to develop community enterprises further.
- AVE is in a particular geographical situation, which means it is situated on the

cuss of 3 local authorities- Neath Port Talbot, Carmarthenshire, and Swansea. The result is a potential for AVE to match funds from each local authority, although often funds are less forthcoming due to the ring-fenced nature of many local authority grants.

G. Position relative to other service providers

- Amman Valley works alongside a plethora of other service providers in an attempt to develop a holistic partnership framework in the area. This has two functions. First, AVE is able to enhance the provision of mainstream services provided by partners in the locality. Second, this produces a number of Partnerships within AVE which secure funding and support for a range of activities. However, AVE is careful to ensure the range of activities and community projects it offers are in addition to those which ought to be provided by statutory bodies to avoid duplication.

H. Institutional Learning

- The change towards the development of the social economy came in 1989 after changes in funding priorities meant that greater continuity could be achieved through changing the emphasis of the project from education towards community economic development. In 1989-1990 a feasibility study was conducted to establish whether the crèche, which had been run on a voluntary basis, could be turned into a sustainable community business. This led to seed funding being sought from the Welsh Development Agency's Community Enterprise Unit. The catering businesses grew out the expressed desire of local elderly people to have a lunch club in the area. Both were set up under a separate company to the charity - Amman Valley Community Business Ltd.
- AVE has evolved gradually in direct response to local need and has been forced to adapt to changing conditions in the labour market. It has managed to do so by using action research to remain in contact with community needs and by identifying opportunities, such as the establishment of the catering business, which had the potential to grow. Although the particular structure of AVE is therefore unique, the method of its growth and the way in which it relates to the community is transferable.

Formal Interviews with managers, beneficiaries and volunteers

Derith Powell	Operations manger, Gwaun-Cae-Gurwen
Len Preece	Volunteer manager, art, community and music projects
Cheryl James	Financial manager, Tairgwaith
Maggi Dawson	Former manager and founding Member

Other related interviews:

Colin Ede	Economic Development, Neath Port-Talbot BC
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Appendix 1.5

Dulais Opportunities for Voluntary Enterprise (DOVE) Workshop.

1. General Information on the Initiative

Origin and Aims of Initiative:

The Dulais Opportunities for Voluntary Enterprise (DOVE) workshop was established by local women by a group of women from the Miners' Support Group in the Dulais Valley after the 1984/85 miners' strike to, with setting up a co-operative and offering education and training opportunities to women returners in valley communities as the main objectives. To support this initiative, a skill centre was established in order to give women confidence and an opportunity to realise their full potential through training or further education and to enable them to compete effectively in the labour market. The Centre is a partnership between DOVE, Onllwyn Community Council and the University of Wales Swansea. The workshop is located in Banwen, a former mining community and is based in a building previously owned by the National Coal Board.

The Banwen Community Centre has successfully developed as a community based education and training centre where the DOVE Workshop is based. It is also where the University of Wales Swansea's Department of Adult Continuing Education provides its part time degree programme (Community University of the Valleys CUV) and related provision. Neath College provides its further education courses and Community Education Services (Life Long Learning) of Neath Port Talbot County Borough Council provides its franchised courses with Neath College. New developments include the Dovecote Nursery and Dulais Valley out of School Club.

Key Partners and Funding Bodies

- Relevant Local Authority: Neath Port Talbot CBC (Unitary)
- University of Wales, Swansea
- Community University of the Valleys
- Neath College
- Glyn-Neath Training Centre
- Onllwyn Community Council
- ERDF

Local Data: Indices of Deprivation (2000)

Onllwyn

Onllwyn adjoins to the Workshop location in Banwen at the head of the Upper Dulais Valley.

Index of multiple deprivation score	53.69
Rank of index of multiple deprivation rank	34 (out of 865 divisions)
Employment domain score	31.06
Rank of employment domain	19 (out of 865 divisions)

2. Outputs and Outcomes from the Initiative:

Quantifiable Outputs: (1999-2000)

Employment created (direct)	9 part/full time workers, 8 female and one male. Tasks include administering the finances with particular reference to ESF/ERDF; administering a community business; organising education and training providing a day nursery. courses
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Non -quantifiable outputs:

Social effects; community and individual confidence.

- There is an acceptance that quality learning and broad cultural opportunities in schools, villages and towns, accessible to all ages throughout the valleys. Are part of the economic solution to the problems of the area. The initiative has most significantly had an impact upon the social standing of women in the community as this has helped to transcend the more traditional male/female roles in the past. Interviews therefore suggest that the DOVE has succeeded in increasing the confidence of individuals, and more broadly the community, within a backdrop of declining employment and social provision.

Development potential of the area

- DOVE Workshop runs a crèche and caters for children up to the age of five. It is extremely well-equipped with fully qualified staff but places are limited. If you are a Community University students can bring children to the crèche when you have classes, if space allows, and the cost is met by the College. The crèche also operates outside teaching hours the rates are very reasonable, but you do need to book in advance. Consequently, DOVE increases the training and skills level of the area, to promote the basis for inward investment if it were to arrive. The initiative also helps to create micro-economy in the area, by keeping funds in the local economy from childcare, thus meeting local needs with local resources.

Changing culture

- There has been the growing importance of women, as community activists and in a significant way as major contributors to the labour market. There is also a growing understanding in the valleys that quality education and training

throughout life, in or out of work, is the prerequisite for a stable and just society and economic development. It is therefore part of a new era with the demise of coal as a major employer, and the decline of patriarchal society, to create the conditions for the emergence of "new" social movements - green, peace and women. This has led to new ways of thinking about the ways work, leisure, childcare, learning and the whole way of living.

Environmental impact

- N/A

Assessment/Evaluation of Initiative

Key factors in success of the initiative

Mechanism of provision

- DOVE has achieved a great deal of success through the provision of education and training, originally to groups of women who were less inclined to enter into education beyond schooling the period before the 1980s. The combination of a number of interesting courses, allied to the local situation of the site of the Banwen centre, has permitted DOVE to develop while not leaving its roots. Most crucial in the initiative's success has been its relation to local people with a number of key agents living and working in the villages of Banwen or Onllwyn, with the resulting embeddedness and friendliness which has pervaded the provision entered into by DOVE.

Governance

- The initiative has been successful in creating a governance structure which allows individuals to succeed at the rate at which they set for themselves. The governance structure also allows the free movement of information throughout the initiative, both formal and informal. The day-to-day management of the initiative is controlled by one person, while a number of other workers are involved in the decision-making process.
- The strategic management process is almost completely locally controlled, while decisions involving funding are taken with the knowledge of local authorities and service providers

External Environment

- DOVE is well integrated into the local third sector and educational networks, with its model of success being seen as 'good practice' within the region. Relationships with local authorities are strong, both at working level and interpersonal level.
- The local economy is in severe decline, although the training centre hopes its activities will be able to stimulate third sector and local private sector growth in the communities around Banwen.
- The local community is in support of the initiative, and there are no tensions. While a 'social capital' of the locality is hard to distinguish, this was influenced in the past by the local mines and the social structures which existed around them. The removal of the older institutional structures and the male domination of the social sphere consequently led to an emancipation of the local female population, who set up and developed DOVE. This has taken many cues from the

female (and subsequently male) activism present within the social structures of the mining community.

Key failings of the Initiative:

- The initiative has as yet failed to create substantial employment within the community, although the crèche has created several full and part-time jobs.
- The initiative is still a relatively mainstream educational provider. While this has been achieved within a community based structure which has offered a significantly different mode of operation to mainstream educational and training establishments, DOVE accepts its complementary role as opposed to being something significantly new. However, this in itself is not a failing for the initiative.

Lessons for transferability?

- DOVE is particularly situated in an ex-mining community where the role of social structures associated with the mine held strong sway in the locality. The instigation of the project sought to capitalise on both the emancipation of women as the older structures declined and the presence of activists who wished to change the roles and perceptions of women in the community. As such, the template is in many ways transferable to other groups in other localities, although the crucial role of a community-based set of activists led the initiative to success soon after its inception.

3. Processes

A. Funding/Financial situation

- Funding received from the European Regional Development Fund, Neath Borough Council, British Coal, Onllwyn Community Council, and University of Wales Swansea was used to enlarge the Centre at Banwen which now has two large lecture rooms, a guidance and counselling room, a computer lab, and a well stocked and purpose built library. The Community University of the Valleys was launched in 1993, thus enabling adults to study for a degree in their local community
- Funding is administered in-house, with yearly audits. Accounting documents are presented at strategic board meeting to ensure some scrutiny. The accountable body for European funds is the local authority, NPT. While a lot of time is spent on funding applications, a degree of support for this is forthcoming as NPT regard DOVE as a crucial part of the regeneration of the upper Dulais valley alongside the DVP (appendix 1.6).

B. Targets set by the initiative; output-led funding

- The stated aims of the initiative are relatively narrow, although these have broadened as the initiative has developed. Funding for educational projects and courses is ring-fenced to achieve these aims; programmes bending is limited. Income from crèche and other small-scale consultative, and private-sector training contracts produce extra funds which can subsequently be utilised to develop more alternative forms of social provision as part of a broader community development and community economic development initiative.

C. Governance of the Initiative

- The governance of DOVE is based upon a formal hierarchy which aims to be as flat as possible in accordance with the aims of the initiative, tension are rarely encountered and the day-to-day decision-making process is relatively informal, but it is held to account by the number of partners in the strategic board.

D. Community embeddedness

- DOVE is based in the community in an old NCB building, and the workers in the initiative are members of the community itself, the initiative has grown to become a key part of the community life, and is held in high regard within the locality and beyond. This has been cemented by the role that DOVE has played in developing the local community economically, educationally and socially.

E. Role of Agency in Enhancing the Initiative.

- Agency had been key to the development of the initiative both in the past and currently. However, the presence of well-skilled women to set up the initiative has created a framework in which other women are developing as the initiative grows, thus creating the conditions for the long-term stability of the initiative. The initiative does not rely upon the presence of outside professionals, although experts are required in the case of specialist teaching. Some lower-scale courses are gradually being taken over by people who have been through courses at DOVE.
- There is a significant level of identification with the users and workers in the initiative, as most come from the village. This also sets the initiative as different from mainstream providers as it is valued due to its identification as a tool to encourage participation and subsequent embeddedness of the initiative within the community.

F. Relationship with external partners

- The Workshop collaborates with such organisation as the Department of Adult Continuing Education at the University of Wales Swansea, Neath College, and the Workers Education Association (WEA). It is also a member of IRIS, the European Network of Women's Training.
- Close relationships are held with other local third sector initiatives, most notably the sister initiative in the neighbouring valley, the Glyn-neath training centre. DOVE also accepts recommended trainees from the initiative at Ystalyfera in a neighbouring valley (see appendix 1.7). The relationship with local authorities is good, although this is not too close as DOVE secures significant funds from national and European bodies outside the auspices of the local authority.

G. Position relative to other service providers

- The target groups of users were originally the women of the communities of

Banwen and Onllwyn, though this has broadened out to become the whole community. The initiative fills a previously unfilled niches in that educational establishments, including the WEA, which were more associated with the mine, became less able to exert influence and provide suitable educational opportunities for the community. There was therefore a need for the provision of adult learning, community development and community economic development due to the dearth of public or voluntary sector provision in the area.

H. Institutional Learning

- The initiative has evolved significantly over the 15 years of operation, although the essential basis remains the same. Ambitions to becomes fully self-sustaining and independent, and with a degree of economic sustainability through community enterprises and through initiating private sector business, remains a goal. Mentions are made of the model of the AVE, which was set up at a similar time, as a means through which to potentially develop the basis for sustainability.

Formal Interviews with managers, beneficiaries and volunteers

Mair Francis	Initiative Co-ordinator
Julie Bibby	Part-Time financial and Admin Worker
Lesley Smith	Part-Time worker. Educated at DOVE
Moira Lewis	Founder- member
Sharon Dickson	DOVE user

Other related interviews:

Colin Ede	Economic Development, Neath Port-Talbot BC
Carolyn Lewis	Neath Port-Talbot College

Appendix 1.6

Dulais Valley Partnership (DVP)

1. General Information on the Initiative:

Origin and Aims of the Initiative

The Dulais Valley Partnership was also set up in 1996 to address the economic and social problems witnessed in the valley in the post mining years and accordingly, a 'Strategy For Regeneration' was developed. Nant-y-Cafn Inward Investment Site had been established as an element of this strategy, and phase I of development is now complete. The local authority (Neath Port Talbot County Borough Council), are the lead agency in terms of the marketing and promotion of the Nant-y-Cafn Site, however, the DVP and partnership organisations are supportive of the phase II development.

The Dulais Valley has traditionally been an agricultural and industrial area. The target comprises the 3 communities of Onllwyn, Seven Sisters and Crynant. The decline in the mining industry caused large scale closures with Blaenant Colliery being the last pit to close in May 1990. Since this time, a number of different agencies have been brought together to stimulate economic activity in the area. The Target area population is roughly 5,800, of whom the Resident labour force is roughly 1700-1800. Unemployment is at over 12%; 75 % of the unemployed are male, of whom the majority are long-term unemployed. There are low levels of self employment, while valleys businesses remain small. However, there is still significant local employment from drift and open-cast mining. coalmining once dominant; this is unable to meet local employment needs now. New industry failed to move in to meet the employment deficit. The result is the requirement for an intensive and long-term community-based approach targeting social and economic deprivations. The vision is therefore to create a vibrant valley community which is rejuvenated, resilient and self-sustaining in economic, social, educational and environmental terms.

Key Partners and Funding Bodies

- Neath Port Talbot County Borough Council
- Swansea University
- Neath college
- West Wales TEC
- Business connect NPT
- DOVE workshop

Local Data: Indices of Deprivation (2000)

NB: The DVP covers 3 wards and as such a variation is seen from the lower valley (Crynant) with better economic data to the upper valley (Onllwyn) with severely deprived areas.

Onllwyn:

Index of multiple deprivation score	53.69
Rank of index of multiple deprivation rank	34 (out of 865 divisions)
Employment domain score	31.06
Rank of employment domain	19 (out of 865 divisions)

Crynant

Index of multiple deprivation score	28.23
Rank of index of multiple deprivation rank	230 (out of 865 divisions)
Employment domain score	20.38
Rank of employment domain	217 (out of 865 divisions)

Seven Sisters

Index of multiple deprivation score	39.52
Rank of index of multiple deprivation rank	97 (out of 865 divisions)
Employment domain score	25.49
Rank of employment domain	76 (out of 865 divisions)

2. Outputs and Outcomes from the Initiative:**Quantifiable Outputs: (1999)**

Clients into employment and jobs safeguarded:	9
Clients into careers consultation:	76
Clients into training and education- in association with DOVE workshop	31

Non -quantifiable outputs:*Social effects; community and individual confidence.*

- DVP produces some evidence of an increased community confidence, although this is limited to those particular individuals who have been involved in employment or training as opposed to the community as a whole. DVP has yet to engage fully with the community, and there is little cohesion in the target communities.
- DVP's arts and history projects have helped to revitalise a sense of belonging in what is a very deprived area.

Development potential of the area

- As yet, some beneficial moves have been created with the joint working the Crynant business park to create employment and reining opportunities for residents of the upper Dulais valley. Hopes are that the DVP will help to promote such opportunities. However, this is crucially dependent upon private sector investment.

Changing culture

- Some new initiatives have been stimulated by the DVP to promote a culture of training and enterprise. However, residents of the Dulais valley remain stubbornly attached to the idea of big employers and the mine as the sole route to employment.
- The DVP has helped to engender a sense of community in some scale projects without this remains sporadic and patchy.

Environmental impact

- In the future, DVP hopes to be able to promote environmental regeneration projects as part of an attempt to improve training facilities and environmental improvement in the area.

Assessment/Evaluation of Initiative

Key factors in success of the initiative

Mechanism of provision

- The mechanism involves 4 strands of action:
 1. Employment and business development
 2. Community resources and social development
 3. Tourism and environment
 4. Transportation and accessibility
- Together, these offer a potential set of activities to meet many of the residents of the upper Dulais valley. This however has not been carried out an adequate scale to fully impinge on the development of the valley.

Governance

- The hierarchical division of power is essentially top-down, as Lynette Newington and Brian Aherne are both employees. As such these workers take their cues from above- funders, local authority and the strategic board. Lynette Newington possesses day-to-day executive control; Brian Aherne is responsible for other elements of provision including jobs clubs. At the time of writing no significant tensions had surfaced; this also produced a propitious working relationship.
- The governance of the initiative is therefore essentially top-down. Consultation occurs, but this is not fully embedded in the governance structure. This will change over time as the initiative attempts to become more embedded within the target community

External Environment

- The external environment of the DVP is characterised by a number of social problems:
 1. Ageing and retired population
 2. Out-migration of younger and better-qualified people
 3. Low mobility

4. Relatively high household size
 - This has limited the DVP's ability to engage the community due to a relative dearth of skills and abilities to bring to the third sector.
 - The DVP has good relations with the local authority and other mainstream service providers in education and employment, but has yet to engage fully with its target community. As such, many of the services on offer suffer from both sub-optimal usage and a lack of innovative community input

Key failings of the Initiative:

- The DVP is yet to be fully embedded in the target community, as it is regarded as being a top-down initiative and has yet to engage fully with the existing population groups. It is still accepted that the initiative needs to have more engagement, or to become more bottom-up.

Lessons for transferability?

- The DVP has yet to distinguish adequate impact to draw transferable lessons. However, the use of existing premises as part of an attempt to minimise initial cost outlay has been successful.

3. Processes

A. Funding/Financial situation

- The management of funding is from a series of local authorities, TECs and private partnerships, also the Welsh Office and Assembly. The local authority acts as the accountable body- 6 monthly reports required. Evaluation and accountability done by reports; the partnership is audited yearly. Funding applications are mostly done in-house, also a significant level of support from Neath Port-Talbot borough council.
- Funds from NPT, the local authority, are on a 5-year basis. There are also some discretionary funds from NPT. Many other smaller, project-based funds of varying duration; these are dependent upon the discretionary powers of the funding bodies.

B. Targets set by the initiative; output-led funding

- DVP has holistic aims, within these many employment and training-related outputs. This broad vision and mission lead to some confusion; this is justified by the essentially broad needs of the 3 Dulais valley communities. The partnership aims to be as holistic as possible, but therefore encounters some confusion as resources and funds are stretched. More attempts will be made to address this in future, with concerted efforts to advertise the role of the partnership within the locality and spread word of mouth.
- The outputs specified are dependent upon each project and funder. Most are local authority-controlled, and are therefore less dependent upon results. There is some acceptance of non-measurable outputs and

outcomes as part of the CED /CD process. The employees admit that some programme bending has to occur; this is due to the needs which appeared which the partnership feels it ought to address as part of the holistic development scheme. However, programme bending only operates at a small scale, and therefore there are no significant problems. Funders regard this as a desirable use of discretionary funds to address needs as part of a more holistic development package.

C. Governance of the Initiative

- The communities of the valleys work together and in partnership with key organisations from the public, private and voluntary spheres to maximise opportunities, solve problems and meet the needs of the communities.

Inaugural board-

- Local residents, one from each of the 3 communities.
 - NPT county borough council-member for each of 3 local wards and chairman of the development and consumer services committee.
 - Community councils- one member from each of the 3 local community councils.
 - Voluntary organisation forum-3 representatives.
 - Local agent of the local MP.
 - Swansea University.
 - Neath College.
 - West Wales TEC.
 - Business connect NPT.
 - DOVE workshop.
- The partnership was still operating at a small scale, therefore decisions are taken ad-hoc, as and when they are needed by Lynette Newington and Brian Aherne. However, close consultation with the local authority and other partners produces a key element in moving forward together. There is an acceptance that although informal at the moment, the decision-making process may need to be formalised in the future.
 - The day-to-day decision making process is essentially informal, within the bounds set by the funders. Control over petty cash rests with the employees; however, larger funding bids have to be submitted to NPT or the TEC, dependent upon the nature of the funding being sought. Strategic decision-making is taken through a range of partners. They meet monthly at the time of writing. The local authority holds much power as the authority is the key funding partner. However, there are also indications that the community is becoming more involved in the process, with close associations with other organisations such as DOVE.

D. Community embeddedness

- Pre-partnership consultation and evaluations of the Dulais valley's economic and social problems occurred. This involved a 10% household survey funded by British telecom and the community development foundation; needs and opportunities analysis; public consultation exercise in 3 communities
- There have also been significant local studies under the auspices of the partnership, and a constant re-evaluation of the impact of the partnership. Brian Aherne regards informal consultation as also part of his job; "to get to know what people want, what people think about the place, and to act on it". Periodic formal consultation occurs, but there is no strict mechanism for this. DVP still remains essentially top-down, although with gradually a more responsive, community orientation. As a result, DVP is still subject to the structures which set up the partnership. In time the hope is for a more community input (as seen at Ystalyfera) to influence decision-making and make it more responsive.
- The partnership office is situated in a small ex-BT property in Seven Sisters, on the main road through the 3 main communities of Onllwyn, Seven Sisters and Crynant. This is adequately central, although the target area is such that distances may still be considerable to reach the partnership's offices.
- There is a perception of the DVP as a local authority initiative, rather than being fully embedded.

E. Role of Agency in Enhancing the Initiative.

- Original members are key actors; however, neither employee lives in the community, and as such there is a detachment from the community itself. Some identification in that the partnership has been active within the community itself, thus helping it to become embedded and accepted as a valued part of the community. As Lynette Newington states, "we still have lot of work to do get known, to really get us appreciated"
- No tensions identified between workers or users internally to the initiative.

F. Relationship with external partners

- The Dulais Valley Partnership works closely with the Crynant Business Centre and the Dove Workshop, Banwen in order to ensure a collaborative approach to identify new business and training opportunities and also to support existing businesses located in the valley. The Business Forum provides an opportunity for networking and joint marketing and comprises a group of individuals drawn from the local business community.
- A good relationship exists with the local authority, with lots of support and use of networks. Lynette Newington used to be a local authority employee. This enables the initiative in the short-term to be able to use the resources of the local authority. In the long-term, there is acceptance that this may be a limiting factor on the initiative if genuine community involvement is not fostered. Some tentative links have been formed with the Development Trusts Association; this is regarded as being a good 'talking shop' and useful elements come out of this. However, still feels that the partnership is more closely bound with the local authority as key partners.
- Private sector partnerships are yet to be created (see also Low Simonside, appendix 1.11); There are associations with Crynant business park- to create employment and training

G. Position relative to other service providers

- Effectively much of the work performed by the DVP is that which could be done by the state. However, as seen with the St Simon's Community Project (appendix 1.12), many of the projects succeed precisely because the mode of operation is regarded as separate from state services. The partnership seeks to act as an umbrella group in an enabling role to help provide the possibilities for community engagements. The actual running of the initiative is very top-down, although hopes are that this will change over time to become more bottom-up as it becomes more embedded within the community. However, DVP is organisationally different from the state and has been accepted to some extent as different.

Formal Interviews with managers, beneficiaries and volunteers

Lynette Newington	Project manager
Brian Aherne	Project Deputy; job club co-ordinator
Lesley Smith	DOVE and also member of Steering committee, DVP
Barry Roberts	Job club user

Other related interviews

Colin Ede	Economic Development, Neath Port-Talbot BC
Jane Elliott	Community University of the Valleys

Appendix 1. 7

Ystalyfera Development Trust

1. General Information on the Initiative

Origin and Aims of Initiative:

Ystalyfera Development Trust is a community regeneration partnership that brings together the community, local businesses and the local authority to improve the social and economic well-being of a Welsh speaking village in the Swansea Valley. The general aim of YDT is to improve conditions for the entire town by regenerating the economy and providing an asset base for the future. YDT aims to regenerate the physical, social and economic well-being of the village of Ystalyfera. The town has experienced high rates of unemployment and other forms of social deprivation since the running down of traditional industry in the area. The town of Ystalyfera has a population of 3,500.

YDT was established in 1994 as an exit strategy to manage and develop the assets purchased by an Urban Regeneration Strategy Partnership between West Glamorgan County Council, Lliw Valley Borough council and the West Wales TEC. This had begun the physical improvement of the town with a grant of £750,000 to purchase of buildings in the town and establish community businesses within them. Through a partnership with the Family Housing Association TEC Challenge funds were secured for the first two years. The initiative was unsuccessful in a bid to secure SDS funds from the Welsh Office but was able to obtain additional funds under ERDF Objective 2 which enabled it to continue.

Key Partners and Funding Bodies

- Neath Port-Talbot BC
- ERDF
- WCVO
- Neath College
- West Wales TEC
- Workers Education Association
- Development Trusts Association

Local Data: Indices of Deprivation (2000)

Ystalyfera

Index of multiple deprivation score	50.12
Rank of index of multiple deprivation rank	48 (out of 865 divisions)
Employment domain score	29.93
Rank of employment domain	29 (out of 865 divisions)

2. Outputs and Outcomes from the Initiative:

Quantifiable Outputs: (1999)

Clients into employment, including direct :29
indirect: 9 in community enterprises
Clients into training- 30 people attend recreational and return to
learn courses on a regular basis

Non -quantifiable outputs:

Social effects; community and individual confidence.

- YDT is involved in a number of community development projects which aim to increase engagement by a number of groups within the village. This has led to a significant degree of community engagement, particularly a number of trustees who had lost jobs from mining and local industry. YDT also aims to develop community spirit through the Gwyl Festival.
- The café Y Gegin Fach, which is now located in a YDT property, is deemed to have had a significant impact, particularly for the elderly, as a meeting place and social institution.

Development potential of the area

- Through its ownership of many rented workspaces, the YDT has been able to promote commercial activities within the village. This has attracted 3 small businesses, which may otherwise have had difficulty in finding premises within the village.
- Over the period 1994-1999, YDT was able to attract approximately £3m of new investment in the locality and has seen the creation of 39 new jobs
- The Tiddlywinks Nursery, is now operational and creates a facility for parents who wish to take up work. YDT's extensive training is also hoped to bring employers to the area in the future.

Changing culture

- Ystalyfera demonstrated the typical attributes of an ex-mining and industrial community which has struggled to come to terms with the loss of its primary employers. There is still an engrained attitude which views self employment and enterprise sceptically. However, the members of the trust have demonstrated a keenness to be involved in the educational services and courses provided by YDT. The trust hopes in the future, to develop community democracy to empower local people by providing them with information. The aim is to replace the functions performed by Chapels and Workers Institutes through community consultation, outreach and the Internet. The trust has also revived the local Gwyl festival (now in its 6th year) under the auspices of the trust and in partnership with other institutions. This aims is to create an event through which to engage the local population and beyond, to restore the vibrant social structures which existed in the period of full employment.

Environmental impact

- YDT has already been able to help reduce crime in the area, has begun the process of physically regenerating the town centre. This was badly needed after several years of decline which saw the fabric of the once vibrant village become run-down. YDT has attracted local authority partners to enhance their range and scale of environmental services in the village.

Assessment/Evaluation of Initiative

Key factors in success of the initiative

Mechanism of provision

- YDT is a development trust and partnership organisation that aims to regenerate the physical, social and economic well-being of the village of Ystalyfera. The town has experienced high rates of unemployment and other forms of social deprivation since the running down of traditional industry in the area. This has therefore sought to bring about a holistic change in the community by addressing a number of needs.
- YDT aims to promote sustainable development in the village by identifying and providing information about community needs, acting as a focal point for the community, representing the village to the local authority, creating opportunities for regeneration through the refurbishment of properties and the provision of relevant training and assisting in the establishment of community businesses.
- YDT now owns a number of properties in the town that are used in various ways as venues for community enterprises, social housing or as means of securing income through commercial leases. Much of the work of the Trust is carried out by its commercial arm, Regeneration Through Partnership Ltd., which underpins the regeneration process and acts as the holding company for the Trust's assets. This has assisted the development of funds for core YDT activities.

Governance

- YDT employs a small core staff of 4 and as such day-to-day governance issues are dealt with at a relatively informal basis, weekly meetings are used to decide key financial and strategic moves.
- The community are directly involved in the planning and running of YDT, with an increasing number of places on the strategic management board. This works well in co-ordination with the day-to-day management employees to produce a coherent vision for the YDT and agrees a means to do this.
- The transition from top-down partnership to 'bottom up' development trust has been key in the governance of the initiative. The strategic management is a strong board, which comprises community members, partners and workers. This therefore provides a coherent basis for the trust to develop.

External Environment

- Ystalyfera has a strong community identity and a tradition of local political activism and involvement. There are numerous community groups which are also present, and associated with the trust to provide a coherent response to local needs as they are identified. The social capital of the locality therefore represents a more vibrant base on which to develop the locality, despite the relatively poor economic situation of the village. This willingness to become involved is cited as a key element in the trust's development so far.

- Other initiatives include the development of community democracy to empower local people by providing them with information. The aim is to compensate for the functions performed by Chapels and Workers Institutes through community consultation, outreach and the Internet.

Key failings of the Initiative:

- YDT demonstrates few failings, although this has been achieved with the input of roughly £1.5m over 5 years to develop the trust, this has enabled the trust to buy properties, although the trust is still far from being able to achieve sustainability as the trust requires constant funding to underwrite its activities.

Lessons for transferability?

- YDT has demonstrated the possibility of an extremely top-down initiative becoming community-based as part of an exit strategy, and as such has the potential to transfer powers from statutory agencies to local communities is demonstrated by Ystalyfera. However, the YDT has been the beneficiary of a number of large funding streams to develop such a organisational framework, not least through the purchase of 5 properties within village.

3. Processes

A. Funding/Financial situation

- YDT is closely monitored by funding bodies, particularly concerning ERDF funds. Since all the Trust's buildings are in occupation assessment has been very favourable from Europe. The Local Authority has a representative on the board of trustees and thus is able to monitor directly the progress of the project.
- YDT has a dedicated financial administrator with several years experience. The trust benefits from a number of funding streams, mostly from Europe, to develop its activities. With a large capital input from the exit strategy, this also allowed funds to be concentrated on revenue streams.

B. Targets set by the initiative; output-led funding

- The project offers a variety of vocational and non-vocational courses. YDT has a broad remit which aims to regenerate the community as a whole. To that end it combines community enterprise development, normal commercial activity and the provision of needed social services. All of these activities are designed to work together and to involve local people.
- In combination with the physical refurbishment of the town centre the community is given a focal point around which broader social aims and economic development can be achieved.
- The extent to which funding is dependent on outcomes varies according to the purpose for which it has been secured. Since all the buildings owned by the Trust are occupied either by small businesses or by housing or both, YDT has fulfilled ERDF requirements. The Local Authority is represented on the board of Trustees so they have a stake in the running of the project as well as its funding.

C. Governance of the Initiative

- YDT acts as the core of the community regeneration partnership, developing new projects and co-ordinating funding. It is a membership organisation which currently has over 160 members drawn from the local community.
- There is a board of trustees which consists of representatives of the local community, local authority, local churches and other professional agencies.
- The core project has a small staff consisting of a Manager, a Community Development Worker and an Administrator.
- The commercial arm of the project, Regeneration Through Partnership Ltd. (RTP), is responsible for the Trusts assets and for the support of the community businesses. It owns the Trust's five properties in the village which are let as a mixture of Commercial, Community and residential units.
- YDT also carries out extensive local consultation through focus and discussion groups and through informal networks in the community.

D. Community embeddedness

- As it has developed, YDT has changed from being an essentially top-down initiative to being properly community led with a high level of community membership and involvement.
- Ystalyfera has a wide range of social problems associated with the economic deterioration of the village which means that YDT must meet a variety of differing social needs. The numbers involved vary over time as the initiative is able to branch out into new areas of work.
- The community are directly involved in the planning and running of YDT. Community needs are identified through discussion workshops and community audits and the Trust supports 16 groups in Ystalyfera. The initiative has moved from having a traditional and rather paternalistic organisation established by service and local government professionals to a properly integrated community project. Ystalyfera has a strong community identity and a tradition of local political activism and involvement. 64% of the local population are Welsh-speaking which adds to the sense of community and identity.
- YDT has over 160 members in the locality, each of whom receive a bilingual newsletter and other project literature. YDT also carries out extensive local consultation through focus and discussion groups and through informal networks in the community.

E. Role of Agency in Enhancing the Initiative.

- The trustees and directors of the initiative are volunteers drawn largely from the local area and are directly involved in the running and management of the initiative. Individual agents are key in developing the embeddedness of the trust within the community, although the trust has been able to cope with a number of personnel changes though its relatively robust organisational framework which has a number of partners in funding streams.

F. Relationship with external partners

- YDT has close partnership arrangements with several other local and national bodies, including: the Development Trusts Association, the Small Firms Association, the Workers Educational Association, the Family Housing Association, the Wales Council for Voluntary Action, Business in the Community, the local TEC and the Local Authority. This has allowed YDT to take advantage of these institution's resources and networks, thus allowing it to

form partnerships in funding applications for which it has profited.

G. Position relative to other service providers

- YDT is developing new projects such as Ystalyfera Economic Support Services (YESS) which will offer support to new businesses in the town, and the Ystalyfera Telecentre. YDT will offer the self-employment option through the New Deal Pathfinder Area in which it falls. YDT is therefore in a position to be complementary to the mainstream service providers, but regards this as a means to develop a more holistic development scheme.

Formal Interviews with managers, beneficiaries and volunteers

Chris Owen	Trust Director
Clive Thompson	Community Access Point Co-ordinator
Judith Bevan	Former head of the YDT from its inception as an exit strategy from the Urban Regeneration Strategy Partnership.
Alyn Llewellyn	Board member of YDT and Chair of Tiddlywinks Nursery
Gareth Davies	IT course Trainee
Adrian Davies	Manager, Y Gegin Fach Café; trustee and committee member, Ystalyfera Development Trust

Other related interviews

Tony Potts	West Wales TEC
Colin Ede	Neath Port-Talbot BC

Appendix 1.8

Sherburn Road Regeneration Initiative

1. General Information on the Initiative

Origin and Aims of Initiative:

The Sherburn Road Regeneration Initiative began 1996, as a top-down regeneration initiative. The aim, in partnership with local residents, is to bring about the regeneration of the area through a comprehensive, multi-agency and integrated strategy. This comprised a number of partnerships with locally existing agencies to produce small-scale projects within the estate to achieve an holistic set of aims including the improvement of the environment, social, housing, economic and crime situation in the estate. To do this, the SRRI incorporates a number of initiatives, including: Milestones, Flying start, Rapid response squad, Top and bottom furniture project, a child care project, and Community economic development and business start-up.

The SRRI was set up under the leadership of Durham City Council (the local district Council) and the partnership is essentially top-down. The Sherburn Road Regeneration Initiative represents by far the largest investment by far of the case studies looked at here, comprising £4.2m SRB funding and £9.0 million other funding over the period 1996-2003. This allows the concentration of funds and more impact to be made in a short period of time. The Sherburn Road Estate on which the partnership is based lies 1½ miles east of Durham city centre. The estate comprises 600 dwellings and 2000 people.

Key Partners and Funding Bodies

- Durham City Council
- Durham County Council
- Leach Homes
- Three Rivers Housing Association
- Groundwork Trust
- Durham Constabulary

Local Data: Indices of Deprivation (2000)

Gilesgate Moor:

NB: The Sherburn Road Estate itself is too small to warrant its own ward-level statistics and as such has been merged with the broader area of Gilesgate Moor.

Index of multiple deprivation score	20.37
Rank of index of multiple deprivation rank	3485(out of 8414 wards)
Employment domain score	12.38

2. Outputs and Outcomes from the Initiative:

Quantifiable Outputs (1999-2000)

Clients into employment 10 jobs created (+ 9 lifetime)

Jobs have been created for residents:

Rapid response squad	6 jobs
Housing improvements: local labour:	8 jobs
Top and Bottom Furniture project:	1 job and more expected
Community development assistants:	3 jobs
New business start-ups:	2 (6 in total)
Clients into training-	23 obtaining qualifications
Community enterprise start-ups:	8

Unemployment fell from 24% in 1991 to 18% 1998

Non -quantifiable outcomes:

Social effects; community and individual confidence.

- There has been an increase in social interactions within the estate; those interviewees who have experienced training and employment regard the SRRI as having been of great benefit individually.

Development potential of the area

- The development potential of the area has been significantly increased by the actions of the partnership, although this has been limited to a relatively micro-scale impact. However, the partnership hopes to take advantage of the Sherburn road estate's position on the edge of Durham city, with its administrative and educational functions. Employment from industry near the estate which has disappeared is gradually being replaced by service functions.

Changing culture

- Mixed views; some residents feel a new start has been made by the estate; others feel the same mix of people will lead to an eventual degeneration of living conditions once funding has left the estate. However, as the impact of the SRRI has significantly changed the external perception of the estate. Crime has dropped dramatically.

Environmental impact

- Significant improvements to the fabric of the estate, with landscaping, children's play areas, gardening and fence reconstruction; also traffic calming measures.
- There have also been a number of new homes built in the estate by private contractors, Leach Homes, which has improved the mix of tenures on the estate.
- The area is cleaner and tidier, thanks to the Rapid Response Squad, an environmental task force employing residents.

Assessment/Evaluation of Initiative

Key factors in success of the initiative

Mechanism of provision

- The Sherburn Road Regeneration Initiative is essentially a top-down partnership of a number of agencies to promote a holistic development framework for the estate. This has focused upon multiple objectives to enhance training, educational and employment prospects.
- This has therefore had an impact across a number of sectors in the Sherburn road estate, while remaining dependent upon broader labour market conditions to improve significantly the chance of employment for residents.
- Individual targets are:
 1. Improve the local economy
 2. Improve housing conditions
 3. Improve the environment
 4. Reduce crime and improve community safety
 5. Improve the quality of life for local people and build a stronger community

Governance

- The partnership approach appears to have worked well, with co-ordination of a number of agencies. This involved a hub and spoke design- which allowed the central co-ordination of a number of outside agencies. Despite the top-down nature of the partnership, this has still allowed some community input through official channels, though this has resulted in only a minor influence upon decision-making.
- Money has always been available; the partnership has not had to address questions of looking for funds. Many of the targets which had been allocated were achievable due to the fragmented nature of the partnership process, thus giving responsibility to a particular agency.
- The SRRI enjoys good relations with Durham City Council, with many of the employees of SRRI formerly working for the council. The SRRI has therefore been able to tap into many of the city council's resources.

External Environment

- Before the inception of the partnership, the estate was lacking confidence, with a number of disaffected youths and many drug problems. Environmentally it was poor, with a reputation for joblessness and crime. The estate, while lacking many of the features of social capital suggested in the literatures, nonetheless had a sense of community referred to by locals. The turnover of population in the estate was not as rapid as was the case with Trebanog/ Waun Wen (appendix 1.3); the demographic split was more towards the older end.
- People did not talk in terms of an industrial social capital; any memory of mines had disappeared well before the period in question. The estate was

built an evolved into a part of the wider auspices of Durham City and the employment functions within that. There are generational aspects of the social capital; interviewees talk of a more fixed community in the past, and note a general disregard of the younger generation. However, the initiative did intend to engage younger people in the development of activities, job creation and training.

Key failings of the Initiative:

- Value for money: the Sherburn Road Regeneration Initiative has spent a considerable sum on a relatively small area, with observable results. However the impact has been more of a kick-start than a long-term solution to the problems of the area. Some community businesses have been created, (most notably the Top and Bottom Furniture Recycling Group). However, many of these are still dependent upon the formal economy to continue the development of the estate. Many of the projects within the partnership also failed to reach the more disaffected of the youth population in the estate.
- Outside private sector development is a key part of the long-term needs of the SRP, which the limited lifespan of the key funding streams may fail to address if no coherent exit strategy is formed. Job creation has aided the development of the partnership and succeeded in smoothing the partnership's progress.

Lessons for transferability?

- The SRRI acted as a large-scale regeneration fund, and as such the lessons are limited due to the size of funding available. However, the ability of agencies to work together towards common goal within a framework which is co-ordinated at the centre may demonstrate a potential manner for other partnerships to operate inter-agency responses.

3. Processes

A. Funding/Financial situation

- Funding is significant in scale; £13.2m over 5 years. Due to the nature of funding the accountable bodies were widespread, although Sherburn Road Regeneration Initiative has to produce evaluation documents to ensure the proper use a of funds for which it was accountable.
- Break-down of funding: Partnership led by Durham City council

SRB	£4.2 m
Private	£4.5 m
Estate Challenge - used by 3 Rivers Housing Association to improve properties, matched with own resources	£3.2m
Other public	£1.1 m
ESF/ERDF (Obj 2 /priority 4)	£0.2 m

Total funds	£13.2 million
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B. Targets set by the initiative; output-led funding

- Each target was set by the individual funding agency, relevant to the particular stream of operation. The result has been funding which is directly related to outputs from the initiative, although these have been seen to have variable relation to the individual stream funded. There has been some discretion shown by elements of the partnership in that it funds have now been used to meet less tangible targets where this has been appropriate. However, this has still depended upon the meeting of formal targets.

C. Governance of the Initiative

- The Sherburn Road Regeneration Initiative involves multi-agency approach very much at the institutional level, with a degree of co-ordination and support for many of the individual projects. Lots of institutional support, is present, through local authorities and the presence of interested parties as part of a broader remit.
- Essentially top-down; a multi-agency partnership approach as dictated and advised by the government.
- The partnership has the support of many in the local authority, Durham City Council. SRRI demonstrates a multi-agency approach which did not produce any problems with duplication or conflict within the partnership. Community engagement in the management of the partnership has been limited; the aim was to provide a framework into which the long-term development of the estate could fit.

D. Community embeddedness

- Consultation was embedded within the partnership, and the community development workers installed as part of the partnership offered a conduit for information. However the sheer scale of the partnership meant that a lot of the information could not be acted upon. Residents had the feeling of something being imposed which they could join, rather than something which was under their control. However, many of the residents expressed a great deal of thanks at the work that had been done. The improvements to street lighting, CCTV (though some regarded this as intrusive) and traffic calming were very much appreciated – interviewees therefore suggest the need for observable results. The more fluid, ambiguous developments were mentioned less.

E. Role of Agency in Enhancing the Initiative.

- While individual agents have been important in the creation of particular streams of operation, the overall assessment of the partnership is that individuals have had a relatively limited impact upon the initiative. The

partnership is far more concerned with institutional co-ordination rather than individual input.

F. Relationship with external partners

- The SRRI has a strong relationship with other service providers. Indeed this is the very nature of the partnership. These are summarised above. The nature of this relationship is concerned with partnership working, and represents a hub and spoke mechanism to facilitate this

G. Position relative to other service providers

- Many of the services and inputs created in the Sherburn Road Regeneration Initiative are those which could be done by mainstream service providers. However, there are a number of projects which have been specifically tailored to the estate, most notably the police efforts to improve crime detection through CCTV and extra police in the area.
- Only the *Top and Bottom Furniture Recycling Scheme* demonstrates a potential third sector community business in that it meets the needs of the population in terms of cheap furniture through the use of local unemployed labour in the restoration process

Formal Interviews with managers, beneficiaries and volunteers

Ernest Dobson	Leader of the Sherburn Road Regeneration Initiative
Dave Hall	Local co-ordinator, Rapid Response Squad
Nigel Dowd	Trainee, Rapid Response Squad
Rena Howe	Top and Bottom furniture recycling project
Sue Syson	Community development worker employed by SRRI
Betty Jones	Member of the local women's group

Appendix 1.9

Spennymoor Training Initiative

1. General Information on the Initiative

Origin and Aims of Initiative:

The Spennymoor Training Initiative began in 1994 on the Bessemer Park estate in Spennymoor, with a number of concerned residents who identified the need for community based training providing on-the doorstep training to meet their needs and enabling them to access wide range of community based education and training opportunities which could lead to employment. A Skills survey carried out which identified, giving impetus to the conversion of a former British gas depot (the 'gasworks site' into the original premises of the initiative. As part of the original aims of the STI, training and employment creation featured as part of remit to enhance the educational and economic standing of the estate. As part of this, the STI sought to both improve access to training opportunities and seek to create the conditions for self- employment through training and community business, However, the focus on the elements of community economic development were allowed to decline as it was realised that there was significant need for the development of individuals before the step could be made into self- employment or community business.

Partnership working was crucial although the vision of a training initiative was the idea of residents, a large number of public and third sector agencies were involved, most notably Bishop Auckland College.

Key Partners and Funding Bodies

- County Durham TEC
- Bishop Auckland College
- Spennymoor Town Council
- Spennymoor Youth and Community Centre
- Sedgefield Borough Council

Local Data: Indices of Deprivation (2000)

Spennymoor:

Index of multiple deprivation score	22.78
Rank of index of multiple deprivation rank	3041 (out of 8414 wards)
Employment domain score	12.65
Rank of employment domain	2228 (out of 8414 wards)

2. Outputs and Outcomes from the Initiative:

Quantifiable Outputs: (1998-1999)

Jobs Safeguarded:	2
People trained and obtaining Qualifications:	433
Residents in Spennymoor accessing employment through training:	20
People trained obtaining jobs:	31
Young People benefiting from personal and social development projects	332

Non -quantifiable outputs:

Social effects; community and individual confidence.

- The courses and opportunities for social interaction, particularly in the past, significantly increased the confidence of individuals who have been involved in the initiative. This impact has been continued through into the current period, with interviewees noting the role the STI plays in integrating people into the local community through contacts made in the training initiative.
- This role of individual development has also been continued in the presence of a set of courses which intend to promote the personal and social development of young people, with consequent impacts upon the local community.

Development potential of the area

- The STI has increased the development potential of the area through training; however this has not translated into increases in the development of the area, due to a lack of employment creation. TSI has essentially led to a supply-side solution to the problem of the estate, as opposed to the creation of demand and meeting local needs through community enterprise.
- Although the STI soon shelved attempts to directly create community businesses, documentation reveals that the STI has indirectly led to the creation of two businesses by previously unemployed people who trained at the STI.

Changing culture

- The STI has shifted the culture to some extent regarding attitudes towards learning and training. However as the STI only reaches a small percentage of its original target population, the result has now been to skim off the

cream of those in the locality. As such, this relied on trickle-down effects to change the whole estate.

Assessment/Evaluation of Initiative

Key factors in success of the initiative

Mechanism of provision

- The STI provides a number of courses from mainstream educational establishments, from simple taster courses to NVQs. The mechanism is one which provides educational and training courses within an organisation which offers a more flexible approach to learning and training compared to more formal educational institutions. This mechanism has become narrowed over time as the STI has become more mainstream in its vision and mission, thus seeking to offer education but in a qualitatively different manner.

Governance

- The partnership of agencies has demonstrated a well-functioning governance structure, with local authorities and educational institutions playing full roles. There is also a considerable level of consultation within the initiative, although this no longer reaches out to the broader community.
- The executive decision-making powers of the initiative have effectively been passed the management group, due to the need to take decisions in response to the needs of the users. This also reflects the narrow aims of the initiative, and as such, the managers hold power above the strategic board and users.
- The partnership arrangements with Bishop Auckland College have been very fruitful for the STI, which has now become fully formalised under the auspices of the college.

External Environment

- There were a number of key individuals who were able to bring together the partnership, under the auspices of one umbrella group. However, the broader community has still to be engaged and included in the STI's activities. As such, the community did help to create the STI but have since lost control; the impact of the social capital of the area, while at one point relevant in that it provided a set of interested individuals, has now narrowed to the educational needs of the target area, which is now much wider.

Key failings of the Initiative:

- The STI has become essentially unrecognisable from many similar education and training initiatives in that it has become professionalised, formalised under the auspices of Bishop Auckland College.

- As such, the STI now fails to meet the need of many of the most underprivileged on the Bessemer Park Estate. The STI has effectively become a mainstream education and training provider, and as result it has taken on a role which should be done by mainstream service providers and lost much of the rationale which led to it s foundation in the first place. By concentrating merely upon education as opposed to a more holistic community development agenda, the initiative has added little to the demand side of employment problems in the Bessemer Park estate and the broader Spennymoor area.

Lessons for transferability?

- Lessons are present in the manner in which a community was able to develop and bring in other agencies in a partnership. STI therefore originally succeeded as a pressure group. However, this is limited in the way the STI has been able to offer a significantly alternative form of third sector development.
- In many ways, the Spennymoor Training Initiative represents a successful model of growth and development, to provide education, training and hence employment opportunities for people of the Bessemer park estate. However, with growth the initiative has moved both physically and psychologically away from the estate on which it was created. As such, while the crude number of people educated and trained is on the increase there are concerns that the 'value added' by each output is in decline as the initiative no longer reaches its core community. As such, there are discussions as to the need of the STI to create an outreach programme and go back to its geographical and demographic roots in the deprived areas of Sedgefield and Spennymoor.

3. Processes

A. Funding/Financial situation

- The funding for STI comes mostly from contracts to run education and training courses under the auspices of Bishop Auckland College. The process involved in accounting for funds is therefore different to the majority of the TSEIs studies here in that virtually all funds are ring-fenced, therefore allowing little lee-way for the STI to engage in more experimental provision types.
- SRB funds which were won to construct a new premises on the Merrington lane 2 years into the development of the initiative. This has bee put almost entirely into the new building, the Sedgefield Borough Training Centre.

B. Targets set by the initiative; output-led funding

- Funding for the STI from the SRB fund went almost exclusively into the construction of the new Sedgefield borough training centre site on Merrington lane. As such, this funding was ring-fenced and specifically related to the construction process. Other funds from Bishop Auckland

College are related specifically to outputs and trainee numbers, as these are funded through local education authority schemes.

- Private sector finance is injected in to the centre through the provision of particular training schemes for workers in local businesses. The targets set by the STI are almost exclusively output-led in that they reflect the throughput of training and educational qualifications.

C. Governance of the Initiative

- The governance of the initiative is determined by the relationship with the external partners, most notably Bishop Auckland College. While there is a degree of flexibility in the search for outside contracts, the provision of many of the courses is dependent upon the search for enrolments. This subsequently relegates the role of management towards one which is working within a very narrow and structured framework rather than one in which management actively creates that framework.
- Likewise, the strategic management steering committee, which meets bi-monthly, has been channelled towards the provision of particular types of courses and the possibility of the initiative taking radical courses of action has diminished. Strategic management has therefore become path-dependent and as such many of the decisions which influence the STI may now be made by the management group which advises the steering committee and oversees the operational activities of the initiative. Consequently, the strategic steering committee has become relatively weak and has become more of a rubber-stamping exercise.
- However, within this structure there is a degree of flexibility and the views of the beneficiaries form the initiative's courses are encouraged to participate in weekly user consultation sessions. These are acted upon to tailor the mechanism of provision and maintain the level of enrolments in the initiative.

D. Community embeddedness

- The embeddedness of the STI within the community of the Bessemer Park Estate has shifted significantly over the lifespan of the initiative. The STI was originally a response to needs as identified by local residents and which led to the generation of a partnership to address this need. This was crucially dependent upon the input of a number of volunteers to promote the initiative development of the initiative.
- While even at the earliest stage the STI was chaired by a local councillor, the leaders and workers were accountable to a body of residents, thus embedding the initiative within the community.
- The community spirit and collective action which set the initiative up have largely disappeared as a factor in the future development of the STI. Although some older users refer to this, this is generational; informal interviews with the younger clientele did not possess much knowledge regarding the set-up of the initiative and the gasworks site, even. The STI was simply regarded as a more informal alternative to school.
- The STI has failed to keep track of the needs of its original target population by moving away from its original premises on the Bessemer

Park estate. This has created both a physical and mental separation from that original community, and thus the perception (now true) that the STI is not a *community* project

E. Role of Agency in Enhancing the Initiative.

- The role of individual agents in promoting and developing the STI has become subsumed by the broader organisational framework required by the formalisation of the provision on offer. While interviewees note the influence of the initiative's manager, Julie Cook, in creating a particularly welcoming atmosphere in the initiative, this is now less relevant as the initiative seeks to provide more homogenous training and educational opportunities for its members. The relationship of manager and user has thus become more arms-length

F. Relationship with external partners

- The relationship with the external partners has been crucial in developing the initiative from its roots. Although the vision of a training initiative was the idea of residents, a large number of public and third sector agencies were involved in gaining funding. However, the key partnership has been that with Bishop Auckland College, which has been formalised over a number of years so that the STI has now lost much of the community input into its actions.

G. Position relative to other service providers

- The STI has become essentially unrecognisable from many similar education and training initiatives in that it has become professionalised and formalised under the auspices of Bishop Auckland college. The result is to essentially question STI's categorisation as a third sector operation. At its outset, the initiative had an organisational distinctiveness which set it apart from formal sector operations. However, the impact of funds and the desire to grow has led to a formalisation of the operations. The STI does still maintain a niche in that its geographical proximity to Spennymoor marks it out as a key further education provider in the near area; it also manages to retain a more 'friendly' atmosphere than the more formal school/college environments of the Bishop Auckland college.

Formal Interviews with managers, beneficiaries and volunteers

Julie Cook	Training Initiative Co-ordinator; Julie was appointed to the STI in 1994.
Rachel Burns	Bishop Auckland College
Bill Nelson	Beneficiary of the STI
George Turnbull	Beneficiary of the STI

Other related Interviews

Gillian Spry	Sedgefield Borough Council
Richard Prisk	Sedgefield Borough Council.

Appendix 1.10

Trimdon 2000

1. General Information on the Initiative

Origin and Aims of Initiative:

The initiative began in 1995. It started as a group of residents concerned with impending millennium celebrations and what could be done by the community itself to improve the situation. Trimdon 2000 rapidly grew far beyond this aims (millennium celebrations were shelved) to become a far- reaching regeneration initiative concerned with the social, environmental and economic regeneration of Trimdon and its environs. The community appraisal was carried out 1995; a questionnaire was offered to all residents of Trimdon (3500); 47% response rate. This identified key areas of concern for residents. From the appraisal, an action plan was drawn up and turned in to a package for funding which was accepted by Sedgefield Borough Council BC as part of the borough's EU objective 2 package.

Key within the development of the initiative has been the refurbishment of premises which now house a community business, Call centres Durham, This is a teleworking centre which aims to provide funds for the rest of T2000's activities in the medium to long tem.

Key Partners and Funding Bodies

- Sedgefield Borough Council
- Durham County Council
- British Telecom
- Groundwork East Durham
- Durham Rural Community Council
- East Durham Community College
- Trimdon Community College

Local Data: Indices of Deprivation (2000)

Old Trimdon

Index of multiple deprivation score	51.35
Rank of index of multiple deprivation rank	514 (out of 8414 wards)
Employment domain score	24.56
Rank of employment domain	356 (out of 8414 wards)

2. Outputs and Outcomes from the Initiative:

Quantifiable Outputs: (1995-1999)

Clients into employment	15 at call centre; 8 elsewhere
Clients into training- out of centre out	11 through ESF funding; carried by EDCC. 2nd round beginning.
Clients into training- in centre	yet to commence

Non -quantifiable outputs:

Social effects; community and individual confidence.

- Some social effects have been seen, particularly for those who have benefited from training schemes: June Pearce states, with regard to her son, "as I say, I don't think he'd be working today if it hadn't been for Trimdon 2000"
- Community based events have some involvement in bringing disparate parts of community together.

Development potential of the area

- T2000 hopes that the Development potential of the area will increase if it continues to be successful. Within the group, an aim is to retain income within the Trimdon economy to help it recirculate.

Changing culture

- There is a significant change in the institutional culture within the region. Key to the successes of the initiative, the institutional inadequacies have been highlighted.
- The niche filled by the Miners' welfare and colliery systems were a natural place for T2000; works-based social action is no longer appropriate. The Working men's club re-opened 1994 as the Labour club. This political background is a burden for T2000, which aims to be apolitical (though still some who regard it as the a Labour party institution)
- Considerable concern within Trimdon 2000 regarding other villages who do not have the networks and capacity available to T2000.

Environmental impact

- A millennium green is still in the process of creation. A sculpture on the arterial road at the entrance to the village has also been erected. Key environmental improvements still at the planning stage.

Assessment/Evaluation of Initiative

Trimdon 2000, with its very nature as an inclusive multi-agency project, has demonstrated the need and requirement of statutory agencies to re-evaluate their roles as service providers. The initiative sees itself as pushing the community development agenda within Sedgefield and County Durham. Call Centres Durham, only set up in 1999 with a £55,000 grant, has yet to produce any significant revenues due to payments in arrears. However, it has achieved targets of contract fulfilled and in the medium term should provide sustainability to the social and environmental works of the project. Long-term sustainability will depend upon the ephemeral nature of call centre businesses and adaptation to new technology.

Key factors in success of the initiative

Mechanism of provision

- The mechanism comprises a broad, community-based vision for Trimdon; appraisals are used as a key to the needs and hopes of residents.
- Call Centres Durham are relatively capital un-intensive; this can therefore respond to changing nature of the business and market. T2000 will require to become more business oriented in the future.

Governance

- The governance of T2000 is democratic with an emphasis on outreach. However, T2000 still demonstrates considerable failings through not being able to increase embeddedness of the initiative.
- The aims of succession by individuals is stymied by lack of interest, the initiative relying on key members.
- Members of T2000 involved have high capacity and skills; this creates a suitable basis for exploration of possibilities. A large number of statutory and non-statutory partners have been involved by T2000 members to ease the burden of provision within Trimdon.
- T2000 operates on a multi-agency approach which has seen a reworking of roles and a reappraisal of the needs and requirements of the community

External Environment

- T2000 has highlighted and played upon the existing network structures within the region. The external environment, whilst not supportive, has been channelled to enhance the potential and reality of Trimdon village. The local attitudes towards Trimdon suggest a general degree of ambivalence, with T2000 struggling to ensure full engagement with the whole community. However, hopes remain that T2000 will become more embedded in the future.
- T2000 has benefited from a number of well-educated individuals; it has also drawn on the resources of the local Labour Party.

Key failings of the Initiative:

- There is too much reliance upon agency and lack of succession structure.
- There has also been a failure to enthuse residents more, despite outreach in community events and in the form of the millennium messenger.
- Slow progress on issues highlighted in appraisal.
- Potential short-term prospects of Call Centres Durham.

Lessons for transferability?

Trimdon 2000, by the nature of the project as resting upon the capacities of individuals to achieve the successes so far seen, has little to offer as a whole for other community groups. However, some key elements can be seen as transferable:

- Outreach (though this is less successful than imagined), a newspaper, the millennium messenger. This requires significant investment of time and energy.
- Multi-agency approach, thus channelling the resources of existing agencies into the needs of the community.

3. Processes

A. Funding/Financial situation

- EU funds are paid in arrears, to bank account. T2000 Depends upon these funds, yet must pay monies out before get reimbursed; this is a burden for an organisation with little cash throughput.
- T2000 also received a Nat West £55,000 grant for Call Centres Durham which was paid up front.
- T2000 has a Treasurer (Anne Timothy) the initiative is audited yearly with introduction of charity status. 2 or 3 signatures are required to sign cheques. Key financial decisions are submitted via committee. T2000 as a whole is accountable to funding bodies; most EU funds for a millennium green are administered direct from the EU. Objective 2 have been gained funds as part of borough-wide strategy through SBC as accountable body. Some support is given for funding applications from Sedgefield Borough Council (SBC) objective 2 bid.
- However, it is suggested that SBC are only interested at larger-scale funds, and alternative institutions needed to provide joined-up support. Frank Hoban states, "the borough council had been very supportive all the way through and had given great advice; they told me that I couldn't do it without a partnership. I trusted their advice and got a partnership, and lo and behold they started to take ownership of the scheme"

B. Targets set by the initiative; output-led funding

- The stated aim of T2000 is broad; to enhance the social, economic and environmental well-being of the people of Trimdon and its environs. This allows T2000 to tackle the remit on many fronts. This has however led to some confusion of aims.
- Funding is related to specific outputs; the aim of community business to be self-supporting and to provides basis for other activities. If outputs are not achieved, the Community business may quickly become loss-making. However, the nature of the business means overheads beyond staffing costs are quickly reduced to low levels. A roof for the local shopping centre improvement is a key element of environmental improvements as defined by appraisal. Refusal of ERDF funds to support centrepiece due to sourcing from outside the region led to other elements had to be scrapped alongside this.
- There is no difference between stated aims and actual outcomes, despite broad aims. The ring fencing of funds occurs, to maintain the distinctions between funding streams

C. Governance of the Initiative

- T2000 aims to be non-hierarchical. Each sub-group has leader; when there are just 4 members per group, the dominant personality comes to the fore.
- Call Centres Durham has one sub-group; day-to-day decision-making is reliant upon the manager, a secondee from BT.
- T2000 itself does not make day-to-day decisions; this is left to Sub-groups.
- Partnership meetings and monthly meetings provide forums for strategic consultation and progress reports. Strategic planning related to 1995 appraisal (see below)
- The strategic board has been reliant on Peter Brookes (leader) and networks associated with people involved.
- SBC are the key players in EU Objective 2 funds. Partnerships are in operation, but considerable bureaucracy is imposed by Sedgefield Borough Council and ONE NorthEast.
- Consultation is based on a community appraisal carried out 1995 in which a questionnaire was offered to all residents of Trimdon (3500); 47% response rate. This identified key areas of concern for residents.
- The appraisal remains a key area of consultation referred to as part of strategic aims of the initiative
- The aims of T2000 are closely related to the appraisal, therefore representing a configuration of capacity, need and interest.

D. Community embeddedness

- Just 20-30 people turn up to monthly meetings, demonstrating a lack of embeddedness. Some members of the community regard T2000 as part of the labour party. T2000 is therefore struggling to enthuse people within the community, despite outreach in the form of millennium messenger and events; a great deal of apathy exists.

E. Role of Agency in Enhancing the Initiative.

- Peter Brookes acts as the chairman. There is a great deal of reliance upon small number of active and very well- connected members of T2000. Without this, initiative would never have achieved successes and status. The key original players in T2000 are still present, though the aim is to create succession to ensure embeddedness.

F. Relationship with external partners

- The committee structure of the local authority remains a stumbling block when dealing with applications. T2000 receives no direct funding from SBC; the relationship is that of partners in package. Some financial aid does exist where cash flow is a problem. SBC regards itself as being subject to tight fiscal controls.
- The local authority believes its role is to bring realism to proceedings, particularly where large sums of money are involved. The aim is not to dash hopes, but to make these hopes real. The SBC appreciates it is cast as villain, but feels that this will be appreciated in the long term.
- Trimdon 2000 includes a large number of external partners, who have become part of the steering committee.

G. Position relative to other service providers

- The projects aims see the whole population of Trimdon as a target, as it attempts to ameliorate the social economic and environmental capacity of the village.
- There is a tendency for projects not to be so well supported or embedded within the whole community; some, particularly environmental projects, may be considered as expensive outlays considering the amount of community benefits that incur.
- T 2000 does fill a different niche, to other service providers, although this is dependent upon the scale of operations.
- T 2000 has challenged the received wisdom with regard to the mechanism of service provision. It aims in the long-term to become statutorily funded, or to have changed remits of agencies to become more responsive to community needs; demonstrates how agencies could become more embedded.

Formal Interviews with managers, beneficiaries and volunteers

Peter Brookes	Chairman, T2000
Anne Timothy	Head of Durham Call Centres committee
Frank Hoban	Retired LA worker; T2000 secretary
June Pearce	A recent member. Her son has taken training from T2000.
John Davies	Durham Rural Community Council and member of steering committee
John Burton	Steering Committee Member, Trimdon 2000

Other related Interviews

Gillian Spry	Sedgefield Borough Council
Richard Prisk	Sedgefield Borough Council

Appendix 1.11

Low Simonside Employment Initiative

1. General Information on the Initiative:

Origin and Aims of Initiative:

The Low Simonside Employment Initiative was set up in 1991 as an experimental project to assess the possibility of a multi- agency approach to the employment and social problems on the Low Simonside estate in South Shields. The initiative originated in work carried out by STMBC, who saw a need for an experiment in multi-agency working at the local level in South Tyneside. Low Simonside is part of an ex- shipbuilding community which is gradually coming to terms with significant job losses within the locality. South Tyneside itself has suffered significantly from deprivation resulting from job loss in the district.

The main idea behind the LSEI was to co-ordinate agencies who were delivering national, regional and sub-regional programmes to benefit the area as far as possible by ensuring they were being delivered effectively at the very local level. Low Simonside was identified as a typical area with significant and potentially intractable problems. The initiative was described as 'action research' in that the lesson would help to pinpoint what would need to be done at a very local level.

The LSEI was planned as a 3- year project with an exit strategy to continue the initiative, although this lasted only 3 months after the proposed completion of the project and funding.

Key Partners and Funding Bodies:

- Local authority: South Tyneside MBC (Unitary)
- Employment Service
- Tyneside TEC
- South Tyneside College

Local Data: Indices of Deprivation 2000

Tyne Dock and Simonside

Index of multiple deprivation score	56.30
Rank of index of multiple deprivation rank	355 (out of 8414 wards)
Employment domain score	28.49
Rank of employment domain	159 (out of 8414 wards)

2. Outputs and Outcomes from the Initiative:

Quantifiable Outputs: (1991-1994)

Clients into employment	40
Clients into counselling	200
Cost/job (crude)	£4500

N.B. exact records were destroyed at the end of the project's life to maintain confidentiality for users. Time-series data therefore unavailable to original evaluation team. There is no evidence that initiative the key element in achieving employment; only 2 of 11 surveyed thought that the initiative was most important factor in getting a job. No data exists on the overall impact on unemployment with the area. This lack of data has led to the inclusion of many interview quotes and an evaluation report (Bradley Consulting, 1995) as key reference point for the case study outline presented here.

Non -quantifiable outputs:

Social effects; community and individual confidence.

- Increases in individual confidences were seen. Due to nature of targets, any boost to individual morale counted as a successful outcome. 2/3 of the people interviewed in the final evaluation report thought the initiative significantly improved the quality of their lives. The final evaluation report suggests that "it was felt that the initiative had helped to foster an increasing sense of community."

Development potential of the area

- Although some jobs had been found for residents and some training outcomes achieved, the initiative failed to capitalise on this and significantly increase the development potential of the area.

Changing culture

- The evaluation report states that the initiative 'did not foster a training culture within residents'... "where courses did result in a degree of 'progression', these courses are believed to have been 'horizontally' rather than 'vertically' layered."

Environmental impact

- N/A

Assessment/Evaluation of Initiative

The Low Simonside Employment Initiative had some successes in achieving its aims to provide employment guidance and community development during its lifetime of 1991-1994. However, the initiative struggled against a background of inadequate and inflexible funding, a lack of embeddedness within the community, and a bureaucratic governance structure which denied the initiative a supportive, co-operative environment. It is mostly through highlighting these pitfalls, with the subsequent creation of the training and enterprise network, which is the legacy of the LSEI.

Key factors in success of the initiative

Mechanism of provision

- The mechanism of delivery, incorporating in-depth but informal job-search facilities as a community development process, demonstrated some success in achieving the goal of recovering the most disenfranchised back into the labour market.

Governance

- Route to Chief Executive's department in South Tyneside MBC was regarded as a key factor in the governance of the initiative. However, this is contested as the relationship to this department also created tensions within the local authority.
- The LSEI led to acceptance by large agencies involved that this type of activity. The initiative assisted them rather than being in competition with them or a criticism of them, therefore fostering propitious relationships. Many of the agencies are reported to have taken up outreach themselves after learning from the Low Simonside Initiative.

External Environment.

- The local environment did not help to engender a successful outcome of the LSEI, due to an initial lack of trust and acceptance of the initiative and its aims. This subsequently has led to attempts to produce more community based as opposed to 'parachuted in' help for such communities. However, by the end of the Low Simonside Employment Initiative, it had become accepted locally by both the community and the local authority, thus representing an output in itself.

Key failings of the Initiative:

- Unsuitable location
- Lack of resources; short lifespan of urban programme
- No history of community development
- Restricted by size of target population.
- Poor links with employers.
- Governance structure creating tensions and obstructive environment

Lessons for transferability?

- The initiative demonstrated through its life the potential successes and failings of a multi-agency approach, as configured within a local authority environment. As such, the lessons which have been learned and have been put into practice in the rest of South Tyneside, particularly with TEN, thus forming a key legacy of the initiative.

3. Processes

A. Funding/Financial situation

- Funding came purely from the local authority, administered through invoices then paid by treasurer's department. Very little petty cash was allowed. The Local authority treasurer's department was the accountable body, leading to problems with gaining access to funds at short notice. Very little financial control existed at the project level due to control from above. This lack of petty cash and inability

to purchases supplies was a constraint; it took up to one year to receive computer for essential work from local authority

- An exit strategy was built into the project, but little funding was sought for this. A lack of embeddedness was demonstrated by the folding of the initiative just months after the end of the 3-year pilot period.

B. Targets set by the initiative; output-led funding

- The primary aim of the initiative was 'to assist residents of Low Simonside into employment'; the secondary aim: 'to improve the quality of life for Low Simonside residents'. Outputs were determined by these targets, and these were expected to be run in conjunction with aims as set out in ante-post evaluation. However, there was a significant need for programme bending.
- Jayne Mills stated, "Well, the original objectives of the project had been about tackling unemployment in the low Simonside area. But I saw right from the outset that wasn't possible. It wasn't going to be possible to do, given the resources we had, which was 60,000 a year for 3 years, to significantly reduce unemployment in that time. So we re-wrote the objectives with a greater emphasis on community development."

C. Governance of the Initiative

- The initiative was managed directly by the chief executives' department, so a direct line from Jayne Mills to Steven Howells, policy co-ordinator for South Tyneside MBC, to the chief executive. This represented a very short route to the top. Jayne Mills states that: "I think from a strategic point of view that worked quite well, that Lynda and I were there on the ground, that we could channel information up very quickly to a strategic level and therefore influence policy across the borough".
- Day-to day decisions were taken as necessary, with the key decision-making process in the hand of the project leader, Jayne Mills). Very little financial control existed at the project level, so this decision-making role was reduced. Long-term strategic decision-making was in the hands of the steering committee. This Consisted of: STMBC, Tyneside TEC, TEDco, South Tyneside college, government departments and the local community. Unfortunately, this multi-agency approach led to problems that the steering group was "too large to enable focused discussion and effective policy making and forward planning. The group functioned more as a 'talking shop' with over-long meetings and a lack of focus" (Bradley consulting, p 13)
- Some informal consultation occurred with the community, but no formal consultation channels existed. Community presence on steering group was regarded as 'tokenistic', and the emphasis of the preliminary work appears to have been rather too 'top-down' with relatively little community or employer involvement or consultation.
- The internal governance of the initiative allowed some flexibility for the project leader and administrator. The alliance to the chief executive's department in the local authority and its small management group gave the project some flexibility to change the stated aims once they had been seen as unattainable. However, the short-term nature of the project defined that there was also an inherent lack of flexibility due to the need to meet aims as stated in the ante-post evaluation.

D. Community embeddedness

- The initiative originated in work carried out by Chris Clarke and Steven Howells, who saw a need for an experiment in multi-agency working at the local level in South Tyneside: Chris Clarke explains this as, “the main idea behind it was that we had a lot of agencies who were delivering things according to national or regional type programmes- sub-regional in some cases. But we were concerned to see whether they were being delivered effectively at the very local level. And whether at the local level they were seen as a coherent package, fulfilling all the requirements. So we wanted to pick a typical area, well, a typical area with problems. But to use that to see whether what was being done by the main agencies if you like, was meeting all needs. And if not, what would needed to be done at a very local level.”
- The geographical location placed the initiative within the Low Simonside community hall, at the time run by the local community association.
- The perception of the project within the community was not as good as hoped in that “although it was aimed at community development in a very loose sense, the LSEI was very top-down in that Jayne was appointed by a number of large agencies, and parachuted into the community association who never accepted any great sense of ownership themselves for their project” Chris Clarke

E. Role of Agency in Enhancing the Initiative.

- The key workers (Jayne Mills and Linda Rutter) had a significant role within the initiative, and indeed personal changes significantly altered the effectiveness of the initiative. The initiative lost its focus and administrative structure during its later stages as a result of a number of staff changes. The Final Evaluation report states that “This could have been remedied by clearer organisational lines of responsibility and improved management of the initiative in terms of bureaucratic procedures imposed by the local authority and its relationship with the community centre”
- Jayne Mills, as a professional from outside the area, was unable to break down some crucial barriers with user of the initiative. Linda Rutter, as administrator, was much better placed to gain trust of residents

F. Relationship with external partners

- Constant contact with the local authority, but tensions between the Chief Executive’s dept and education became highlights. Jayne Mills states, “the local staff of the education department were unsupportive. And at worst they were actually quite hostile to what we were trying to do. So when they took the project on towards the end of its life it never really had a chance.”
- Jayne Mills states, “I think that the education department, and particularly the community education project in which we were based, felt quite threatened- to an extent we were treading on their toes and we were there saying, look at all this community development work that needs to be done before you can think about getting people employed. And that in a way, is criticism of what had not been done prior to that by the education department. But I think as well as that the project had always had a quite high profile and the education department perhaps felt that it’s work had not such a high a profile. So I think the relationship between ourselves and the community centre in which we were based, which was part of the education department, was never terribly good. And I think that was

partly to do with the way it was introduced -that it was sort of, they were more or less just told that this was happening.”

- The initiative had few links with employers, and did not achieve aims of galvanising support for employing locally-based workers. A key failure of the initiative

G. Position relative to other service providers

- Target users were the unemployed of Low Simonside. There was a realisation that the most long-term and disillusioned, would require significant confidence-building to make them work-ready. This differed from mainstream provision as it provided a holistic service from basic community development work to employment-related advice. However, there was some confusion of roles between the initiative and the education department.
- The initiative filled a niche not currently provided at a suitable scale nor in a suitable manner by the employment service. It also encompassed significant advance in terms of the mechanism of service delivery. Chris Clarke states, “that was all very well if you wanted to sign up to some very structured course somewhere, but in terms of just ordinary people living their lives in low Simonside, the vast majority of them were completely on a different plane, really, and probably never saw themselves as candidates of the type of formal provision who was going on elsewhere.”
- The initiative filled a vacant niche. The multi-agency approach aimed to highlight institutional deficiencies at the time 1991-94 and learn from the experience in what Chris Clarke referred to as ‘Action Research’.

Formal Interviews with managers, beneficiaries and volunteers

Jayne Mills	Project Manager
Chris Clarke	Project originator. Now at STMBC
Karen Wood	Former employee; now works at STRIDE

Appendix 1.12

St Simon’s Community Project

1. General Information on the Initiative

Origin and Aims of Initiative:

The initiative originated in work carried out by three of the current employees. With money surplus to requirements for Taskforce in 1993, discussions were organised by the then local councillor and it became clear that there was a real need to tackle the significant unemployment problem within Simonside. From this, the initiative was set up in the St Simon’s church hall. The initiative drew on many of the lessons which were being learned from the Low Simonside Employment initiative, and set out immediately to become as holistic as possible in the areas of job search. St Simon’s, despite local authority backing at the outset, is community-led, with members of the community working together to bring in funding and develop the initiative.

Simonside and Low Simonside are communities on the banks of the river Tyne, whose local economies are bound up with the fortunes of the shipbuilding industry. In parallel with mining communities in the North-East, the shipbuilding has undergone severe decline in the region and as such there is legacy of unemployment which is seen throughout South Shields. Attempts to attract inward investment have had limited success.

Key Partners and Funding Bodies:

- South Tyneside MBC
- Whitbread in the Community
- Employment Service
- TEN
- STEP
- Taskforce
- ERDF
- Henry Smith’s Charity
- Church Urban Fund

Local Data: Indices of Deprivation 2000

Tyne Dock and Simonside

Index of multiple deprivation score	56.30
Rank of index of multiple deprivation rank	355 (out of 8414 wards)
Employment domain score	28.49

2. Outputs and Outcomes from the Initiative:

Quantifiable Outputs: (1999)

Clients into employment	304
Clients into training- out of centre	63
Clients into training- in centre	96

N.B. some multiple accounting due to nature of short-term employment tenures.

Non -quantifiable outputs:

Social effects; community and individual confidence.

- Significant increases in individual confidence have been seen by workers and volunteers at the centre. Due to nature of targets, any boost to individual morale counts as a successful outcome. Jen Fettis illustrates this, by stating, "there was one fella, an ex-docker, who came in and we had to work with him for about 3-4 months (SC: yeah) to get him on a training course eventually. He lacked s much confidence, but he was a really big fella, just not able to cope with being out of work for the first time. So we could tell he wasn't here for job to start with- he just had lots of problems- his wife died- and so we just sat there and talked about it- well, listened, really- for ages (to SC: you spent a whole morning with him once, didn't you?). We just listened and that helped. So seeing him now, when he's back on form... its bloody marvellous. He comes in now and again to say hello and he's full of beans, just brilliant. And he's the one I can think of that we've really seen change while they've been coming here. There have been others, but he's the one who, when I'm not feeling great or things aren't going too well, I think of him and I remember why I'm doing this."

Development potential of the area

- By producing a better trained and more confident workforce, the initiative encourages development. However, job vacancies are in such short supply that even a better-trained workforce is not guaranteed jobs.

Changing culture

- There is some evidence of a returning work ethic for some clients previously requiring recovery into the labour market. However, there is no data or evidence of those who have been forced back into the labour force by government policy.

Environmental impact

N/A

Assessment/Evaluation of Initiative

St. Simons' community project, by virtue of its raw outputs, appears to have been successful in finding employment for those users who wish to be helped into employment. This success is achieved in a context of high unemployment and a degree of mis-match between the skills of the unemployed and the jobs available. Alongside this, the acceptance that a number of users are substantially distanced from the labour market poses a problem; the initiative therefore is used to fill niche which would not be filled by statutory or private agencies. It is these non-quantifiable outputs produced by this function which ensure the project has a role as adding value to its clients.

Key factors in success of the initiative

Mechanism of provision

- Service provision, while narrow, is clearly defined and related to the needs of the community served.
- The niche filled by St. Simon's is considered to be different to that of the employment service.
- The mechanism of delivery, incorporating in-depth but informal job-search facilities, has proven particularly successful in achieving the goal of recovering the most disenfranchised back into the labour market.

Governance

- Internal governance structures appear to be suited to maintaining the flexibility required by both users and workers to achieve the outputs. As such, the informality of the project, backed up with a high degree of trust, is key to producing the particular outcomes and cementing its niche. However the same informality may act as a barrier to the project ever becoming more widespread.
- The project, while part of a close network of other projects, remains autonomous and at arm's length to funders and state networks. As such, this allows the internal governance mechanism to retain a degree of financial and policy independence which other projects, notably Low Simonside, did not have.

External Environment

- St. Simon's works within the local environment in that it attempts to develop on, and to some extent replace, the older institutions which were closely related to the shipbuilding industry. As such, St. Simon's draws upon this pool of social capital and its networks to develop its services.

Key failings of the Initiative:

- The St Simon's project has yet to tap into the full community, although its aims in appointing a women's development worker suggests a commitment to outreach towards as many potential beneficiaries as possible. This is considered a significant failing, one which partly reflects the client base but also the industrial and social culture of the area regarding working practices.

- Over its lifetime, no significant improvement in the level of unemployment has been witnessed in South Tyneside or Simonside. This is in part a reflection of the broader economic forces against which the initiative is set; no conclusive data are available regarding the potential situation had the initiative been in existence. However, this represents a failing in the initiative: through working within the confines of the market, albeit in an innovative community-based manner, the initiative has no power to alter the prospects of the residents in terms of tangible job creation. As such, although it represents a part solution to the institutional inadequacies of the post-industrial community, it is inevitably subject to forces beyond its control.

Lessons for transferability?

- The transferability of the initiative is largely dependent upon the locality and people involved in any new centre. Data collected demonstrate that the key to St Simon's success is the role of agency and the standing of the workers within the community. If this embeddedness were to be removed, the essence of the initiative may be removed. Similarly, although the initiative has flourished up to now, it has yet to undergo any key staff changes which could potentially destabilise the internal dynamics. The crucial lesson is that although the mechanism employed is potentially transferable, it is the organic nature of the initiative's development and the workers which provides its strength.

3. Processes

A. Funding/Financial situation

- Funding comes from various bodies (significant funds from national lottery, Henry Smith's Charity) mostly administered directly from funders; there is no 'staging-point' from which money is kept and then released to the initiative. Most is issued 'up-front', not in arrears. Some monthly administration is required by funders; typically 3 months from lottery board.
- There is no independent accountable body; this is done direct to funders. As a result, there are relatively few reports and accounting requirements. This, as suggested, is key to avoiding the problem of over-concentration on accounting procedures. A full-time position in place to act as book-keeper maintain the financial position. An independent audit occurs once-yearly. There is the possibility of financial problems if accounts are not audited stringently enough; inevitably in an organisation of this size, financial control is concentrated in the hands of one person.
- Little support comes from local authority for funding applications, although significant connection with the STEP board in South Tyneside to co-ordinate funding applications. Feelings from members of the steering committee suggest that support for funding applications would not be taken up even if offered, due to the view that any outside party would not have an adequate understanding of the project.
- Lottery funding of 196,000 over 3 years was granted from 1998. Previous rounds of funding came from Taskforce and the Church Urban Fund, both limited to one year. The granting of the lottery application, whilst still relatively short-term, allows the project to finally plan for the future in a more coherent manner than before. In 1999 3 new workers were hired to enhance the scope and quality of the produce services. Before lottery funding became available, planning for the long-

term was impossible and short-term planning was mostly restricted to small-scale capital acquisitions. If subsequent funding applications are successful, the project aims to extend and enhance its premises.

B. Targets set by the initiative; output-led funding

- The stated aim of the initiative is relatively narrow: providing access to work and training for unemployed persons of South Shields. As a result, there is little confusion as to the final outcomes intended. However, the process which leads towards these objectives are sufficiently flexible to allow the project to undertake any case on its merits. As a result, the means by which aims are achieved (or not achieved) are broad-ranging, tailored on a case-to-case basis to each individual.
- No quantitative targets have as yet been set, allowing a flexibility to pursue intensive work with individuals where needed without the need to achieve unrealistic targets.
- Very little of St Simons' funding is specifically dependent on the production of particular outputs, although significant funding is required to be spent solely on capital equipment rather than on running costs.
- There is no reason to suspect a difference between the stated aims and targets within the initiative. Some discrepancy may occur as the methods employed to achieve the stated aims due to the broader aims of recovering people back into the workforce after a period of inactivity or disillusionment.

C. Governance of the Initiative

- Informal decisions are taken as needed; management meetings including all staff take place every week; steering group every 3 months. The governance of the project, whilst involving a hierarchical structure is based on communication between the various workers. The project leader remains approachable and does not have an individual office
- Day-to day decisions are taken as necessary, key decision-making process in the hands of the project leaders. Any capital purchases of over £100 are referred to the chairman of the steering group; purchases of £1000+ are referred to the steering committee. Relatively few decisions have to be made, and are usually consulted with other workers informally to ensure compliance.
- Long-term strategic decision-making is in the hands of the steering committee, within the constraints imposed by funding requirements.
- Members of steering group (1998-9)
 - All workers
 - Mike hall (chair)
 - Dan Dowling
 - Parish vicar
 - Employment service representative
 - STEP representative
- The vision and mission within the project appears to remain with those directly involved; other members of the steering group are broadly pragmatic and interested in monetary affairs and development.
- Communication between most members of the steering group continues beyond the committee meetings on a far less formal basis. This ensures a stability and durability of the governance mechanism which may not be supported through the

governance structure itself. This requires significant trust on the part of the participants.

- The project leader remains the key decision-maker, due to her standing amongst all the group members. This role appears to be augmenting as the capacity of the individuals within the project increases, and the prospect of greater autonomy becomes possible.
- No formal mechanism for including the wishes of users is built into the governance mechanism, something which was not considered necessary by the project leader. However, informal contact with the users, which occurs for all members of staff every day, is extensive and considered an adequate mechanism through which to glean ideas regarding the future development, failings and needs of the initiative. Periodic consultation does occur, particularly with the aim of use within evaluation reports.
- The internal governance of the initiative, allied to the mechanism through which the users are aided, allows for the achievement of the outputs and outcomes. The feeling of the workers and users is that if the status and methods employed by the initiative, allied to its relaxed atmosphere, were changed it would lose its focus, and lose the respect of the users. As such, the particular configuration leads to the particular outputs, which are complementary to the mainstream provision.

D. Community embeddedness

- The origin of the initiative is above all rooted within the locality and draws strength from its relationship with the people it serves. As such, it is deeply embedded within the community, although it acts only to serve a particular segment of the community
- The geographical location is situated on an accessible arterial road through Simonside. Although not at the heart of the area, its geographical location is still adequately central not to pose too significant a barrier for those wishing to attend the initiative.
- The project appears to be held in high esteem within the community it serves. Known as a 'drop-in', St Simons has a role well beyond the pure job search activities which form part of its core aims.
- Crucial to its success is the atmosphere created: a welcoming environment in which mutual help and self-development are key themes. Beyond this, there is an emphasis on intensive personal development and confidence building where required appears to play a significant role in maintaining a willingness to attend.
- Interviews suggest that most come to the centre not just for the job search activities, although this may be the spur to encourage the first step. Subsequently, the role of the centre as both community centre and employment initiative combine to promote a sense of belonging. Several users come to the centre every day, the institution therefore offering a role for the unemployed which may have been previously filled by the work-related institutions such as the workingmen's Club. St Simon's therefore represents a key element in the social fabric of the locality, replacing some of the previous institutions which were embedded.

E. Role of Agency in Enhancing the Initiative.

- The originators of the project are still its key actors, and as such have been key to the initiative's beginnings and development over 6 years. As such, the accumulated knowledge has stayed within those who have been associated with the project. If those who were key to the project were to leave, serious questions would be raised as to the continuation of activity.

- Mike Hall states, "I think also what's quite characteristic of the borough is that people are prepared to invest any amount of their personal time and resources. I mean, you look at St Simons and there are people who are working not only in the drop-in but also working for the church and doing a lot of activities associated with the youth centre that contribute to the community. And that's all done due to a belief in the community that they're part of".
- Being based within the community and locally known, the project leaders act as figureheads both inside the project and outside in the wider community. The reliance upon these key actors can be seen in that their presence and attitude creates an atmosphere throughout the initiative which removes as many social barriers as possible. This creates an atmosphere of trust and co-operation which in turn helps to lead to a productive, welcoming environment. Under other circumstances, or with other non-local actors at the helm, it is potentially possible that the atmosphere may not be as conducive to constructive development. Interviews also suggest that the fact that all employees are women can have a constructive effect on new clients, as they appear less threatening than male workers may do.

F. Relationship with external partners

- St Simon's has little contact with the local authority. As such, whilst the initiative does not enjoy the stability of funding or technical support associated with the local authority, constraints are not present.
- The association with the STEP partnership has had a significant role in supporting the activities of the initiative. This has provided a supportive framework in which to operate, in particular with the association with the Training and Enterprise Network's activities in South Tyneside. The governance context is broadly supportive of the activities at St Simon's, although without the weight of the local authority. As a result, the relationship to the third sector institutions provides a basis for support which could be transferable.
- St Simon's also seeks to work with the private sector, easing opportunities into work by creating shipyard database to match unemployed workers with job opportunities.

G. Position relative to other service providers

- Target users are unemployed of Simonside and South Tyneside, particularly the most long-term and disillusioned, who require significant confidence-building. St Simon's differs from mainstream provision as provided by the employment service due to the atmosphere and willingness to work intensively with clients. The initiative therefore fills a niche not currently provided at a suitable scale nor in a suitable manner by the employment service.
- The processes through which the initiative helps its clients give it a distinct flavour to mainstream provision. As such, there is a fear that any increased state involvement, with the associated regulations, would destroy the essential basis on which the project is run, presenting problems for both leaders and clients. However, there is a contention that similar projects should be run, or at least funded by the state rather than relying on community associations to fulfil their role.
- Jen Fettis, project leader, states, "The employment service could do what we do, but I don't know if they'd have the same success. You see what they do, and it's all really formal stuff about getting people straight into any job. That's OK for

those who are confident enough, but not for a lot of the people we see here- they've just got no respect for the employment service any more. So, we do something that's different. We probably are being used a bit, but this is our role- we've got funds now so we're OK, and happy with that. I just don't think they could do our job."

Formal Interviews with managers, beneficiaries and volunteers

Jen Fettis	Project leader
Sue Callendar	Development worker
Lilian Banks	Development worker
Mike Hall	TEN, and chairman of St Simon's
Dan Dowling	TEN, steering committee member
Neil Mckinnon, George Gibson Alan Smith David Brown	All centre users

Other related interviews

Andrew De'ath	South Tyneside MBC
Steve Muse	GO-NE
Seth Pearson	Tyneside TEC
Keith Hodgson	ONE NorthEast

Appendix 1.13

South Tyneside Training and Enterprise Network (TEN)

1. General Information:

Origin and Aims of the Initiative

TEN was launched as a result of the efforts of local people, local churches and members of the local authority to try to find new ways of dealing with the persistently high unemployment and consequent social deprivation of many south Tyneside communities. The area had formerly depended on a combination of coal-mining, shipbuilding and engineering industries, all of which had declined very rapidly during the 1970s and 1980s. Various European and UK government funding initiatives were established in the area to try to create employment, but which often worked in an uncoordinated and haphazard way (see the Low Simonside Employment Initiative, Appendix 1.11). The creation of TEN in 1994 was intended to give greater coherence to the regeneration effort in South Tyneside and to develop new services within and across local communities.

TEN is a charity established to coordinate efforts to improve the employment and training opportunities of the South Tyneside area. The project is multi-faceted and incorporates innovative practices in terms of network building, multi-agency working and community involvement. TEN works to improve access to employment and training both by providing facilities and advice based in communities and by giving small grants to help work-ready clients with travel, clothing and equipment costs. The use of targeted initiatives such as the Force TEN fund (a two year training fund), the TEN Capital Development fund (a four year fund intended to provide equipment of all kinds to community and voluntary groups) and the TEN Coalfield Development Fund have been particularly effective. TEN works with employers and with a range of other agencies to encourage exchange of information as to the kinds of jobs available and the training or equipment needed to secure them for local people. TEN runs Drop-in Centres in four communities in the South Tyneside area (Boldon, Jarrow, Hebburn and South Shields) where unemployed people can have access to information and advice free of charge and can apply for small grants through the TEN Access Fund.

Key Partners and Funding Bodies

- South Tyneside MBC
- Employment Service
- Church Urban Fund
- Lottery Funding
- ERDF/ESF
- South Tyneside College

District Data: South Tyneside Indices of Deprivation (2000)

TEN is a borough-wide operation, and as such the application of individual ward-level indices of deprivation scores and ranks are misleading. However, the District-wide indices of deprivation (2000) demonstrate the extent of deprivation in the borough:

Rank of average of Ward scores	15 (out of 354 districts)
Rank of average of Ward ranks	13 (out of 354 districts)

2. Outputs and Outcomes from the Initiative:

Quantifiable Outputs: (1999)

Clients into employment (target)	404 (305)
Clients into training- (target)	266 (137)
Clients counselled and advised (target)	658 (350)

N.B. some multiple accounting possible; counselling overall figure of usage.

Non -quantifiable outputs:

Social effects; community and individual confidence.

- The impact on community confidence is hard to assess, as Dan Dowling notes: "It's hard to tell; since we're operating a bit more at what you might call the 'hard end' in here, we tend to deal with those who have already got enough confidence. I mean, making the trip here and coming up the stairs here- I'll admit it's not the most welcoming entrance- that shows that people are already driven when they get here. I do wonder how many get to the door and turn around, though."
- Some of the clients who attend Drop in Centres are so lacking in confidence that they have to be worked with over a long period of time to give them the confidence to go on and do something more formal or job-related. The input of the drop-ins as part of the network therefore acts as outreach which then filters through into people's own perceptions of themselves.

Development potential of the area

- TEN is only part of a number of third sector and statutory agencies in the borough so few direct influences upon the development potential of the area can be discerned. However, hopes are that the impact made by TEN will eventually lead to the encouragement of employers to invest in the area, while also allowing local employers to develop their businesses with a pool of trained labour.

Changing culture

- TEN operates a two-pronged impact in changing the culture of the area, by focusing on training and through the reintegration of unemployed people into the

world of work. However, TEN also hopes that its activities in drop-in centres will also help to stimulate a sense of self-help within the community as opposed to a culture of handouts from the employment service.

Environmental impact

- N/A

Assessment/Evaluation of Initiative

The South Tyneside Training and Enterprise Network demonstrates raw outputs which demonstrate a success in finding employment for its clients beyond the original aims of the project. Through its (depleting) network of drop-in centres and the TEN office, the initiative has been able to maintain a level of limited outreach to underpin the main direction of the employment and training consultation and advice given.

Key factors in success of the initiative

Mechanism of provision

- TEN has well-defined aims and structure to achieve this.
- TEN fills a niche which is complementary to that of the existing statutory agencies, therefore providing a more holistic approach to the problems of the unemployed within the borough.
- The mechanism of grants, advice and counselling in an informal gateway allows TEN to act as a first (or last) step on the employment ladder for users.
- Grants and financial aid are crucial in TEN's success at promoting encouraging involvement and usage by the community.

Governance

- Internal governance is formal, but with a degree of flexibility that allows non-crucial decisions to be taken as and when they are needed. The small staff base allows the project to be responsive, but has the disadvantage of being a burden when staff are unavailable.
- The initiative, while part of a close network of other agencies, remains autonomous and at arm's length to funders and state networks. As such, this allows the internal governance mechanism to retain a degree of financial and policy independence which other projects, notably Low Simonside (appendix 1.11), did not have. TEN is able to find the most suitable solution to a problem for a particular client through networking with statutory and non-statutory agencies.

External Environment

- The development of TEN is dependent upon the employment and labour force characteristics in South Tyneside. The initiative does not depend particularly on the elements of social capital within the locality to develop its provision, although the drop-in centres rely upon volunteers from church members to develop. This has also benefited recipients as a means to promote social interaction in comparison to older industrial-based institutions.

Key failings of the Initiative:

- TEN lacks embeddedness within the community it serves. TEN fulfils a niche as an intermediate institution, but it is not fully integrated within the population.

Drop-ins are a crucial feature of outreach, yet are open just one afternoon per week.

- Over its lifetime, no significant improvement in the level of unemployment has been witnessed in South Tyneside. This is in part a reflection of the broader economic forces against which the initiative is set; no conclusive data are available regarding the potential situation had the initiative been in existence. However, this represents a failing in the initiative: through working within the confines of the market, albeit in an innovative community-based manner, the initiative has no power to alter the prospects of the residents in terms of tangible job creation. As such, although it represents a part solution to the institutional inadequacies of the post-industrial community, it is inevitably subject to forces beyond its control.

Lessons for transferability?

- The initiative's multi-agency approach should be transferable, not least in its ability to get agencies to work together in a joined-up fashion. The network of headquarters and drop-ins provide a more complete service than before; however the short opening hours of the drop-ins have caused some ambivalence towards their real value. There is a need for TEN to be more responsive with consultation.

3. Processes

A. Funding/Financial situation

- TEN is financially self-governing. Funding flows direct to project from funders; in the case of EU funds this is in arrears. Lottery funds and SRB now provide a significant proportion of funds, comprising a total of 8 separate funds with aims and outputs attached.
- The local authority (South Tyneside Metropolitan Borough Council) acts as the accountable body for funds and financial evaluation. TEN also receives a yearly visit from an independent evaluator. One half position is employed to maintain financial scrutiny. Few financial decisions may be taken unilaterally by the group. Evaluation criteria act as a significant constraint on activity due to funding collated from several sources, and evaluation forms are a particular bugbear with workers with regard to the time and effort involved; this is regarded as taking energies away from the real focus of activity.
- Funding applications are mostly done in-house, (by a grants administrator) though with a great deal of consultation within the South Tyneside Enterprise Partnership (STEP) board.
- During the first 3 years of existence, statutory and charity funding was used to cover costs; now TEN is reliant mostly upon SRB (until 2001) and lottery funding. The implication of this change in funding is that the initiative is now more stabilised, and can afford to invest in employment officer and plan for long-term. However, Mike Hall states, "but it's still just 3 years that we've got currently; you can't change the world in that time. I wish we could, but it's probably asking a bit too much even of us".

B. Targets set by the initiative; output-led funding

- The aims of the initiative, according to its mission statement, are:

1. To work with the unemployed residents of south Tyneside identifying and accessing resources to help to meet employment and training needs.
 2. To work within local partnerships that serve the unemployed residents of south Tyneside
 3. To identify the gaps in the mainstream provision for the unemployed and to identify and refer clients and client groups to the most appropriate training and enterprise centres.
 4. To promote the take-up of employment and vocational training opportunities and to assist the take-up of voluntary work opportunities.
 5. To provide advice, guidance, support, encouragement and resources to enable individuals and community and voluntary groups to access and enhance training and enterprise opportunities.
- These aims are regarded as being clear. Dan Dowling states, "People, I think, know what we're here for. We've a clear goal and that's good for us. We really work on getting people out there, letting them know what we do and how we can help them. I think the aims are specific enough, but built in within that there's a level of flexibility which sets us apart from the other statutory agencies."

C. Governance of the Initiative

- Day-to-day decisions are made by the consultant and project leader, in consultation with steering group as/when required. Monetary grants made in consultation with management committee, along guidelines drawn up as part of TEN's constitution. As noted above, some funds earmarked through particular funding streams, therefore some confusion exists as to the exact nature of grants when given. The Day-to-day mechanism relies upon Dan Dowling and Mike Hall as key players. Decisions are "taken when and when they are needed", with both consulting each other.
- Decisions with regard to money/small grants are taken by chairman and committee, if they meet criteria for funding. This is done weekly, or as required.
- TEN has a past of rapidly changing personnel in key positions. A few tensions have arisen recently, due to the nature of key workers. These actors tended to work around problems and form an adequate consensus, but this is also due to strong leadership meaning few others challenge such decisions when taken.
- Drop-ins are an integral part of the network, but they work in partnership at arm's length. An original group of 12 have now been forced to be reduced to 6, due to factors involving funding and time commitments. Drop-ins have never been statutorily funded and did not produce outputs as desired due to the ad-hoc nature of timings. Tensions which have arisen due to problems are mostly put down to the inappropriate organisational framework. There is an acceptance that the original configuration of drop-ins required more formalisation to make them integral parts of the communities served.
- A broad-based steering group meets 3-monthly, comprising up to 16 members and TEN representatives. Key powers therefore reside with the workers themselves; in some ways the strategic board is a reporting/rubber-stamping exercise. Only informal consultation occurs with users, which may have bred some form of arrogance at the centre: Dan Dowling states, "well, we're successful in what we do: that's proof that we're doing the right thing".
- No formal channel of consultation exists from the drop-ins to TEN HQ. Informal contact exists, but reports from each drop-in are now discussed at strategy

meetings.

D. Community embeddedness

- The initiative originated as part of the South Tyneside Taskforce; Mike Hall is interested as member of church committee; there is also relevance to lessons learned from LS initiative failings. The drop-in network is more community-based, but also church-related. Therefore the whole community not necessarily served; the influence in traditional industrial institutions is limited (see also St. Simon's Community Project, appendix 1.12).
- TEN HQ is situated within South Shields town centre; and thus relatively accessible but not embedded within residential areas for ease of informal use. Drop-ins are situated in churches within sectors of the community. Now, due to reduced numbers, these are forced to cover wider areas. The lack of full-time staffing of drop-ins acts a barrier; the services not always present when needed.
- Users appear to have positive view of the role of the TEN, but some confusion regarding its status as an independent organisation, separate from the employment service.

E. Role of Agency in Enhancing the Initiative.

- 4 team leaders were used in the period used 1995-1999; the mere fact that TEN has survived demonstrates a solidity of the set-up. However, tensions have arisen. Some allusions to acrimonious dealings have emerged, though these were not elaborated upon in interviews.
- Individual actors are key at drop-in level, where they can be identified with TEN as a first step into the reintegration process.
- Identification of the initiative and users is often at arm's length in the TEN headquarters. This is perceived as more formal than drop-ins. Bill Chambers, a user, states, "you come in here and it's a bit more like an office or something-you know, there's desks and stuff and that really can put you off when you've just been to the drop in. But they're nice enough lads, a bit naive, if you know what I mean. Err... I wouldn't be likely to go out for a drink with them or see them in the club, though"

F. Relationship with external partners

- Local authority support and funding was crucial at the outset; this was as a development from the Low Simonside Employment Initiative (see appendix 1.11), following a period of consultation. The relationship with the local authority is currently described as 'healthy, but not too close'.
- A close relationship to STEP board and members exists
- Aims of TEN at inception were to, like Low Simonside, foster a relationship with the private sector in partnership to secure jobs locally. Subsequently this has proven to be neglected, as an unattainable part of the original aims of TEN.

G. Position relative to other service providers

- The target groups of users are unemployed and disadvantaged sections of the community. TEN sees its role as distinct from that of the employment service. Low Simonside (appendix 1.11), according to interviews and received wisdom, demonstrated the need for agencies like TEN. As a piece of action research the

consultation inherent within it paved the way for TEN.

- The initiative fills a vacant niche which should be filled by the state: Dan Dowling states, “err, yeah, I suppose it should be, and possibly could be done by the state if it was doing its job properly. But you look at the role taken by the statutory agencies and there’s nothing like us to fill the gap that’s there at the moment. And there is a gap, no question. What we do is to provide a service to the people who need it, direct, with no strings attached. We’re not going to drop them to the employment service or anything like that, because we know that anyone who walks through that door has made a conscious effort to do so in order to help themselves.”

Formal Interviews with managers, beneficiaries and volunteers

Mike Hall	TEN Project Leader
Dan Dowling	TEN Project Leader
Ron Waters	Grange Road drop-in co-ordinator
Bill Chambers	User of TEN services
Paul Smith	User of TEN services

Other related interviews:

Andrew De’ath	South Tyneside MBC
Steve Muse	GO-NE
Seth Pearson	Tyneside TEC
Chris Clarke	South Tyneside MBC

Appendix 2: Full List of Key Formal Interviews

This list summarises all key formal interviews which took place during the course of the research. However, in addition to this a large number of informal soundings were made, particularly with users and beneficiaries of the TSEIs studied where the use of tape recording was deemed inappropriate. There is also some under-reporting of interviews where individual was interviewed more than once.

This list also requires cross-tabulation with each case study in Appendix 1; many interviews are relevant to more than one case study. Where appropriate, the role or title of each interviewee has been noted; this refers to that position at the time the interview took place.

Interviewee	Relevant Initiatives	Role/Position
Adamson, David	BCR, Waun Wen	University of Glamorgan
Aherne, Brian	DVP	Project Deputy, job club co-ordinator, Dulais Valley Partnership
Banks, Lilian	St. Simon's CP	Development worker, St Simon's CP
Bevan, Judith	YDT	Former head of the YDT form its inception as an exit strategy from the Urban Regeneration Strategy Partnership.
Bibby, Julie	DOVE	Part-Time financial and Admin Worker, DOVE Workshop
Brookes, Meurig	Waun Wen, Blaenllechau	Rhondda Cynon Taff County Borough Council
Brookes, Peter	T2000	Chairman, T2000
Brown, David	St. Simon's CP	Centre beneficiary, St Simon's CP
Burns, Rachel	STI	Bishop Auckland College
Burton, John	T2000	Director, Trimdon 2000
Callendar, Sue	St. Simon's CP	Deputy Project co-ordinator, St Simon's Community Project
Castle, Barbara	PEP	Ex-project manger; originally a local authority employee, who was asked to return to work in Penywaun after the initial consultation.
Chambers, Bill	TEN	User of TEN services
Clarke, Chris	Low Simonside; TEN	Project originator. Now at STMBC

Cogan, Alma	Waun Wen	TDTA and Waun Wen Ltd
Cook, Julie	STI	Training Initiative Co-ordinator; Julie was appointed to the STI in 1994.
Cranston, Steve	BCR, PEP, Waun Wen	Manager, the Arts Factory, also head of the Development Trusts Association, Wales
Dan, Dowling	TEN, St. Simon's CP	TEN Project Leader
Davis, John	T2000	Durham Rural Community Council and member of steering committee
Davies, Adrian,	YDT	Manager, Y Gegin Fach Café; trustee and committee member, Ystalyfera Development Trust
Davis, Shelia	BCR, PEP	Economic Development Director, Rhondda Cynon Taff County Borough Council
De'ath, Andrew	St. Simon's CP, TEN	Development and community service, South Tyneside MBC
Dickson, Sharon	DOVE	DOVE user
Dimmock, Steve	PEP	South-East Wales TEC
Dobson, Ernest	SRRI	Leader of the Sherburn Road Regeneration Partnership
Dowd, Nigel	SRRI	Trainee, Rapid Response Squad
Ede, Colin	YDT, AVE, DVP	Economic Development, Neath Port-Talbot BC
Elliott, Jane	DOVE, DVP	Community Univerisyt of the Valleys
Evans, Allison	BCR	Current Centre Manager, resident of Blaenllechau
Fettis, Jen	St. Simon's CP	Project leader, St Simon's Community Project
Foreman, Gary	PEP	Project manager, PEP
Francis, Mair	DOVE	Initiative Co-ordinator, DOVE Workshop
Gibson, George	St. Simon's CP	Beneficiary of unemployment services
Gooding, Julie	PEP	Local Volunteer, PEP
Hall, Dave	SRRI	Local co-ordinator, Rapid Response Squad, SRRI
Hoban, Frank	T2000	Retired, T2000 secretary

Hodgson, Keith	St. Simon's CP, TEN	ONE NorthEast
Hopkins, Ruth	PEP, Waun Wen, Blaenllechau	Director, Interlink (RCT)
Howe, Rena	SRRI	Top and Bottom furniture recycling project
James, Cheryl	AVE	Finance co-ordinator, Amman Valley Enterprise
Jones, Betty	SRRI	Member of the local women's group
Jones, Mick	BCR	Ex-miner; original member of the committee which initiated the creation of BCR
Jones, Stuart	Waun Wen	Youth worker at Trebanog/Waun Wen Ltd; University of Glamorgan.
Jones, Sue	BCR	Centre manager, now departed, BCR
Kilmurray, Brent	T2000; SRRI	Durham County Council
Lenton-Johnson, Michelle	BCR, Waun Wen, PEP	Rhondda Cynon Taff County Borough Council
Lewis, Carolyn	DOVE, YDT	Neath Port-Talbot College
Lewis, Moira	DOVE, DVP	Founder- member, DOVE; member of DVP steering Committee
Leyshon, Sarah	Waun Wen	Co-ordinator, Trebanog Community Centre (post- 1999)
Llewellyn, Alyn	YDT	Trustee of YDT and Chair of Tiddlywinks Nursery
Mayze, Sarah,	PEP	Financial assistant and local resident, PEP
Mckinnon, Neil,	St. Simon's CP	Beneficiary of unemployment services
Mike, Hall	TEN, St. Simon's CP	TEN Project Leader, committee member, St. Simon's
Mills, Jayne	Low Simonside	Project manager, Low Simonside Employment Initiative
Mortimer, Peter	BCR, PEP	Rhondda Cynon Taff County Borough Council
Muse, Steve	St. Simon's CP, TEN	GO-NE
Nelson, Bill	STI	Beneficiary of the STI
Newington, Lynette	DVP	Project manager Dulais Valley Partnership
Owen, Chris	YDT	Trust Director, YDT

Pearce, June	T2000	A recent member. Her son has taken training from T2000.
Pearce, June	T2000	Trimdon 2000
Pearson, Seth	TEN, St. Simon's CP	Tyneside TEC
Potts, Tony	YDT	West Wales TEC
Powell, Derith	AVE	Operations manger, Gwaun-Cae-Gurwen
Preece, Len	AVE	Volunteer manager, art, community and music projects
Prisk, Richard	T2000, STI	Sedgefield Borough Council.
Quinn, Kay	Waun Wen	Independent Consultant involved in the development of Waun Wen Ltd
Richard, Chris	PEP	Princes Youth Business Trust (at YDT)
Roberts, Barry	DVP	Job club user
Robinson, Fred	SRRI, TEN	University of Durham; also produces evaluations for a number of North-East TSEIs
Smith, Alan	St. Simon's CP	Centre Beneficiary
Smith, Lesley	DOVE, DVP	Part-Time worker, DOVE and also member of Steering committee
Smith, Paul	TEN	User of TEN services
Spry, Gillian	T2000	Sedgefield Borough Council
Syson, Sue	SRRI	Community development worker employed by SRP
Thompson, Clive	YDT	Community Access Point Co-ordinator, YDT
Timothy, Anne	T2000	Head of Durham Call Centres committee, T2000
Turnbull, George	STI	Beneficiary of the STI
Waters, Ron	TEN	Grange Road drop-in co-ordinator
Williams, Gloria	Waun Wen	Trebanog and District Residents' Association (TDTA); former chair of Waun Wen Ltd
Wood, Karen	Low Simonside	Former employee of Low Simonside; now works at STRIDE
Young, Peter	TEN, St. Simon's	South Tyneside Enterprise

	CP	Partnership (STEP)
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In addition, the following interviews were undertaken which do not refer to particular projects:

Twelvetrees, Alan	Director, Community Development Foundation, Wales
Morris- Humphries, Linsey	Rhondda Cynon Taff BC
Kearney, John	Making Music Work, Consett
Johnson, Dave	Trevithin Community Project, Torfaen
Harding, Peter	National Assembly, Wales
Gray, Allan	Welsh Development Agency
Benfield, Graham	Wales Council for Voluntary Action

