

Abstract for M.Sc. Thesis, submitted by Adam Fineberg, September 1992

A review of the shift from private to public sector initiatives for local economic development in post 1979 Britain - Is this approach suitable in a restructured British economy, and does it meet the needs of the local community?

With the onset in Britain of a culture that no longer questions the pre-eminence of the free market in determining the pattern of economic development in Britain, this dissertation attempts to critically analyse the prospects for successful local economic development initiatives under partnerships between the public and private sectors.

The underlying theme throughout the review is that as a result of the development of the British economy since 1979 along free market principles, capital, as opposed to labour, now maintains a decisive grip over the economy. As a result of the spatially selective pockets of growth that characterise economic development under the current system, the prospects for local communities are not necessarily good even when the economy at the national level is experiencing growth.

Attempts made since 1979 to tackle the economic problems of many local communities are discussed, in particular the shift from private to public sector initiatives for local economic development. The agenda of the private sector is considered with the onset of "growth coalitions", incurring an assessment of their methods of operation and achievements in the United States. British Government action in introducing this shift (or "privatism" of urban policy) is assessed in order to determine to what extent a climate has evolved which fosters the development of partnerships between the public and private sectors.

An inquiry is made into the political battle that ensued during the period, between Central and Local Government over the role Local Government plays within the local economy. It is claimed that this battle has resulted in an increased degree of centralised control over local actions. Only as a pragmatic response to their position after these events, did the "radical" local Authorities (those most active in their local economies) accept the role of the private sector in initiatives.

As a result of a reflection of the operation of growth coalitions in the United States, a consideration is made of the appropriateness of adopting such policy approaches in Britain. The organisation of the economies' of the two countries are compared, with a reflection being made that due to their innate differences replication of the U.S. approach would not ensure the development of growth coalitions which were characterised by the level of private sector participation found in the U.S.

An in-depth study of the growth coalition agenda is made, and the interests it represents. Concerns about "place marketing" and the subsequent increased level of competition between places are considered, along with a reflection upon the concern that democratic planning by the Local Authority is increasingly marginalised as the un-accountable growth coalitions' power is wielded, representing their economic standing.

In the final section of the dissertation the question is asked "To what extent can the private sector respond to the needs of the local community?". The point is made that in the evaluation of policy, (as a result of cultural changes over the period) success is reflected in terms of the achievement of the private sector agenda. This agenda, which is based on the premise of regenerating markets, provides the type of development which benefits those who have purchasing ability. Few such people, however, reside in the urban areas being addressed. The conclusion is made therefore that the private sector cannot, or will not provide industrial jobs, rented housing, and social facilities, which are the needs of the local community.