

**Nascent Geographies of Austerity –
Understanding the Implications of a
*Renewed Welfare-to-Work Discourse***

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Introduction

The 2008 financial crisis portrayed as a critical moment for many states around the world.

A 'New Politics of Austerity' (MacLeavy, 2011:365)

Many have adopted far more stringent policy discourses than have been observed in recent decades, with many advocating *even stronger* workfare regimes, *greater shrinkage* of the public sector, and *deeper* welfare state retrenchment.

These changes have led to a renegotiation of the relationship between the UK state and its citizens, and is producing uneven spatial impacts i.e. the geographies of welfare and welfare provision.



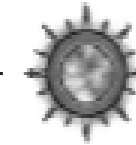
Project Justification

The UK acts as a good surrogate for analysing the material effects of austerity politics.

Cities are key sites of welfare provision, and therefore are where the effects of nascent welfare geographies will be most prominent (Brenner and Theodore, 2002).

‘It is at the local level that most of the social and welfare issues that arise from cuts and unemployment will be experienced’ (Lowndes and Pratchett, 2012:24).

Areas heavily reliant on the public sector for jobs and services will likely suffer disproportionately.



Cities and the Geographies of “Actually Existing Neoliberalism”

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This essay elaborates a critical geographical perspective on neoliberalism that emphasizes (a) the path-dependent character of neoliberal reform projects and (b) the strategic role of cities in the contemporary remaking of political-economic space. We begin by presenting the methodological foundations for an approach to the geographies of what we term “actually existing neoliberalism.” In contrast to neoliberal ideology, in which market forces are assumed to operate according to immutable laws no matter where they are “unleashed,” we emphasize the contextual *embeddedness* of neoliberal restructuring projects insofar as they have been produced within national, regional, and local contexts defined by the legacies of inherited institutional frameworks, policy regimes, regulatory practices, and political struggles. An adequate understanding of actually existing neoliberalism must therefore explore the path-dependent, contextually specific interactions between inherited regulatory landscapes and emergent neoliberal, market-oriented restructuring projects at a broad range of geographical scales. These considerations lead to a conceptualization of contemporary neoliberalization processes as catalysts and expressions of an ongoing creative destruction of political-economic space at multiple geographical scales. While the neoliberal restructuring projects of the last two decades have not established a coherent basis for sustainable capitalist growth, it can be argued that they have nonetheless profoundly reworked the institutional infrastructures upon which Fordist-Keynesian capitalism was grounded. The concept of creative destruction is presented as a useful means for describing the geographically uneven, socially regressive, and politically volatile trajectories of institutional/spatial change that have been crystallizing under these conditions. The essay concludes by discussing the role of urban spaces within the contradictory and chronically unstable geographies of actually existing neoliberalism. Throughout the advanced capitalist world, we suggest, cities have become strategically crucial geographical arenas in which a variety of neoliberal initiatives—along with closely intertwined strategies of crisis displacement and crisis management—have been articulated.

Research Questions

- 1 – To what extent is austerity influencing the nature of welfare provision?
- 2 – What political strategies and their associated material effects are emerging in response to austerity?
- 3 – How are (the least insulated) cities acting as locations of cooperation and resistance to such strategies and policy processes?

40 x semi-structured interviews with key stakeholders at national, regional and local scales (For example representatives of national/regional think tanks, local government, voluntary organisations).

Policy analysis of prominent policy legislation and strategies at various scales, as well as consideration of their material effects.

Preliminary Findings – National Scale

- Language – strivers vs skivers. Politically driven.
- Low paid working households hit hardest, pensioners protected for political reasons.
- Hardening of public attitude
- Responsibilities > Rights
- In-work conditionality
- Universal Credit – will it work? Universal Chaos?
- Not a shift in policy, but an extension and intensification of what came before.
- Treasury vs DWP, different agendas
- Lack of available jobs proving a major sticking point.

Responsibilities > Rights

“I think relative to where you’d expect it to be, the mood is more anti-welfare, and I guess it’s shifted more towards individual responsibility.” (Interview, Resolution Foundation)

“...there is **still a role for state funded welfare** but...the idea that to be in receipt of welfare you should, you know if you haven’t got undue health conditions or whatever or other issues why you shouldn’t, that you should be actively seeking work and that is **part of your responsibilities** before you should be claiming any welfare benefit, therefore **you should be out there actively seeking work.**”

(Interview with Institute of Employment Research)

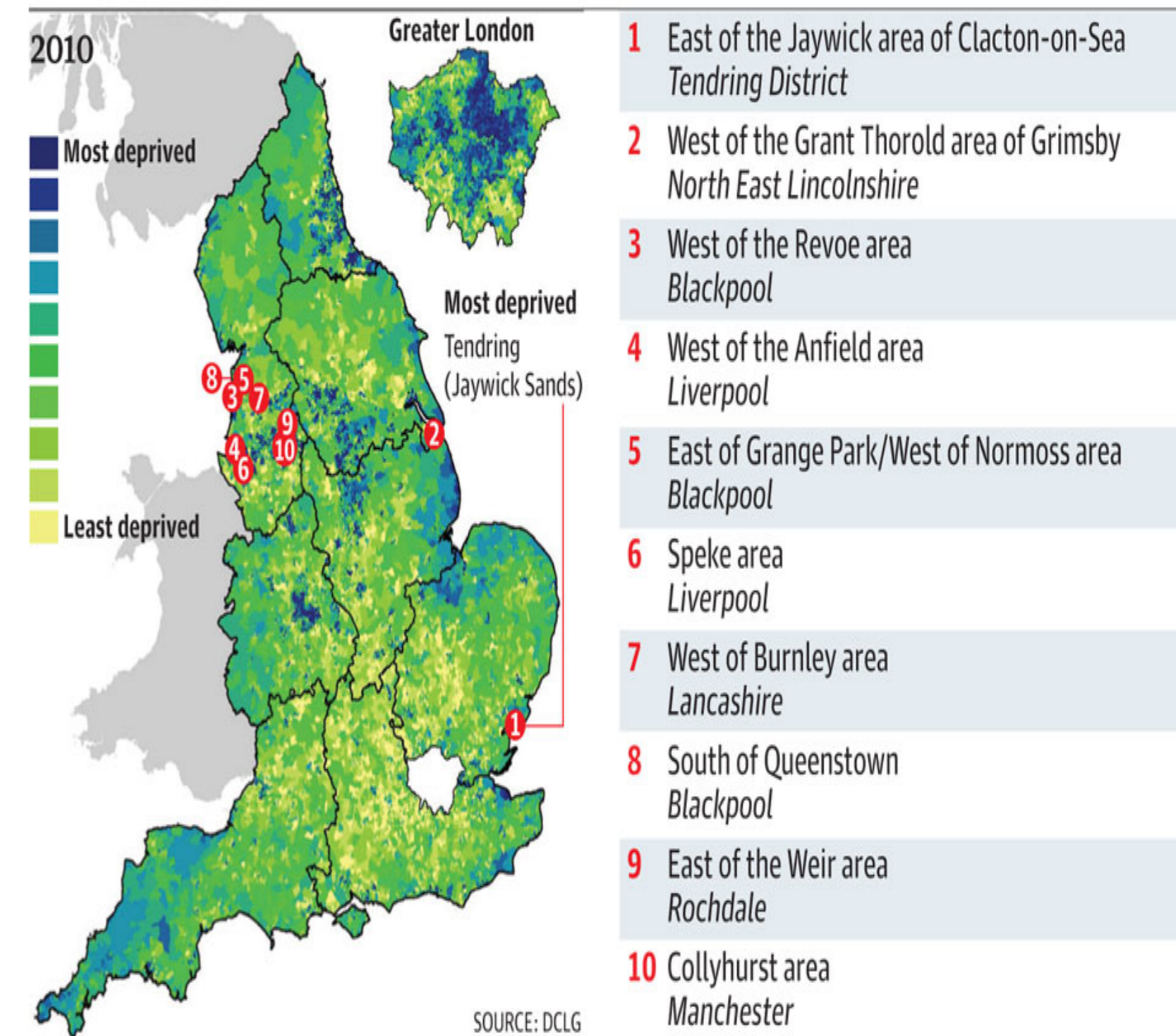
“I think the coalition is trying to enact a change in that relationship in terms of you don’t get something for nothing as it were...I’m sure that was always part of the Labour manifesto, but it wasn’t necessarily reflected in the benefits system.” (Interview with DWP)



Preliminary Findings – Regional Scale

- There is a gap in the framework appearing where regional organisations have been axed.
- Cities of the North West hit hardest.
- Co-ordination role, but limited by cuts to funding.
- Existing historical structural issues and patterns compounded and intensified by austerity and welfare reform agenda.
- Political tensions - much more defined than expected.
- As regional organisations are lost, funding streams to local organisations are being lost rather than replaced by other sources.
- Resistance to reforms very much localised, no real regionalised organisation of conflict.

England's most deprived areas



DCLG, 2013

Northern Cities Hit Hardest

“..cities in the north west stand to be hit the hardest by benefit cuts. Particularly on a per capita head, Birkenhead is the hardest hit, I think it was **seven of the top ten cities hit hardest by the welfare cuts by 2014-15 will be in the north west.** So it’s Birkenhead, Rochdale, Liverpool, Blackburn, Burnley, Bolton and Wigan. And then Manchester comes in at number eleven as well, so that’s quite interesting.” (Interview with Centre for Cities)

“I know that spending on welfare is just much higher in more deprived areas, so you know, they’re going to see more sort of sucked out of the local economy as a result...so the sort of **general pattern of following where is the highest worklessness and where’s the highest low pay.**” (Interview with the Fabian Society).

Preliminary Findings – Local Scale

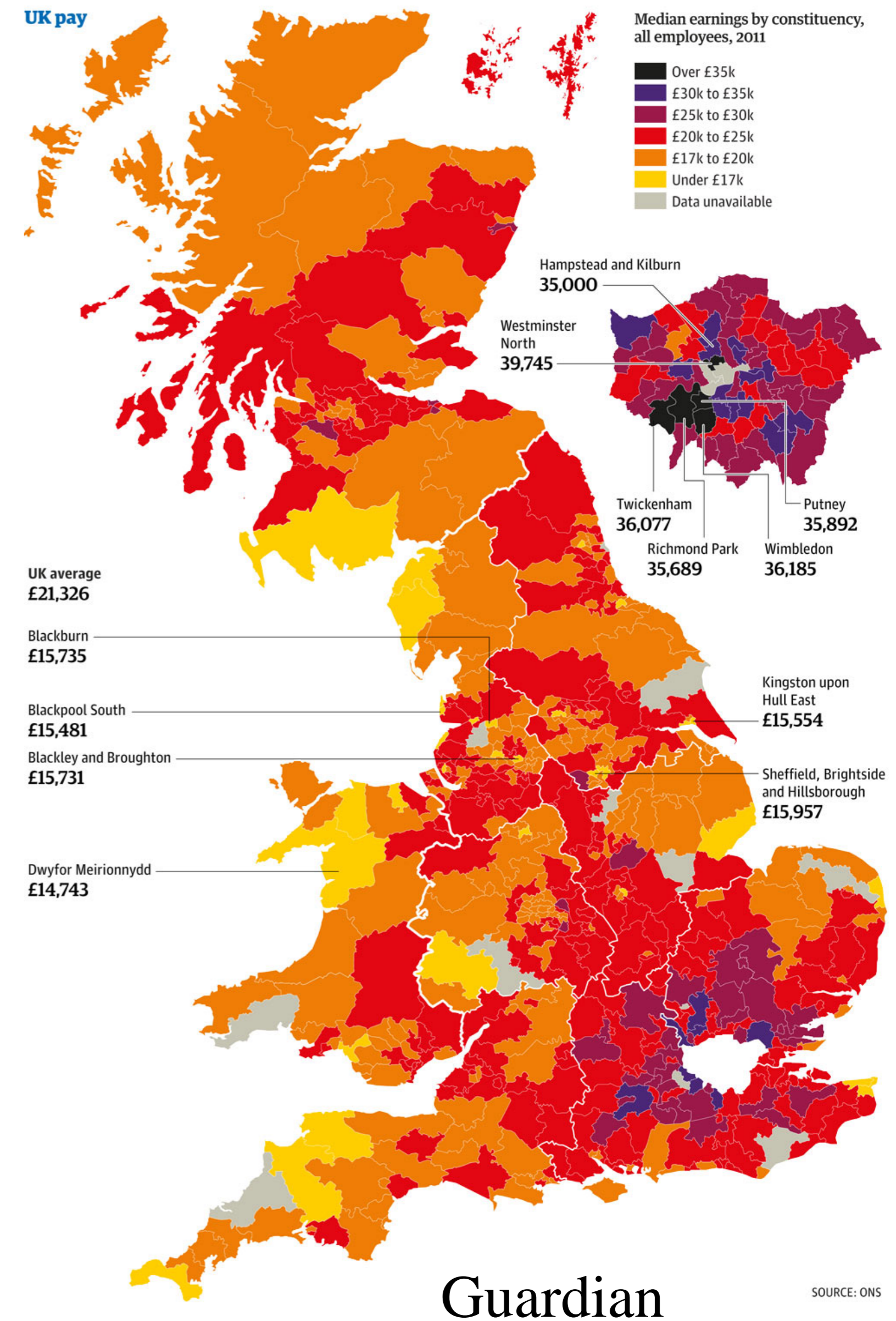
- Rhetoric vs Reality
- Universalism vs Localism
- Impacts are often just as much structural as a result of the reforms, but are increasingly being seen as far more punitive than initially envisaged.
- Voluntary sector struggling to get to grips with competition for money
- Prioritising = cutting less
- Innovation is there, but quality and quantity of welfare provision will inevitably suffer in the end.
- Attitudes of those affected.
- UC – resource challenge to meet targets – digital by default
- Bedroom tax and Council tax appear to be huge issues
- Co-operation between organisations is growing, resistance to change is less apparent. People coping by burying their heads in the sand.
- Too early to say what the overall impacts are going to be, but the effects are likely to be cumulative in the long term. Different policies will affect people differently – individual circumstances are important.

Rhetoric vs Reality

“...it’s **very difficult to get a job** in Blackpool. There’s not a wealth of jobs, some jobs are seasonal, so it’s difficult to make the aims a reality when you’ve got other things going on in the town I think...Maybe if you had a perfect town with jobs waiting, then it would work.”
 (Interview with Blackpool Council)

“The fact is that a lot of people who work have to claim benefits and want to work more hours yet the state is not getting growth going to improve the job market.” (Interview with Campaign for Fair Society)

“...the cuts must fall increasingly hard on the smaller base who don’t have any protection.”
 (Interview with Labour Politician).



Summary

To what extent is austerity influencing the nature of welfare provision?

- Too early to say what the overall impacts are going to be, but vulnerable groups in towns and cities of the North West are looking increasingly likely to be the hardest hit, more so than originally envisaged as further cuts and reforms are implemented.
- The state of the labour market will be the key to how much of a success or failure welfare reform policies are and the mediation between the centre-local. Unemployment is currently falling slowly but the impact on welfare reform is yet to be seen.

What political strategies and their associated material effects are emerging in response to austerity?

- There is a major difference between government rhetoric and the reality of implementation, far more so than first expected. Again the extent of this far exceeds what was initially foreseen.
- There is a distinct lack of regional presence which is hindering the smooth transfer of policy down from central government to the local level.

How are (the least insulated) cities acting as locations of cooperation and resistance to such strategies and policy processes?

- There are a variety of responses coming to the fore in response to the reforms, with individual circumstances being important. These include greater co-operation of functions and pooling of ideas from local stakeholders and the coping strategies of those affected such as burying their heads in the sand or making difficult choices about how to spend their money.
- **Unique Contribution: Has there been a qualitative shift in welfare-to-work policy rhetoric and how are cities of the north west and their citizens being implicated within such a discourse locally.**

Questions??