



Regenerating the coalfields:

**the south Wales
experience**



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by

Gareth Rees and Dean Stroud

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Cover Photo

Tower Colliery, by Barry Needle

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Summary

- The Valleys of South Wales are amongst the poorest and most disadvantaged regions in the UK and Europe more widely.
- The root cause is the cumulative impact of job loss from coal and the other staple industries. Industrial decline can be traced back to the 1930s, but has been especially severe since the 1960s, culminating in the virtual disappearance of coalmining and metal manufacture from the Valleys during the 1990s.
- Although alternative employment opportunities have been created, these have been insufficient to counteract the effects of job losses. Today, the Valleys are characterised by high levels of unemployment and economic inactivity. Many of the jobs which are available are poorly rewarded and relatively insecure. Household incomes are correspondingly low.
- These economic problems provide the context for poor-quality housing, high levels of illness and disability and low levels of educational attainment and vocational qualifications. These, in turn, make the economic problems more difficult to resolve.
- Family and community relationships have been severely disrupted by the pressures of industrial decline. The confidence which Valleys communities once had in their capacity to do things on their own account has been weakened. Again, this makes it more difficult to develop effective strategies to address problems of economic and social disadvantage.
- There is a very long history of state strategies aimed at modernising the economy of South Wales by promoting inward investment and fostering the growth of indigenous enterprise. Conditions would undoubtedly be much worse in the former coalfield areas if these strategies had not been implemented. But they have been insufficient to overcome the exigencies of market forces and, as a result, the new employment opportunities created have not matched the ones lost.
- Current initiatives – the Objective 1 programme and Communities First – have introduced new approaches to the regeneration of the former coalfield areas, emphasising the development of human resources rather than the physical infrastructure and seeking to involve communities in the development of new strategies. Their impacts are by no means clear as yet.
- Strategy should recognise explicitly that modernisation cannot recreate the valleys' former role in the wider economy. Restoring earning capacity and enhancing social infrastructure are key parts of regeneration. Community based initiatives are likely to be fundamental to regeneration.

Preface

The question of what should be done to tackle the problems of the south Wales valleys is, at last, beginning to make a welcome reappearance on the policy agenda.

In some arenas, the causes of problems in the valleys are attributed to valleys' people themselves – 'people have no initiative', 'the best people have left', and 'they are not enterprising' are just some examples of what is surprisingly widely said, or to the intrinsic features of the valleys – 'the topography', 'remoteness' and 'poor access' are sometimes cited. Such views confuse the symptoms with causes and overlook the origin of the problems, namely the rapid, large scale and unprecedented collapse of the economy in the valleys.

The Bevan Foundation commissioned this report to explore the reasons why valleys socio-economic characteristics have remained so stubbornly at or near the bottom of UK league tables. It is not a catalogue of statistics on socio-economic disadvantage, although parts are inevitably a sombre read. Rather, the authors look at the impact of the decline of coalmining and other industries in the valleys, and at the nature of government responses to change over the years. They then suggest some new approaches, albeit tentatively.

These conclusions are just a first step in what should be a wide-ranging, and well informed, debate about a new vision for the valleys. The Bevan Foundation is pleased to contribute this report to that process.

Victoria Winckler
Director, The Bevan Foundation

1. SOUTH WALES AND COALFIELD REGENERATION

Key Points

- the coal industry in South Wales continues to exert a profound influence over the current social and economic realities of the region.
- the speed and extent of colliery closure and job loss made it extremely difficult to cope with their consequences.

1.1 In the popular imagination, South Wales remains synonymous with coal. This is ironic, as a visitor to the Valleys at the beginning of the twenty-first century would actually be hard pressed to discover much evidence of a working industry. There is, of course, plenty that indicates the importance that coal-mining held for the region *in the past*. In a literal way, the museums which proliferate across South Wales celebrate the dominance exerted historically by the industry not only in the economy, but in social and cultural life too.

1.2 However, for the discerning observer, the imprint of the past is much more pervasive. The physical environment of the Valleys reflects the region's past industrial experience, in the contours of the reclaimed and landscaped tips and the configuration of houses and the roads and railways. Even the *new* developments of housing or advance factories frequently retain the names of the closed collieries on which they are built. And it does not take long to meet people whose lives have been deeply touched by

the industry: people who were themselves formerly miners or miners' wives; or whose fathers, brothers or other relatives worked in the industry; or who simply remember what things were like when the collieries were working. ***Paradoxically, although the coal industry in South Wales now exists only in a most attenuated form, it continues to exert a profound influence over the current social realities of the region.***

Coalfield Decline

1.3 In part, the explanation of this paradox lies in the breathtaking rapidity with which the coal industry in South Wales has declined to its present shadow state. The South Wales coalfield developed relatively late in the nineteenth century and thus it is only a few generations ago – during the 1920s – that it reached the peak of its production, when employment was around a remarkable quarter of a million men. At this time, not only did coal-mining dominate the South Wales region to an extraordinary

extent, but also the South Wales coalfield was one of the major industrial centres in the global economy of the period. However, the sombre experiences of the depression of the later 1920s and 1930s served to expose the vulnerability of the coal-based regional economy, which had hitherto appeared almost impregnable.

1.4 Moreover, even after nationalisation in 1947, the South Wales coalfield continued to contract, with some 90 collieries closing during the 1940s and 1950s. The pace of this contraction increased dramatically during the 1960s, as the massive restructuring of the UK industry had especially severe impacts on South Wales and the other 'peripheral' coalfields. During this decade, a further 75 collieries were closed in South Wales, with the loss of almost fifty thousand jobs.

1.5 Nevertheless, it is important to remember that at the beginning of the 1970s – well within the memories of many people in the Valleys today - the coal industry still enjoyed a powerful presence within the region, with over 50 collieries employing some forty thousand men. Even a decade later, around 35 collieries remained, sustaining a workforce of over twenty-five thousand. However, in the aftermath of the 1984-85 strike, the surviving collieries in South Wales were shut down very rapidly; indeed, by 1994, deep mining had ceased in the region. Subsequently, two mines – Bettws and Tower – reopened. Currently, however, only Tower continues to operate as a deep mine; and the coal industry in

South Wales – including the open-cast and small mines – employs only a few hundred people.

Aims of this study

1.6 This report is concerned with the fall-out of this pell-mell collapse of the coal industry in South Wales. Mining is, of course, an extractive industry and, therefore, the closure of mines is an inevitable consequence of the exhaustion of coal reserves. However, what has happened in the Valleys – especially over recent decades - is very different from this process of gradual change. Such has been the speed and extent of colliery closure and job loss that it has proved extremely difficult to cope with their consequences. Talking to people who live in the Valleys, they clearly experience real uncertainties over their future. Given the way in which the closures were implemented, they were profoundly traumatic not only for the individuals and families immediately involved, but also for the wider communities which were affected less directly. People now have real concerns that the Valleys are locked into a *terminal* spiral of economic and social decline. ***How far is it possible to create new forms of economic activity which will provide a stable foundation for secure employment, good levels of income and a high quality of social provision and opportunity?***

1.7 Achieving this kind of goal has proved elusive up until now. The uncertainty that exists over the future of the Valleys is compounded because these adverse economic and social conditions persist, despite the

multiplicity of policies and initiatives that have been implemented to improve them. Indeed, since as far back as the 1930s, there have been concerted efforts by central and local government, voluntary organisations and other agencies to overcome the problems arising as a result of employment loss from the coal industry. More particularly, during the past couple of decades, there have been intensive efforts to counteract the impacts of the final demise of the industry in South Wales, which now involve the European Union, the UK government in Westminster, the National Assembly for Wales and its sponsored agencies and the local authorities, as well as a host of community-based, 'third-sector' organisations.

1.8 The not inconsiderable investment and variety of strategic approaches entailed by all of this policy activity have manifestly failed to revitalise the former South Wales coalfield; although, of course, it is clear that things would be worse than they are, if nothing had been attempted. It is thus not surprising that some people – not least among those who live and work in the Valleys - express considerable scepticism about future prospects. ***Why has the regeneration of the Valleys proved such an intractable problem?***

1.9 Of course, the Valleys are not unique in their experience of persistent economic and social disadvantage. The other coalfield areas of the UK have also now had to come to terms with the collapse of employment in the industry and the consequent problems of bringing about economic and social

regeneration. Indeed, a recent report from the House of Commons Committee on Housing, Planning, Local Government and the Regions (the responsibilities of the Office of the Deputy Prime Minister) paints a picture of the English coalfield areas which is at least as bleak as that in South Wales. However, the Valleys do constitute a special case. The closures that led to what amounts to the disappearance of mining from the region occurred earlier than those in even the peripheral coalfields in England; and only quite recently have large-scale job losses affected parts of the central coalfields of Yorkshire and Nottinghamshire.

1.10 What this means, then, is that there has been more time to learn about the impacts of decline and the problems of coalfield regeneration in South Wales than elsewhere. Whilst paying due regard to the specific features of the different coalfield areas (and, in particular, their position within their wider regional economies), it is nevertheless important to put this extra experience to good use. It may be too that understanding better what has happened in a region such as the Valleys, beset for so long by seemingly intractable problems, may usefully inform attempts to regenerate other types of industrial area, beyond the coalfields, which are now confronting major job loss and the associated social disruption.

1.11 Accordingly, this report sets out to:

- assess what we know about the social and economic problems which characterise the South Wales Valleys, in consequence

of the (virtual) demise of the coal industry in the region. It draws together the substantial research which has already been done, rather than presenting the results of new studies. Hopefully, this synthesis will cast new light on what for many are very familiar problems.

- evaluate the diverse policies which have been pursued with the objective of regenerating the former coalfield in South Wales. As mentioned earlier, what would now be called 'coalfield regeneration' has a long history and, hence, the focus in what follows is on the last couple of decades. Even so, it is sometimes difficult to be categorical about the impacts of regeneration strategies, simply because the necessary evidence does not exist.

1.12 In doing all this, the intention is to provide an authoritative basis for developing new ways of tackling the regeneration of the coalfield areas, not only in South Wales, but in the other coalfield areas too.

2. CONSEQUENCES OF THE COLLAPSE OF COAL

Key Points

- The transition from employment in the coal industry to new job opportunities has not been smooth, as job losses from coal were not compensated by new employment creation.
- New developments have offered jobs which are very different from the ones which had been lost.
- The impacts of this complex restructuring of the labour market have been experienced in diverse ways by different groups in the population.
- The transformation of the labour market has created the conditions in which wider social disadvantage has intensified.

2.1 Historical studies of the development of the South Wales coalfield (and coalfields elsewhere) emphasise the ways in which the growth of the industry had impacts which went far beyond the narrowly economic sphere. The physical structures of the collieries and their related transportation networks were a highly visible manifestation of the investment taking place as the industry grew. Equally, jobs and the incomes they provided, not only in coal but in the associated industries too, were the prime attraction for the multitudes who moved into the coalfield as it developed.

2.2 However, those who came to work in the industry and their families rapidly developed communities which were characterised not only by the physical configuration of the

houses, shops and other developments which constituted the urban infrastructure of the Valleys, but also by distinctive social institutions. By the early decades of the twentieth century, the chapels, the trade unions and the other institutions of civil society came to occupy a central role in shaping the ways in which people lived their lives. Provision was made for the education of children and of adults who had been denied opportunities earlier in their lives. Health needs were met – albeit in a rudimentary way – through the development of basic medical services. People came together to create a vibrant cultural life through sports, music and other activities.

2.3 Indeed, these social relationships were as important as those which developed inside the world of work in shaping people's

identities and their sense of themselves. Precisely because the economic and social spheres were so closely intertwined, the South Wales coalfield developed as a patchwork of close-knit communities, which, individually and in combination, had considerable confidence in their capacity to shape their own future, both locally and more widely. Indeed, the nationalisation of the coal industry in 1947 seemed to many contemporaries to be the ultimate expression of this capacity, effected through the institutions of the wider labour movement.¹

2.4 The long decline of the coal industry in South Wales since the 1940s to some extent provides a mirror-image of its growth. It has involved far more than simply the loss of jobs, as it implied the unravelling of a complex and sophisticated fabric of social relationships too. Clearly, by the 1970s, the South Wales coalfield was a very different place from what it had been even in 1947. The dwindling of the industry was only to a limited extent compensated by the creation of new employment opportunities. Many of the latter recruited women and other new entrants to the labour market, rather than the men whose jobs had disappeared. This was reflected not only in the growth of unemployment and economic inactivity, especially amongst men, but also in mounting problems of low incomes and other forms of social disadvantage in large parts of the Valleys.

2.5 Many of the social institutions which had shaped the growth of the coalfield were mere shadows of their former selves. Perhaps most corrosive was the progressive demoralisation which people experienced, in the face of the seeming intractability of these problems. Collective confidence was undermined by the weakening of the economic and social conditions on which it was based.

2.6 During the 1980s and 1990s, coal-mining almost entirely disappeared from South Wales; the cycle of development which had begun some 150 years previously, effectively came to an end. In a region which had been created in its modern form overwhelmingly in response to the growth of the coal industry, the need for new forms of economic activity to provide jobs and incomes for its residents was ever more starkly evident. Without this foundation of new employment opportunities, it would be increasingly difficult for people to sustain themselves and their families, with the inevitable consequence of deepening social disadvantage and the collapse of wider social relationships within the Valleys communities. The initial question, therefore, is: how far has the long-term decline of the coal industry in South Wales been compensated by the development of new employment opportunities?

Job Loss and Labour Market Change

2.6 Most of the studies which have examined the employment implications of the 1980s job losses from the coal industry – in South

¹ H. Francis and D. Smith (1998) *The Fed: a history of the South Wales miners in the twentieth century*, Cardiff: University of Wales Press.

Wales and elsewhere - have understandably focused on the people who were affected most directly: the miners and other workers who actually lost their jobs.

2.7 It is thus well established that the quite substantial redundancy payments and secure pensions on offer, provided the opportunity for older miners, effectively to withdraw from the labour market into early 'retirement'. Recognising the enormous difficulties they would experience in getting a new job, these older men bowed to the inevitable; and for many, of course, retiring after a lifetime of extremely arduous work was a welcome relief.

2.8 Younger men did tend to find alternative employment, but mostly in low-skill manual jobs. The skills which had been acquired in mining were relatively difficult to transfer into other industries, although the men from the skilled trades (electricians and fitters) were considerably more successful here. In general, employment after leaving coal-mining paid much less than the jobs inside the industry and was much more precarious, frequently involving numerous switches between different jobs.

2.9 In short, ***there has by no means been a smooth transition from employment in the coal industry to new job opportunities in the coalfield areas.***²

² Wass, V. (1988) "Redundancy and Re-employment: effects and prospects following colliery closure", *Coalfields Communities Campaign Working Papers*, 5, 3-21.

2.10 These findings have a wider significance for the regeneration of coalfield areas. Although redundancies are always traumatic for the people directly involved, what happens after redundancy is crucial to its impact. If those ex-miners who wished to move into new jobs had been able to do so, whilst preserving their standard of living, then the social costs of the coal industry's dwindling would have been minimised. Moreover, as the coal industry fell in size over the decades since the 1960s, so its contribution to the employment structure of the regional economy declined correspondingly. Hence, by the 1980s, a significant number of men were still employed in mining, but the industry clearly no longer had the dominating presence it enjoyed even in 1947. Progressively, therefore, the task of coping with job losses through the provision of alternative employment opportunities would have become more manageable. In an ideal world, it would have been possible to manage the impacts of colliery closures and job loss in ways which minimised their costs.

2.11 The reality of employment change in the Valleys has been very different from this ideal. Quite simply, from the 1960s onwards, the ***job losses from coal were never adequately compensated by new employment creation.*** What this meant, in turn, was that the colliery closures and redundancies of the 1980s and 1990s *compounded* the adverse

Wass, V. and Mainwaring, L. (1989) "Economic and Social Consequences of Rationalisation in the South Wales Coal Industry", *Contemporary Wales*, 3, 161-85.

impacts of the earlier rounds of job losses.

2.12 Moreover, the coal industry was not alone in shedding jobs at a precipitous rate. Hence, the second staple industry of the South Wales region, steel and tin-plate, also declined very substantially, especially during the early 1980s and again at the end of the 1990s, when it too effectively disappeared from the Valleys (although retaining – at least for the time being - much reduced plants at the coastal locations). Partly in consequence of the decline in coal and metal manufacture, some traditional forms of engineering and other manufacturing sectors, which were important employers in the coalfield area, also shed labour significantly. And, more generally, the removal of what were often relatively high incomes from local economies had the inevitable knock-on effects on the provision of services, as, for example, the boarded up shops across the Valleys testify.

2.13 This is not to suggest, however, that new job opportunities were not being created too. Economic growth in the major urban centres of the South Wales region, especially around Cardiff, but in some of the smaller towns and cities adjacent to the coalfield too, intensified the pattern of large-scale, daily commuting from the coalfield areas. In particular, the development in these areas of quite large manufacturing plants, often by well known, international companies, received a great deal of attention. More significant in numerical terms was the expansion of jobs in the shops, leisure facilities and other private services.

2.14 Within the Valleys, however, employment has come to be dominated by public-sector services. This reflects the fact that education, health, local government and so forth have to be made available on a geographically dispersed basis, to some extent irrespective of the level of prosperity in different localities. Manufacturing also retains an important place in the Valleys economy, although it takes a rather different form from the traditional sectors which declined in the 1970s and 1980s.³ The large-scale, national and multi-national companies have for the most part avoided the coalfield itself. In consequence, the sector is dominated by small firms. One study has also reflected on its highly diverse nature, commenting that:

‘...we have interviewed ex-miners and their wives who produce sweat bands, oxygen masks, pot-noodles, cardboard boxes and a range of other foodstuffs, garments and machined components. ... Many of the people we talked with “didn’t know” what was produced in the new factories close to their homes.’⁴

2.15 Most recently, many large national and international firms have identified the former coalfield

³ Thomas, D. (1992) “The Welsh Economy: current circumstances and future prospects” in G. Day and G. Rees (eds.) *Regions, Nations and European Integration*, Cardiff: University of Wales Press.

⁴ Beynon, H. and Hudson, R. (2001) *Social Exclusion or Flexible Adaptation: Coal Districts in a Period of Economic Transformation*, Cardiff: Final Report to the ESRC, p.7.

as a suitable location for the burgeoning call-centre industry; although, as with many of the manufacturing firms, concerns continue to be expressed as to their stability over the longer term.

The impact on employment and incomes

2.16 The crucial point is that these new developments offered jobs which were very different from the ones which had been lost through the decline of coal, metal manufacture and the associated industries. The latter were, for the most part, relatively well rewarded, frequently involved the application of high levels of (albeit industry-specific) skills and were highly regulated through the powerful influence of strong trade unions. Not coincidentally, they were filled overwhelmingly by men. The new jobs were not only fewer in number, but were also much more of a mixed bag. Many recruited women, often on a part-time basis. They also included a much higher proportion that were poorly paid, involved little application of (at least recognised) skills and few opportunities for career progression. Trade union influence waned considerably. Partly in consequence, many of the new jobs proved precarious: individuals were 'laid off' and sometimes re-engaged with bewildering frequency; and firms themselves sometimes closed quite shortly after opening. ***The insecurities endured by many workers were thus considerably greater than those experienced in coal and the other traditional industries,*** where even decline and

redundancy had at least been highly regulated.⁵

2.17 It is also clear that the impacts of this complex restructuring of the labour market of the South Wales coalfield have been experienced in diverse ways by different groups in the population. As would be expected, unemployment amongst men in the coalfield areas is higher than in Wales and, of course, Britain as a whole.

2.18 More specifically, rates of long-term unemployment, especially amongst younger men, who are now denied the possibility of entry to the traditional industries, are a particular problem. However, in absolute terms, general unemployment levels are currently not that high. In part, however, this is explicable in terms of the very high incidence of economic inactivity which is characteristic of the Valleys, with well over a quarter of men recorded in this category. Some of this is accounted for by the 'early retirement' of ex-miners; but it is a much more pervasive phenomenon than this, as the extremely high rate of claiming sickness-related benefits indicates. For example, Merthyr Tydfil has the highest rate of sickness-related benefit claimants amongst working-age men in Britain; and a number of other areas in the former coalfield fall within the top ten.⁶

⁵ Parry, J. (2003) "The changing meaning of work: restructuring in the former coalmining communities of the South Wales Valleys", *Work Employment and Society* 17 (2), 227-246.

⁶ Fieldhouse, E. and Hollywood, E. (1999) "Life After Mining: hidden unemployment and changing patterns of economic activity amongst miners in England and

2.19 In contrast, female employment has grown both absolutely and, more particularly, relatively to male employment over recent decades. Nevertheless, unemployment amongst women in the Valleys is higher than in Wales as a whole. Here, however, the major problem is that of relatively low earnings.

2.20 Combined with male unemployment and, in particular, economic inactivity, this produces very low levels of household incomes in much of the former coalfield area. At the end of the 1990s, for example, about two-thirds of households in Merthyr Tydfil, Blaenau Gwent and Rhondda Cynon Taff had an annual income of less than £10,000, compared with just over half the households in Wales as a whole.

2.21 In summary, over a number of decades, there has been a sea-change in the labour market of what is now the former South Wales coalfield. The collapse of employment in coal and the other historically staple industries of the region has only very partially been compensated by the development of new job opportunities. The cumulative impact of these changes is reflected in relatively high unemployment, the dramatic incidence of economic inactivity and low levels of household income. Less tangibly, the previous embedding of work in the social life of the community has very largely been destroyed. The ways in which people understand

work and their relationships to it have changed fundamentally. These transformations, in turn, create the circumstances in which wider social disadvantage also multiplies.

Poverty and Social Disadvantage

2.22 Studies which compare levels of social disadvantage in different parts of the country regularly locate the coalfield areas amongst the most disadvantaged. A recent analysis by the Coalfields Communities Campaign, for example, revealed that the coalfields (north and south) comprised 31 of the 50 most deprived wards in Wales. Likewise, the 'official' Welsh Index of Multiple Deprivation, which combines ratings of income, employment, health, education, housing and access to services, records that scores were 'especially high' for Merthyr Tydfil and Blaenau Gwent, and 'high' for Rhondda Cynon Taff, Caerphilly and Neath-Port Talbot. There is no doubt, therefore, that the South Wales Valleys exhibit concentrations of extreme social disadvantage, reflecting *combinations* of adverse conditions. ***At the core of these complex problems, lies the joblessness and low income levels resulting from the transformation in the labour market.***

Housing

2.23 This is illustrated, for example, in the persistent problems of poor quality housing in much of the former coalfield region.

Wales 1981-1991", *Work, Employment and Society*, 13 (3)

Successive Welsh House Condition Surveys since the 1980s have emphasised the high rates of unfitness and poor amenities in the Valleys housing stock. It is true that, for the most part, South Wales has avoided the problems experienced elsewhere, when housing stock owned by the National Coal Board was transferred to private landlords, many of whom failed to maintain houses adequately. Historically, it is owner-occupation that has been dominant in the Valleys housing market. However, where owner-occupiers are on low incomes, they too experience difficulties in dealing with repairs, still less improving houses to acceptable modern standards, even where financial support from local and central government is available. Ironically, the low costs of existing houses and of new housing development in the Valleys are now proving attractive to somewhat more affluent house-buyers, who are finding that they are able to buy much more for their money in the Valleys than they can in Cardiff or the other urban centres of the region. Both 'gentrification' and new, 'suburban' housing developments are growing, if limited phenomena in many parts of the former coalfield.

2.24 Council housing has not been without its problems too. 'Right to buy' policies have made relatively little impact (for better or worse) and local authorities themselves have been unable to sustain a high-quality housing stock, with low levels of investment sometimes compounded by poor management. Moreover, given the physical configuration of the Valleys, many estates have been

built in rather remote locations, on the hill-sides above the established urban settlements. Residents here have thus found themselves quite isolated, especially given the poor public transport provision and relatively low car-ownership.

2.25 For many people, therefore, their daily lives are confined to the frequently run-down environments of their estates, from where they can look down on the older settlements clustered on the valley floors. Such isolation often proves especially frustrating for younger residents, thereby creating conditions in which various forms of anti-social behaviour – from noisy gatherings on street-corners, to substance abuse, vandalism and other criminal behaviour - flourish.

Education and training

2.26 These latter problems are also closely related to the functioning of the education system. There is considerable evidence to indicate that a substantial proportion of children and young people in the Valleys are alienated from formal educational provision in schools and colleges. Truancy from school is a major problem; and large numbers of 16-year-olds leave education, without proceeding to training or employment. Studies of the New Deal for Young People have revealed that the requirement of regular attendance at a further education college (or an equivalent) is deeply unpopular with the participants (as it is with the college staff who have to cope with their unruly behaviour). It would appear that the popular view that education is highly valued in coalfield society (as in Welsh

society more generally) at best needs careful qualification.

2.27 It is thus not surprising that, on average, levels of educational attainment in the former coalfield area fall significantly below those for Wales as a whole. This adverse disparity applies throughout the school career, from the first standardised testing of attainment during the early years of primary school (Key Stage 2) through to GCSEs at the end of compulsory schooling and beyond to GCE AS and A level assessments. What is especially instructive, however, is that the disparity increases with age: when children in the Valleys enter the school system, their performance is significantly closer to that of their peers elsewhere than it is by the end of their schooling. This trend is especially marked amongst those young people from the most disadvantaged backgrounds (as indicated by the receipt of free school meals).

2.28 What is absolutely clear, therefore, is that, whilst there are undoubtedly many young people from the Valleys who record the highest levels of educational attainment, the average level of performance falls depressingly short of the norms achieved elsewhere. Moreover, the cumulative nature of this short-fall is at least consistent with the evidence of a progressive alienation from formal education provision that was outlined earlier.

2.29 The principal reasons for this low level of educational attainment lie in the social backgrounds of pupils. It is well established that, in general, young

people from working-class families fare progressively worse than their middle-class peers as they move through the stages of the education system. More specifically, the most disadvantaged social backgrounds – as reflected in eligibility for free school meals and dependency on recipients of Income Support, for example – exert an especially adverse effect on educational performance. The impacts of policy changes in the nature of educational provision on this relationship between social background and educational attainment have been disappointingly limited. In this respect, therefore, educational attainment in the former South Wales coalfield reflects the same pressures as are experienced in other areas with a comparable social make-up.

2.30 To put this another way, the levels of educational attainment which are recorded in the Valleys are what would be expected, given the incidence of social disadvantage in the region: there is no evidence of a specific ‘Valleys’ or even ‘coalfields effect’ on educational performance.⁷

2.31 In a general way, therefore, educational disadvantage reflects the depressed economic and social conditions of the former coalfield more widely. It is more difficult, however, to be categorical about the effects of the changes which have taken place over recent decades. It is not clear, for

⁷ Gore, T. and Smith, N. (2001) *Patterns of educational attainment in the British coalfields, Research Report*, London: Department for Education and Skills.

example, that the disparities in attainment between the Valleys and other areas have increased during the decades in which coal and the other staple industries have collapsed. Even in the 1960s and 1970s, the proportion of young people who left school without qualifications of any kind in the South Wales coalfield was higher than elsewhere in Wales. It is true that, at that time, a substantial proportion of school-leavers were relatively high achievers and could progress to higher education and/or to professional and managerial occupations, often leaving the Valleys to do so. Others achieved sufficiently to enter skilled trades, through apprenticeships and other routes. Equally, however, for a substantial group of young people, the school system provided relatively little and, of necessity, they entered the local labour market without qualifications.

2.32 It was important, therefore, that the staple industries – coal and metal manufacture, in particular – recruited large numbers of (at least male) school-leavers irrespective of their previous educational qualifications. However, once inside these industries, the provision of training was extensive, especially in the coal industry. Hence, not only were workers trained rigorously to carry out their jobs effectively (the nature of the work demanded this), but also there were well recognised opportunities for career progression that depended on workplace learning and the acquisition of vocational qualifications. Although the knowledge and skills acquired were frequently specific to the industries concerned, this training regime provided a rich learning

environment. Indeed, for many individuals, the learning achieved by these means was much more significant than that which they undertook at school.

2.33 The disappearance of the traditional industries from the Valleys has clearly removed this characteristic route to learning and, for some, career progression too. Moreover, there is little evidence to suggest that it has been replaced. Undoubtedly, there are firms and other organisations in South Wales (even in the former coalfield area) which require advanced knowledge and skills and offer the highest quality of training opportunities. However, these are the exceptions, rather than the rule. It remains the case that the levels of formal vocational qualifications that are recorded in the former coalfield areas are much lower than the Welsh average, which is itself low relative to the rest of the UK, let alone elsewhere in Europe. Hence, for example, Blaenau Gwent, Merthyr Tydfil, Rhondda Cynon Taff, Neath-Port Talbot, Torfaen and Caerphilly are recorded as the local authority areas with the highest proportions of working-age people without any recorded qualifications in Wales. Equally, there is little to suggest that there is significant training and skill acquisition taking place that is going unrecorded. As has been seen, the jobs which now dominate the labour market of the Valleys are limited in the skills which they demand; and the training provided is more often than not correspondingly minimal.⁸

⁸ Rees, G., Gorard, S. and Fevre, R. (1999) "Industrial South Wales: learning

2.34 Accordingly, the experience of most people in the Valleys is far removed from the widespread claims – not least from the government – about the burgeoning requirements for ever more education and training to meet the needs of the ‘knowledge-based economy’. Indeed, the career pathways available in the Valleys today, especially to young people, are arguably much more starkly differentiated than they were previously. In particular, for those who are unable or not inclined to pursue the route to high educational attainment and to professional and managerial occupations, the relevance of any form of qualifications may seem limited. The opportunities which were once provided in the traditional industries to compensate for an early lack of qualifications are no longer available.

2.35 The role which education and training plays in the structuring of social opportunities is thus complex. On the one hand, low levels of educational attainment and of training and vocational qualifications are a *product* of the wider patterns of economic and social disadvantage which characterise the former South Wales coalfield. On the other, they are themselves a *cause* of the continuation of these adverse conditions.

2.36 The extent to which individuals in the Valleys benefit from the (formal) learning opportunities which are available is

society past, present or future?”, *Contemporary Wales*, 12 (1999) 18-36.

very powerfully constrained by their social backgrounds. Equally, their future career trajectories depend to a considerable extent on their educational performance (broadly defined); poor educational qualifications generally limit subsequent employment opportunities.

2.37 More widely too, it has been argued that the relative weakness of economic development in the former South Wales coalfield both reflects the low levels of skills available in the workforce, as well as contributing to the circumstances through which only limited knowledge and skills are produced through the education and training system. In other words, education and training constitute key mechanisms through which the social opportunities available to people in the Valleys are constrained and patterns of inequality and disadvantage are *reproduced*.

Health

2.38 Very similar arguments can be made in respect of health in the former South Wales coalfield. It is clear that the population of the Valleys experiences very severe health problems in comparison with the rest of Wales; and Wales as a whole, in turn, is much worse off in this regard than the other parts of Britain.

2.39 Hence, in eight Welsh former coalfield local authority areas, the standardised mortality rate (the death rate adjusted to take account of the age of the population) is significantly higher than the UK average; and in four – Blaenau Gwent, Merthyr Tydfil,

Rhondda Cynon Taff and Caerphilly – it is no less than 10 per cent higher. Poor health is also reflected, of course, in the statistics relating to the incidence of illness. According to the Welsh Index of Multiple Deprivation, former coalfield areas make up 87 of the 100 wards in Wales with the worst overall health problems. More specifically, the proportion of people in the Valleys with a limiting long-term illness is significantly higher than elsewhere in Wales, reaching almost 30 per cent in a number of areas.

2.40 Similarly, the proportion of the working-age population who are permanently sick or disabled in these areas far exceeds the Welsh average too. Many more people report that their health is ‘not good’ than elsewhere in Wales. Indeed, the Welsh Health Survey reports that Neath-Port Talbot, Blaenau Gwent, Merthyr Tydfil and Caerphilly recorded the highest levels of respondents who view their physical health as problematic; and Merthyr Tydfil, Caerphilly, Blaenau Gwent and Torfaen scored highest on this measure for mental health. Not surprisingly, then, the Overall Health Index – a measure combining the limiting long-term illness ratio, low birth-weight babies and the standardised mortality ratio for people under 75 years of age – is significantly worse than the Welsh average in the former coalfield areas.

2.41 The evidence of the severest problems of ill-health in the former South Wales coalfield is thus overwhelming. It is more complex, however, to trace out the

reasons why people’s health in the Valleys is so bad.

2.42 Official accounts currently tend to emphasise two sets of factors: life-style choices; and the legacy of previous employment patterns. It is true that the links between life-style and the risks of ill-health are well established. Moreover, the incidence of smoking, high alcohol consumption, poor diet and obesity is significantly higher in the former coalfield areas than the average for Wales; and the levels of regular exercise and the consumption of fruit and vegetables significantly lower. The considerable investment which is being made currently in health promotion initiatives reflects the importance government attaches to this kind of explanation; although it remains to be seen how effective these will be in the longer term.

2.43 There is also an undoubted legacy of health problems left by the traditional, staple industries of the region. Both coalmining and metal manufacture involve extremely arduous and often dangerous work. Former workers in these industries therefore experience a higher incidence of disability and illness than most other occupational groups. Former coalminers, for example, suffer debilitating conditions such as bronchitis, emphysema and vibration white finger. That these arise directly from their previous working environment is endorsed by the compensation payments which are made from government sources (albeit somewhat reluctantly).

2.44 However, there are other factors which give rise to the major health problems of the Valleys too. Hence, there is good evidence that there are strong, if complex links between unemployment and ill-health. People who are unemployed are more likely to suffer both physical and mental illness; and those who experience prolonged ill-health find it more difficult to find and retain employment.

2.45 Moreover, there is an equally close relationship between sickness and disability and economic inactivity. The incidence of working-age men in receipt of benefits related to sickness and disability – mainly Incapacity Benefit – rose significantly across Britain as a whole through the 1980s and earlier 1990s, reaching a peak in 1996 and declining thereafter. However, the numbers receiving these kinds of benefit remain extremely high in the former coalfield areas of South Wales. Merthyr Tydfil, for example, has recorded a remarkable 26 per cent of men of working age in receipt of these benefits, the highest level in Britain; and in Rhondda Cynon Taff, Blaenau Gwent and Neath-Port Talbot too more people claim Incapacity Benefit than in any other part of Wales.

2.46 Studies suggest that this dramatic incidence of economic inactivity related to sickness and disability reflects the changes in employment conditions over recent decades. As has been seen earlier, with the loss of jobs from coal and the other staple industries, men in particular have found it difficult to find and retain jobs in the new labour market of the Valleys,

especially where they do not have recognised qualifications. For these people, claiming support such as Incapacity Benefit is a better option than unemployment-related benefits, as the levels of payment are much higher. The National Audit Office has claimed that, during the late 1980s and early 1990s, the Employment Service was advising claimants to follow this path; and many local doctors could testify to the required level of incapacity. In these circumstances, then, the manifest disadvantages of unemployment could at least be ameliorated by a withdrawal into economic inactivity through ill-health.

2.47 However, the long-term consequences of this trend are complex. Once individuals have become economically inactive in this way, the chances of their returning to employment are low. The rates of pay available for unskilled work in the Valleys provides little incentive for overcoming the problems of ill-health. However, such is the scale of economic inactivity now that it has been argued to constitute a brake on new economic development. Surviving in the long term on benefits of any kind implies very low levels of expenditure, with obviously adverse consequences for the individuals involved and for the local economy. Moreover, potential new investment may be deterred by the incidence of economic inactivity at such extraordinarily high levels. The inactive become a highly manifest index of the economic problems besetting the former coalfield; and thereby, ironically enough, make improvements in economic circumstances even less likely. It is

perhaps not surprising, therefore, that mental illness (and depression, in particular) has now replaced muscular-skeletal problems as the principal cause of incapacity claims.⁹

2.48 To summarise, ***the transformation of the labour market consequent upon the collapse of the traditional industries in the South Wales Valleys has created the conditions in which wider social disadvantage has intensified.***

The growth of various forms of joblessness and low levels of household income, in particular, have had inevitably deleterious consequences on other aspects of the social structure of the former coalfield areas, such as housing provision, opportunities for learning through education and training and the incidence of ill-health and disability.

2.49 These areas are now characterised by *combinations* of multiple disadvantages. Crucially, these disadvantages are strongly inter-related and mutually reinforcing. Phenomena such as low educational attainment and poor health *both* reflect the limited employment opportunities and depressed economic conditions of the former coalfield *and* make it more difficult to bring about significant improvements in these conditions. In short, the multiple social disadvantages which

characterise the Valleys tend to reproduce themselves, thereby ensuring that they endure over the long term.

Communities, Social Capital and Regeneration

2.50 These arguments about the reproduction of economic and social disadvantage in the former South Wales coalfield beg further questions about the conditions necessary to bring about significant improvements in these conditions. Are the Valleys communities locked into an inevitable spiral of decline, in which social inequalities and disadvantages are reproduced from one generation to the next? Or, can effective regeneration strategies be developed that overcome the manifest problems which they confront?

2.51 It is now widely argued that for regeneration to work it requires more than appropriate levels of economic investment, physical development and human resources. It also depends on what is often called 'social capital'. What this means is that effective regeneration needs to be built upon the social and cultural relationships within communities that enable people to work effectively together to achieve collective objectives. Economic and social development, it is argued, cannot be imposed wholly from outside. It is true that strong networks of communication and influence between disadvantaged communities and external agencies (within and outside the state) are also necessary, not least to provide financial support and technical

⁹ Green, G., Grimsley, M., Suokas, A., Prescott, M., Jowitt, T. and Linacre, R. (2000) *Social Capital, Health and Economy in South Yorkshire Coalfield Communities*, Sheffield Hallam University Centre for Regional Economic and Social Research.

expertise. However, to bring about lasting improvements, regeneration requires an impetus from inside the affected communities and localities and they need to be engaged with the process of development throughout.

2.52 On this view, therefore, where communities enjoy a social infrastructure which is conducive to the kinds of collaborative action which permit the fulfilment of shared goals ('social capital'), this is an invaluable resource in developing effective regeneration strategies.

2.53 Clearly, if such strategies are to be produced for the former coalfield in South Wales, they will depend upon economic resources which can only be made available through government interventions, at local, Assembly, UK and European levels. However, there is also scope for community-based initiatives, instigated by informal associations and 'third-sector' organisations, which draw directly on the inputs of residents of the Valleys communities themselves. Perhaps more importantly, it seems unlikely that effective state interventions can be forthcoming in the absence of the sort of lobbying and pressure from within the former coalfield itself that requires a powerful social infrastructure at the local level. For all these reasons, therefore, it is highly pertinent to explore the extent to which such a social infrastructure exists, in spite of the economic and social problems which beset the Valleys.

Social capital in the south Wales coalfield

2.54 As has been seen earlier, during its period of growth, the South Wales coalfield became not only relatively prosperous, but also socially dynamic and confident in its collective endeavours. In the terms introduced earlier, a powerful resource of 'social capital' provided an important foundation for the development of various forms of collective provision in education, health-care and cultural activity, as well as contributing to the wider forces which brought about the nationalisation of the coal (and steel) industry after the Second World War.

2.55 Equally, especially since the 1960s, the decline of the traditional industrial structure progressively removed the material basis on which the strong social institutions of the coalfield were founded. Family and community relationships became more difficult to sustain and people became demoralised about the future and their role in it.

2.56 It is frequently argued that the economic transformations of the 1980s and 1990s has intensified this process to the point where resources of 'social capital' are so attenuated that the development of effective regeneration strategies is significantly impeded. There are undoubtedly indications that people in the Valleys now have far less confidence in the social institutions which once gave expression to their collective aspirations. The trade unions and the political parties of the labour movement no longer occupy the position that they

once did in people's hopes for the future, as membership rates and turn-out levels in elections of all kinds demonstrate. The wider network of informal associations, which once provided the cement which bound communities together, has also dwindled significantly. In sport and other cultural activities, for example, it has proved difficult to sustain levels of participation in local clubs and societies, as the focal point of economic activity and the financial support and sponsorship this provides, has been drawn inexorably to Cardiff and the other major urban centres on the coast.

Social relationships

2.57 There are also indications that the social fabric of local communities has been disrupted in a major way. The isolation experienced by many residents of the Valleys has been mentioned earlier. Family support has been weakened, as many of those young people who can move away from the Valleys in the search for better employment opportunities and an improved social environment. Older people often voice their distrust and even fear of the young who remain; and of their exasperation with what they see to be the latter's anti-social behaviour. 2.58 Young men and women themselves complain of the lack of social opportunities available to them and their need to relieve 'boredom' through congregating with their friends in public spaces or, more worryingly, seeking the 'excitement' engendered by excessive alcohol and other drugs. How far these inter-generational tensions are worse now than they were in the past is more difficult to

gauge. Town-centres in the Valleys on a Saturday night are places from which older residents appear largely excluded and which are dominated by the excessive behaviour induced by excessive alcohol.

2.59 It is true too that rates of recorded crime really are substantially higher in the Valleys than elsewhere in Wales, especially in respect of drug-related offences, violent crime and thefts from property. Evidence suggests, moreover, that the perpetrators of crimes are most often men in their later teens and early twenties. And it is difficult to escape the conclusion that these levels of crime and other forms of anti-social behaviour are related – in however complex a way – to the lack of adequate employment opportunities and the wider economic problems which beset the former South Wales coalfield.¹⁰

2.60 A number of studies of colliery closures (and those in other industries) have commented that the impacts were not only social and economic, but emotional too. The losses that people *feel* when closures occur are no less real and important than the more tangible ones. In light of this, therefore, the almost complete demise of the coal industry in South Wales can be seen as having induced a collective sense of emotional loss that has accumulated over the extended period of economic decline in the Valleys. Its manifestations are

¹⁰ Adamson, D. and Jones, S. (1996) *The South Wales Valleys: continuity and change*, Pontypridd: University of Glamorgan.

witnessed in part in the private sorrows of the individuals who, in diverse ways, literally mourn the passing of coalfield society. But equally, it is reflected in the evaporation of the optimism that communities in the Valleys feel about their own capacities to effect change. The critical question for regeneration strategy, therefore, is: ***how far can a collective confidence and sense of shared efficacy be rebuilt?***

2.61 These points begin to direct attention to the nature of regeneration strategies themselves. As was seen earlier,

there is a long history of government policies and other initiatives which have been intended – at a minimum - to alleviate the problems created by employment loss from coal and the other staple industries. More recently, following the virtual disappearance of these industries, the Valleys have continued to be the object of intensive policy activity, by virtue of the stubborn persistence of economic and social disadvantage. How should these various strategies be understood? What impacts have they had?

3. 'MODERNISING' THE VALLEYS

Key Points

- Regeneration initiatives have had to confront the effects of recent closures and the accumulated impacts of previous policy failures and their positive effects have been insufficient to cope with the decline of economic activity and problems of social disadvantage.
- The regeneration of the former coalfield areas in South Wales is no longer seen in terms of job losses from coal but rather as one part of wider attempts to combat economic and social disadvantage.
- strategies based on promoting inward investment have been viewed with suspicion and there are limits to what could be achieved through the growth of indigenous enterprise. Community-based projects offer an important means of harnessing the 'social capital' available to create new economic activity.

3.1 Efforts to combat the effects of job losses from the coal industry in South Wales date back to the 1930s, when the precariousness of the coalfield economy was exposed in a most dramatic and sustained way. (Ironically, before this, governments had been primarily concerned with managing the growth of the industry and the society it supported.) Although nationalisation was intended to solve the industry's problems, in reality, the rhythms of its decline through the second half of the twentieth century continued to be matched by extensive public debate and subsequent initiatives to deal with employment problems.

3.2 Each period of intensive colliery closure and consequent workforce decline called forth policies that aimed to compensate the coalfield areas for their economic losses. For the most part, these policies were developed

by the state, through local and central government and the various development agencies, most notably the Welsh Development Agency (WDA), and, more latterly, through (what is now) the European Union (EU) as well. Indeed, the involvement of the local communities directly affected could frequently be somewhat tenuous (a point which will be picked up later).

3.3 Almost irrespective of the ideological positions of the various governments involved, the general aim of these policy initiatives was consistent. It was deemed necessary to make up for the declining employment in coal (and the other staple industries) by creating alternative job opportunities. Until the 1980s, it was generally envisaged that coal and the other traditional sectors would continue to be major elements within the regional economy, but diversification of the

employment structure through the development of new jobs was necessary. The integration of the Valleys into the mainstream of the wider British (and international) economy could be maintained, but on the basis of a more mixed range of sectors, less dominated by coal and the other traditional industries. Indeed, this relative shift in the employment structure could be presented as a necessary *modernisation* of South Wales as a whole, escaping from what came to be presented as its historical over-dependence on 'nineteenth-century' industries.

3.4 This picture has changed, of course, with the almost complete disappearance of coal and metal manufacture from the Valleys during the 1980s and 1990s. Policy initiatives have continued to be announced. However, currently, ***regeneration initiatives have to confront not only the effects of the most recent closures and redundancies in the traditional industries, but also the accumulated impacts of the failure of previous strategies to cope fully with earlier rounds of disinvestment and job loss in the Valleys.*** What has been lost is clear enough, but the scale of the transformations which have occurred make it much more difficult to present a coherent vision of what the future of the Valleys will be like.

3.5 Precisely because they have contributed to the current situation, it is important to evaluate the attempts that have been made up until now to resolve the problems of the former South Wales coalfield. Although doing this is by no means straightforward, it will provide an

important basis for at least clarifying the terms on which a future for the Valleys will be achieved.

Combating Coal Industry Decline

3.6 Ever since the 'special measures' of the 1930s, the central element in strategies for combating the effects of employment decline in coal has been the promotion of new economic activity through *inward investment*. The principal vehicle for achieving this has been the financial (and other) assistance available through regional economic policy to private firms to persuade them to locate on or at least near the coalfield. Hence, for example, in the 1960s, as the White Paper, *Wales: the Way Ahead*, made clear, the expectation was that the vigorous regional policy being pursued by the then Labour government would bring about a growth in manufacturing employment which would permit the re-absorption into employment of the miners losing their jobs because of colliery closures in South Wales. It was recognised, of course, that not all or even most of these new manufacturing jobs would be physically located within the coalfield itself. However, planned improvements in the transport infrastructure would permit daily commuting to the new plants, as well as to the job opportunities available in the revitalised urban centres on the coast.

3.7 Fully two decades later, in the late 1980s, when a Conservative administration introduced the so-called

'Programme for the Valleys' to combat the next round of intensive colliery closure (and job loss in metal manufacture), the formula remained essentially the same. However, by this time, it was acknowledged that regional policy would not bring about the levels of job creation required by focusing on manufacturing. Developing employment in the services through inward investment was important too, reflecting wider shifts in the structure of economic activity and, more specifically, the increasing participation of women in employment, even in the coalfield areas of South Wales.¹¹

3.8 Of course, encouraging inward investment is more than a matter of financial incentives alone. Initiated in the 1960s after the Aberfan disaster, the clearance of spoil tips and more general environmental improvements became a central element in regeneration strategy. What began as a response to the dangers posed by the legacy of the coal industry soon became a key means of removing the outward manifestations of the industry altogether, thereby creating a 'modern' environment suitable for manufacturing and other investments. Likewise, the building of advance factories and the linking of the new industrial estates through improved communications networks came to be seen as crucial to the promotion of the new economy which was to be created

in South Wales. By the time that the Programme for the Valleys was introduced (in 1988), the importance of the social, as well as the physical, environment was also beginning to be emphasised, with proposals to improve the quality of education and training and of business support services too.

3.9 Indeed, a number of studies have commented on the growth of 'place marketing' in the coalfield areas, as in other types of locality, during the 1980s and 1990s. All kinds of agencies – local authorities, development agencies, etc. – have devoted considerable resources to developing the most sophisticated strategies for promoting 'their' areas as the prime sites for private-sector investors. And what is presented here is the 'total environment' on offer: not only the financial support provided, the quality of the buildings and physical environment, or even the skills of the workforce; but also the availability of good-quality housing, schools and leisure facilities. As other commentators have remarked, what this approach to coalfield regeneration produces is frequently the paradox that an area is presented in the most positive terms to private-sector organisations in order to try to secure inward investment; whilst, at the same time, what are emphasised to public-sector agencies are the economic and social disadvantages it suffers in order to attract public funding.¹²

¹¹ Rees, G. (1997) "The Politics of Regional Development Strategy: the Programme for the Valleys" in R. MacDonald and H. Thomas (eds.) *Nationality and Planning in Scotland and Wales*, Cardiff: University of Wales Press.

¹² Bennet, K., Beynon, H. and Hudson, R. (2000) *Coalfields Regeneration: dealing with the consequences of industrial decline*, Bristol: Policy Press for the Joseph Rowntree Foundation.

3.10 The excesses of this kind of 'boosterism' serve to highlight some of the difficulties of the wider strategy of coalfield regeneration through inward investment. These attempts to attract investment to particular localities face the most intense competition, not only from other coalfield areas, but from across the national and, indeed, international economy. Agencies *everywhere* are attempting to boost their local or regional economies by attracting private-sector investors. What is involved, therefore, is almost a 'zero-sum game'; when one area succeeds in securing an investment project, then others clearly lose out.

3.11 The rivalries can thus become extremely sharp. Hence, for example, the WDA became the object of much adverse comment from elsewhere in Britain during the 1980s, when it had an especially successful record of attracting a number of large, multi-national and multi-regional plants to South Wales. *Within* the region, however, the antagonisms between different localities were no less keenly felt, especially where the former coalfield areas felt that they were continually being bested by Cardiff and the other parts of the coastal belt. Although commuting to work has become a normal part of daily life for many residents of the Valleys, it has still proved difficult to avoid the perception that it is other places that are getting the lion's share of the benefits of new job opportunities.

3.12 Perhaps for this reason, regeneration strategies based on promoting inward investment have been widely viewed with suspicion within the former coalfield. Even

where investments have been made in Valleys areas, the firms involved have often been regarded (only sometimes with justification) as unstable, operating at the margins of profitability or simply moving on when the immediate benefits of regional policy support expire. Such developments are thus characterised as being imposed from outside and have largely failed to become an organic part of community life; as was seen earlier, many residents simply do not know what happens on the nearby industrial estates or inside the local advance factories. They clearly illustrate, therefore, some of the difficulties which arise when local communities are not integrated into regeneration strategy.

3.13 The intensity of national and international competition for inward investment also suggests that the amount which any one area receives is inevitably limited. Although it is difficult to isolate the impacts of policy measures from the other factors which influence the investment decisions of firms, it can readily be acknowledged that new jobs have undoubtedly been created (and existing jobs secured) in South Wales, through regional economic policy and other forms of support for inward investment. However, these new jobs have never matched the numbers being lost from coal and the other traditional industries; still less have they provided equivalent levels of earnings, working conditions or employment prospects.¹³

¹³ Hill, S. and Munday, M. (eds.) (1993) *Inward Investment in Wales*, Cardiff: Institute of Welsh Affairs.

3.14 The arguments here are complex. However, what is certain is that the *actual* pattern of restructuring of economic activity in South Wales generally and within the Valleys more specifically is at considerable odds with what was *intended* by government and its development agencies. Hence, as was seen earlier, the principal growth in employment has taken place not in manufacturing, but in services and, more particularly, the public services. The implication of this has been a substantial recomposition of the labour market, with a growth in employment for women, leaving the most pressing problems of unemployment and economic inactivity for men. This has been the outcome, *in spite of* the influence of regional policy and, latterly, more comprehensive 'place marketing' on patterns of inward investment.

Promoting Enterprise

3.15 Of course, coalfield regeneration strategy has never been confined to promoting inward investment. The importance of fostering the growth of *indigenous enterprise* has also been recognised. In fact, this has grown in significance, especially during the 1980s and 1990s. Not only have the limitations of inward investment become increasingly recognised, but also the ideological climate has become more conducive to the celebration of *entrepreneurial* activity. The latter has often been conceived in very traditional terms. What was required was overcoming a 'Valleys mentality' of dependence on employment, deriving from the historically dominant experience of

large-scale (and nationalised) industry.

3.16 It is instructive, for example, that one of the most publicised responses to the colliery closures of the 1980s was the creation of British Coal Enterprise (BCE) (in 1984). Its principal aim was to assist redundant miners to find new employment. It offered help with training, provided work-space in coalfield areas and offered loans and equity finance to new business. Indeed, as its very name implies, it was most concerned to develop new small enterprises in coalfield areas. The claims which it made as to the numbers of jobs it created and the extent of its success in assisting ex-miners to find new jobs have become highly controversial. What is clear, however, is that BCE was unable to create large numbers of new enterprises *within* coalfield areas of South Wales (and, indeed, elsewhere), whatever its success rate elsewhere. Even where small businesses were established, this was not done by ex-miners or even residents of the coalfield areas. In short, its impacts on entrepreneurial activity in the Valleys themselves (as in the other coalfield areas) were limited. Moreover, this reflected the very restricted opportunities for new small businesses to thrive in the depressed economic conditions of the coalfield areas. When, for example, ex-miners opted not to invest their redundancy payments in setting up a small business, this was a wholly *rational* response to the state of the local market.¹⁴

¹⁴ Rees, G. and Thomas, M. (1991) "From Coal-miners to Entrepreneurs? A Case-study in the Sociology of Re-industrialisation" in M.Cross and G.Payne

3.17 Subsequent initiatives have also emphasised the fostering of local enterprise, but have adopted a rather different approach from the individual entrepreneurialism which characterised BCE. Most notably, the major EU programme of coalfield regeneration, RECHAR, reflected not only a European emphasis on partnership working, but also a broader vision of what local enterprise could embrace. Begun in 1992 (after initial blocking by the UK government), its early activities comprised quite traditional investment in factory units and industrial sites, training programmes and so forth. However, in its later phases, and in part in response to the perceived shortcomings of its earlier work, it began to recognise the need to move beyond these conventional approaches to creating new business activity. It became much more concerned to build new economic enterprises on the basis of community involvement.

3.17 Hence, regenerating the social infrastructure became as important as the physical infrastructure in promoting new forms of business activity within local communities. And, in adopting this approach, RECHAR presaged later initiatives to harness local resources in regeneration.¹⁵ More optimism was being expressed over regeneration

strategies which were more closely integrated into the communities whose interests they were intended to serve. And well-publicised success stories, most notably the purchase of the Tower Colliery by a co-operative of miners who invested £12,000 of their redundancy payments in the enterprise, appeared to give strength to this view. And it these approaches which have become more influential in present-day initiatives.

3.18 By the 1990s, there was an increasing recognition that 'top-down' regeneration strategies which originated wholly outside of the former coalfield itself were not only unpopular, but also of limited effectiveness. There was by then long experience of strategies based on promoting inward investment. Despite the well-publicised successes, the overall impact on the Valleys had been limited, not least because of the intense competition between different areas to attract private-sector investment. There were also clear limits to what could be achieved through the growth of indigenous enterprise, especially where that was understood in terms of the development of small businesses by individual entrepreneurs. The economy of the Valleys could not sustain high levels of such activity; and many of the small businesses which did set up soon went out of business. This is not to suggest, of course, that these well-tried strategies achieved nothing at all; things would clearly have been even worse without them. Rather, it is to acknowledge that their impacts were limited, especially in the face of the massive job losses

(eds.), *Work and the Enterprise Culture*, Lewes: Falmer Press.

¹⁵ Ball, R. (1999) "Delivering new potential for community economic development? European structural funds, RECHAR II and the West Midlands coal communities", *Policy and Politics*, 27 (4), 515-532.

which had accumulated in the Valleys over several decades.¹⁶

Combating Social Disadvantage

3.19 The almost complete disappearance of coal and metal manufacture from the Valleys during the 1980s and 1990s has changed the frame of reference for regeneration strategy considerably. The aim can no longer be to produce a 'modern', diversified economy, in which the staple industries have a continuing, if reduced role. Rather, what needs to be done is to construct a viable basis for economic and social life in the Valleys communities, which is wholly independent of the types of industrial activity that brought these communities into being in the first place.

3.20 Reflecting this shift, the regeneration of the former coalfield areas in South Wales is no longer regarded as setting a *unique* (at least in Welsh terms) policy agenda, defined essentially in terms of job losses from coal (and the other staple industries). Resolving the problems of the Valleys has come to be seen as one part – albeit a very important one – of wider attempts to combat economic and social disadvantage generally. It is true, of course, that earlier strategies were also based upon general policies, as in the case of regional economic policy. However, as has been seen, especially during periods of

intensive job loss from coal, these general policies were applied within a framework which defined these job losses as the particular focus. This is no longer true.

3.21 It is also significant that the principal sources of funding for Valleys regeneration have shifted somewhat. In part, this reflects the progressive dismantling of traditional regional economic policy under successive central government administrations during the 1980s and 1990s; and the corresponding growth in importance of the work of development agencies, with the WDA clearly taking the prime role in the Welsh context. However, of much greater significance has been the enormous increase in the contribution of the EU structural funds.

3.22 The role of EU funding began to grow substantially after 'Industrial South Wales' (very broadly corresponding to the coalfield area) was designated an Objective 2 area in 1989. What this meant was that its problems of industrial decline and job loss were sufficiently severe in the European context to warrant access to resources from the European Regional Development Fund and the European Social Fund. This funding provided the basis during the 1990s for major investment, although the projects which were made possible in this way initially simply continued the types of initiative which had been tried previously. Further land was reclaimed; new industrial sites were prepared and advance factories built; the physical infrastructure was improved; and many private

¹⁶ Cato, M. (2004) *The Pit and the Pendulum: a co-operative future for work in the Welsh Valleys*, Cardiff: University of Wales Press.

firms received financial support and other assistance.

3.23 More latterly, however, resources were directed at community-based initiatives, technology transfer and innovation projects and the provision of training. Although precise evaluation is extremely difficult, there is no reason to believe that the impacts of these projects was not highly positive: the physical infrastructure was improved; private investment was secured; and new jobs were created. Again, however, these undoubted improvements were clearly insufficient to match the scale of cumulative economic decline in the former coalfield areas and to deal with the consequent problems of low incomes and other social disadvantages.

3.24 This gap between achievement and what was really required was reflected in the fact that, at the end of the 1990s, the Valleys (and the largely rural areas of West Wales) met the criterion for designation as an Objective 1 area. Hence, despite the long history of attempted regeneration, the Valleys still qualified as one of the most disadvantaged parts of the EU, with a GDP per capita less than 75 per cent of the EU average. At the time, the prospect of very significantly enhanced European funding for the period up until 2006 was naturally warmly welcomed. But it was only made possible because the problems faced in the Valleys had proved stubbornly resistant to the earlier efforts to eradicate them.

3.25 At the moment, it is difficult to be categorical about the effects

which the Objective 1 programme is having in the Valleys, as the overall character of the projects being undertaken has not been systematically researched. It is acknowledged that there has been a huge input of public investment, officially estimated to amount to almost £750 million between the programme's inception in 2000 and the end of 2003. However, there have also been regular complaints about the way in which the programme is being implemented. Bureaucratic procedures and domination by local authorities and other 'official' agencies have made it difficult for private firms and local organisations to access funding.

3.26 Doubts have also been expressed as to whether the target of raising GDP per capita to 78 per cent of the EU average by 2006 will actually be achieved; although this forecast is made much more complicated by the recent accession to the EU of 10 new member countries, many of which are poorer than the UK or even Wales. The likelihood of continued funding after 2006 is thus also unclear, although it seems most probable that it will finish then.

3.27 What is perhaps more certain is that to bring about sustainable improvements in economic and social conditions in the Valleys through the Objective 1 programme requires more than (even hugely) increased investment. ***New ideas about the kinds of initiative to be undertaken are necessary too.***

3.28 In the initial stages, great emphasis was placed on the potential of investment in human capital, through education and

training, to create the conditions in which long-term improvements could be effected in the nature and level of economic activity in the Valleys. Undoubtedly, these ideas were strongly influenced by the widespread notion that increasing levels of knowledge and skills were required in order to compete in the 'knowledge-based economy'. More concretely, the example of the Irish Republic was frequently adduced. Here, it was suggested, spectacular growth had produced a 'Celtic Tiger' economy through its investment in education and training during the previous round of Objective 1 funding; and there was no reason why the same formula could not be effective in the Valleys.

3.29 In reality, of course, these ideas have proved to be somewhat simplistic. Studies indicate that whilst the Irish Republic's economic growth was supported in important ways by its systematic investments in education and training, other factors provided the impetus which instigated the growth trajectory in the first place. More generally too, many commentators have argued that improving people's employability through education and training does not *in itself* ensure that the jobs are available in which enhanced and higher level skills can be exercised. Especially in places like the Valleys, there are no guarantees that raising levels of educational attainment and skills would have more than a marginal impact on overall levels of economic activity and, consequently, the jobs available. Indeed, enhancing human capital in this way may achieve no more than an increase in migration away from the Valleys to locations where the

'knowledge-based economy' is closer to fulfilment.¹⁷

3.30 A further distinctive element in the thinking which has underpinned the Objective 1 programme has been the recognition of the role which local communities themselves need to play in building sustainable forms of economic development and thereby achieving social cohesion. In part, this reflects the wider thinking about effective regeneration strategy within the European Commission and which, as has been seen, was present in the RECHAR initiatives too. Equally, again as has been discussed earlier, the limitations of 'top-down' strategies for regenerating the Valleys by promoting inward investment and generating indigenous enterprise had become increasingly recognised.

3.31 Through the 1980s and 1990s, there was a substantial growth in community-based projects in the Valleys (as in other disadvantaged areas). The bulk of these 'third-sector' projects are initiated and subsequently sustained through some form of public funding. They thus operate within a market-economy, but are insulated from its sharpest exigencies through their publicly-funded support and, indeed, their frequent dependence on voluntary workers. Whilst generally small-scale initiatives, they have come to provide highly-valued employment

¹⁷ Brown, P., Green, A. and Lauder, H. (2002) *High Skills: globalization, competitiveness, and skill formation*, Oxford: Oxford University Press.

(mostly) to local residents. They also deliver useful services to their communities, including credit unions, childcare facilities, music and theatre-based services, café and catering provision and so on. Very few, however, manufacture goods, as the market conditions of the Valleys make this much more difficult.

3.32 Nevertheless, for many commentators, community-based projects of this type offer an important means of harnessing the 'social capital' available within local communities in areas such as the Valleys, to create valuable forms of new economic activity. In doing so, they avoid the full force of market forces and of the intense state regulation which is implied by traditional, 'top-down' approaches to regeneration.¹⁸

3.33 It is this sort of thinking which also underpins the Welsh Assembly Government's major initiative aimed at the regeneration of socially disadvantaged localities, Communities First. This too is not targeted specifically at the former coalfield; but in focusing on the most disadvantaged areas in Wales, it inevitably picks up large numbers in the Valleys. The intentions of Communities First are officially summarised as follows:

- 'Building the confidence and self esteem of those living in these communities and developing a "can do" culture;

- Encouraging education and skill training for work; Creating job opportunities and increasing the income of local people;
- Improving housing and the surrounding environment;
- Improving health and well being through an active and healthy lifestyle, and by addressing a range of issues that affect people's health;
- Making communities safe and secure places in which to live, work and play;
- Driving forward changes to the way in which public services are delivered.¹⁹

3.34 These aims clearly reflect the principal dimensions of social disadvantage in the former coalfield areas. What is more innovative, however, is the emphasis which the programme places on *partnerships* between people from the local community and the representatives of statutory organisations, the private sector and voluntary and community groups. Projects which are funded through Communities First are thus expected to engage the resources of local communities, tapping into local 'social capital', both to develop ideas about what should be done to combat social problems and to ensure that project implementation is consistent with local people's aspirations.

3.35 Of course, constructing such partnerships is highly demanding. Some of the preliminary evaluations have already (the programme only began in its current form in 2001) pointed to the difficulties in recruiting and

¹⁸ Bennet, K., Beynon, H. and Hudson, R. (2000) *Coalfields Regeneration: dealing with the consequences of industrial decline*, Bristol: Policy Press for the Joseph Rowntree Foundation.

¹⁹ Communities Directorate (2001) *Communities First Guidance*, Cardiff: National Assembly for Wales, p.4.

retaining professional workers with the skills necessary to facilitate this process. And more generally, there must be some doubt as to the extent to which these most disadvantaged areas in the Valleys (as elsewhere) retain the social infrastructure necessary to sustain a proactive role in the development of Communities First projects.

3.36 As was seen earlier, the long process of economic decline in the former coalfield has weakened local institutions, disrupted social relationships and demoralised many people. Inevitably, therefore, the resources of 'social capital' available in many Valleys communities is limited; and, of course, it is precisely the most disadvantaged ones which are likely to be worst off in this respect. Early case-studies suggest that the undoubted promise of the Communities First programme is remaining unfulfilled in communities in Valleys areas because local residents are finding it extremely difficult to participate in the process through which projects are being developed. In consequence, these initiatives are being increasingly dominated by the representatives of local authorities and other formal agencies. However, a full exploration of these issues, as of the wider impacts of Communities First, must await a more systematic evaluation of what is being achieved.

3.37 To summarise, the Valleys provide a rich experience of strategies aimed at effective regeneration. Undoubtedly, all of the different approaches can be shown to have had some positive effects. However, it is equally clear

that these **positive effects have been insufficient to cope with the decline of economic activity in the coalfield and the problems of low income and social disadvantage which this has created.** So much so that, at the beginning of the twenty-first century, the Valleys remained amongst the poorest and most disadvantaged parts of the EU. It is difficult to avoid the image of someone trying to fill a bucket with a very large hole in it.

3.38 With the demise of coal and the other staple industries, there is clearly a pressing need to construct a new future for the Valleys, of a kind that would have been impossible to envisage in the past. It remains difficult, however, to delineate clearly the terms on which this will be done.

4. PROSPECTS FOR COALFIELDS

Key Points

- It is extremely unlikely that a strategy based on 'more of the same' will succeed. A change in the valleys' role should be made clear and resources applied to developing a coherent alternative.
- Investment in policies which maintain the broad pattern of economic and social life in the valleys must at least be maintained.
- Mainstream expenditure programmes in education and health must be enhanced to recognise the especially intense problems of social disadvantage.
- Restoring earning capacity and enhancing social infrastructure are key parts of regeneration. Community based initiatives are likely to be fundamental to regeneration.

4.1 The significance of the experience of regeneration in the South Wales Valleys extends beyond the region itself. It is striking, for example, that the recent report from the House of Commons Committee on Housing, Planning, Local Government and the Regions illustrates the extent to which the English coalfield areas exhibit the same kinds of economic and social problems as the Valleys. It concludes:

'Evidence to this inquiry has highlighted significant progress in addressing the needs of the coalfields areas Progress has been concentrated in a programme of remediating and reclaiming sites led by English Partnerships but there are still major problems in terms of:

- *Promoting economic development*

- *Addressing a skills deficit*
- *Improving educational attainment*
- *Dealing with the legacies of ill health, both physical and psychological*
- *Addressing the problems of areas with poor quality and empty housing and*
- *Tackling problems of social exclusion, community and family breakdown and loss of individual esteem and identity.*²⁰

Much the same could have been written about the former coalfield areas of South Wales.

²⁰ House of Commons ODPM: Housing, Planning, Local Government and the Regions Committee (2004) *Coalfield Communities*, Fourth Report of Session 2003-4, Volume 1, London: Stationery Office, p.8.

4.2 However, the Valleys exhibit specific characteristics too. Most evident is the fact that the virtual disappearance of the coal industry from South Wales happened much earlier than in the other coalfield areas. The Valleys thus had to face the realities of a 'post-coal society' sooner and, of course, this means that there is correspondingly greater experience of the impacts of regeneration strategies designed to address these realities. It may be, therefore, that there are wider lessons to be learned from what has happened in the Valleys which can be applied elsewhere.

4.3 The reality is that there has been a progressive divergence in policies between England and Wales, reflecting the different rhythms of closure and job loss. It is instructive, for example, that when the Coalfields Task Force was established by the central UK government to develop strategy for the former coalfields, Wales was not included in the remit. As early as the late 1980s, therefore, the Valleys were perhaps considered to have lost their coalfield legacy. As has been seen, the principal initiatives currently aimed at combating economic and social disadvantage in the Valleys, the Objective 1 programme and Communities First, are not aimed *exclusively* at the former coalfield areas. The English coalfield areas, on the other hand, continue to be the objects of policies which are defined specifically in terms of the problems arising from the decline of the industry.

4.4 More generally too, one of the most important lessons from

studies of industrial restructuring is that the specific context in which restructuring takes place is crucial to shaping its nature and impacts. *Equivalent* or *similar* patterns of industrial change produce effects which are *specific* to different areas, reflecting their distinctive characteristics. Hence, the overall decline of the coal industry has had differential impacts on the various coalfield areas in Britain, in line with their particular economic and social features. The pace and timing of colliery closures and associated job loss is one aspect of this differentiation; some of the central coalfield areas of Nottinghamshire and Yorkshire are only now experiencing the sort of collapse of the industry which was experienced in South Wales fully a decade ago.

4.5 Equally, the way in which the coal industry relates to the wider industrial structure of the region is crucial in shaping the impact that its demise has. In areas where coal is one of a variety of industries, each offering alternative employment, the effects of job losses from the coal industry are correspondingly limited. As has been seen, what is most striking about the trajectory of the South Wales coalfield is the rapidity with which it has shrunk to virtual extinction from a position of wholly dominating (along with metal manufacture, which has also largely disappeared) the employment structure and wider social relations of the Valleys. This spiralling decline simply does not have ready parallels elsewhere. And, in part at least, this underpins the persistence of such severe problems of economic and social disadvantage in the former coalfield

areas in South Wales. Accordingly, whilst there may indeed be lessons to be learned from what has been done in the Valleys of South Wales, they need to be applied with sensitivity to the characteristic features of each coalfield area.

4.6 Inside Wales too, the specificity of the problems experienced by the Valleys is increasingly less acknowledged in policy-making. The *general* character of the Objective 1 programme and Communities First has already been noted. It is equally instructive that the draft *Spatial Plan for Wales*, which sets out the ways in which the Welsh Assembly Government's general strategies for economic and social development are expected to impact upon the different geographical areas of Wales over the next 20 years, does not consider the Valleys as a distinctive entity at all. It is as if the fact that job losses from coal have ceased (because there are no more jobs to be lost) obscures the very particular legacy which the cumulative decline of the industry has bequeathed. Indeed, such is this legacy, that if the economic and social problems of the Valleys could be eradicated (in whatever sense), then this would have a huge impact on inequalities and social disadvantage in Wales as a *whole*. Ironically, therefore, the South Wales coalfield continues to dominate Welsh society, although for very different reasons from its hey-day.

4.7 For some commentators, addressing the problems of the Valleys effectively is a matter of developing the appropriate forms of governance. For example, it has

frequently been argued that a single authority – perhaps on the lines of the Urban Development Corporations - with responsibility for the regeneration of the former coalfield areas would ensure that the problems confronting the region would be properly addressed. Undoubtedly, this would resolve the issue of the relative invisibility of the Valleys in policy-making and may help to redress what is frequently viewed as the undue attention given to Cardiff and the other parts of the coastal belt. There is little doubt too that there are important concerns that need to be addressed about the mechanisms through which policies are implemented, as the complaints over the Objective 1 programme illustrate.

4.8 ***However, it is the nature of the strategies to be implemented which will really affect the shape of the Valleys in the future.*** As was seen earlier, whilst the strategies which were implemented during the decades after the 1930s, and especially after the 1960s, have undoubtedly brought new economic activity to the former coalfield areas and improved their physical environment immeasurably, at the end of the 1990s the region remained one of the poorest and most disadvantaged in the EU.

Strategies for economic restructuring

4.9 The types of strategy which were used attempted to change the ways in which the economic market operated, but did so only at the margins. It was hoped that new economic activity would be generated through subsidising

private-sector firms to bring investments into the area or by facilitating local firms to grow or new firms to be established. Inevitably, therefore, the success of such initiatives has been highly dependent on the state of the wider economy and the market on which it is based.

4.10 For precisely this reason, of course, it has proved difficult to stimulate new indigenous enterprise to the extent desired, simply because of the very unfavourable environment that the Valleys offer for such development. Similarly, strategies aimed at promoting inward investment could only be successful where there were other factors (labour supply, relative wage rates, the nature of trade union organisation and so forth) which also inclined firms to make investments in South Wales and, even more, the Valleys themselves. Currently, therefore, although the general state of the British economy is comparatively strong, the flow of inward investment is restricted because of the attractions of alternative locations in other parts of the world. Even the best efforts of the WDA are unable wholly to buck these market trends.

4.11 The inevitable, if uncomfortable, conclusion that follows from this analysis is that ***it is extremely unlikely that a strategy for coalfield regeneration based on 'more of the same' will succeed.***

4.12 The sorts of interventions which have been at the heart of previous policy for the Valleys have attempted to reshape the functioning of the market at the

margins and have exerted correspondingly marginal effects. Of course, things would undoubtedly be worse if these initiatives had not been undertaken. However, there is no reason to believe that, in themselves, they will even achieve the target of cutting significantly the current gap in prosperity between the former coalfield areas and the Welsh, let alone the British, norm.

4.13 This, in turn, begs more fundamental questions about what the aims of regeneration strategy for the Valleys *ought* properly to be. What kind of future *should* be envisaged for the Valleys? A conventional aspiration for regeneration has been that policy will be able to effect a modernisation of the South Wales economy that will restore levels of economic activity and consequent prosperity to what they were when coal and the other staple industries were thriving. However, all the evidence suggests that, at least for the Valleys themselves, this is going to be impossible to achieve. To put this another way, given the demise of coal and metal manufacture, the way in which the Valleys are inserted into the wider mainstream of the economy will inevitably be very different. ***It is difficult to envisage circumstances in which the former coalfield areas will regain a place at the very centre of the British economy, as was the case as recently as the 1950s. What is necessary, therefore, is to be explicit about this and, more significantly, to apply resources to developing a coherent alternative role for the Valleys.***

4.14 Up until now, the recognition of the Valleys' inevitably changed role has been *implicit* in much of central government's policy and an alternative vision has been difficult to discern. Hence, whilst not formally acknowledged, it is clear that policies have accepted that the former coalfield areas cannot be expected to sustain the levels of economic activity within their boundaries that they used to do. Some people, especially the young, will need to leave the Valleys in order to find employment, especially of a kind that requires higher levels of human capital and pays accordingly. Others will commute daily to the regional centres of 'modern' economic activity in Cardiff and other parts of the coastal belt. Their work and their capacity to earn a reasonable living will thus be geographically detached from their homes and the communities in which their social relationships are embedded. Yet others will continue to live and work within the former coalfield areas, finding sustainable jobs in the firms and, more particularly, public-sector organisations which are located there. It can be argued, therefore, that this provides the basis for a viable future for the former coalfield areas. It underlines ***the necessity of at least maintaining investment in the policies which facilitate this broad pattern of economic and social life.***

Strategies to tackle disadvantage

4.15 However, what this picture omits is the plight of the substantial minority of people in the Valleys who experience intense forms of disadvantage. It is this section of

the population of the Valleys which presents the most intractable problems and which has clearly benefited least from previous attempts at regeneration. What are the strategies which would alleviate the disadvantages experienced by these groups?

4.16 In this context, it is relevant to raise questions about the resourcing of social provision in the long term. Much of regeneration strategy up until now has been dependent on special initiatives with clear time limits; both the Objective 1 programme and Communities First fall into this category. It has been seen earlier, however, that factors such as poor educational attainment and bad health persist over time through their capacity to reproduce economic and social disadvantage.

4.17 The issue therefore is that of the extent to which the funding of public services such as education and health is sufficient to meet the need to improve significantly the educational attainments and state of health of the poorest people in the Valleys. Of course, expenditure on these mainstream programmes of social provision is already designed to take account of the incidence of adverse social conditions. However, it can be argued that ***dealing with long-term problems in areas such as education and health requires a heightening of the extent to which the 'normal' funding mechanisms for the mainstream expenditure programmes recognise the especially intense problems of social disadvantage experienced in areas such as the Valleys of South Wales.***

4.18 Ultimately, an effective regeneration strategy depends upon the extent to which new economic activity can be generated to provide jobs which can be taken up by those people experiencing the most severe disadvantage.

4.19 Restoring earning capacity is likely to be the most effective means of reducing the impacts of low incomes and other social disadvantages. As current policy recognises, the third-sector of the economy has a substantial role to play here. Perhaps most influential would be the expansion of third-sector activity engaged in the production of goods (rather than services). Successful examples such as the Tower Colliery are clearly of great significance. Tower's impact has not only been directly in terms of creating jobs, but also in restoring confidence amongst the local community in its capacity to achieve collective goals. It has demonstrated the potential for creating new forms of economic activity through positive co-operation and the pooling of resources, expressed in the requirement for the miners each to pay £12,000 towards the costs of the buy-out. Its spin-offs have included a range of sporting and cultural activities, as well as the more obvious economic ones. However, it is important to recognise that the success of Tower has grown out of a very particular set of circumstances. The extent to which it provides a model to be replicated elsewhere may therefore be limited. Nevertheless, creating the mechanisms by which co-operatives or other third-sector enterprises can be developed to produce goods competitively

seems likely to deliver important rewards.²¹

4.20 Community-based initiatives of all kinds deliver important benefits, even where they only survive on the basis of subsidy from the state. It is important, however, to recognise the *total* contribution which they make. Hence, any social accounting exercise in this regard would set the subsidies paid to keep organisations going against the benefits of job-creation not only in terms of the incomes earned by employees, but also the social gains for the individuals involved in terms of their self-esteem and wider engagement in community relations. Third-sector activities draw upon the resources of 'social capital' which are embodied in the fabric of community relations. However, equally, they can contribute to these too. Perhaps more than anything else, effective regeneration strategy is about generating sustainable networks of social relations into which people can be firmly integrated. Third-sector activity has a key role to play here.

4.21 In the 1930s, Hilary Marquand published a book called *South Wales Needs a Plan*. It still does. Of course, the terms on which such a plan would be produced today are very different from those of 70 years ago. Indeed, this report has charted some of the ways in which the economic and social structure of the South Wales Valleys has been

²¹ Cato, M. (2004) *The Pit and the Pendulum: a co-operative future for work in the Welsh Valleys*, Cardiff: University of Wales Press.

transformed during this period. Clearly, this needs to be recognised in thinking through the possibilities for the future of the former coalfield areas. In some ways, however, the *objectives* of a plan would remain remarkably constant. The residents of the Valleys still need access to employment and other forms of economic activity which generate the income which allows them to enjoy levels of prosperity that are broadly equivalent to elsewhere in Wales and more widely. Valleys communities remain entitled to the quality of social provision which is experienced in other areas. The social opportunities available to the population of the Valleys - and their young people in particular - still need to match the aspirations which people hold. It continues to be necessary to sustain the social infrastructure of the Valleys communities in the face of the enormous pressures which the wholesale restructuring of economic life has imposed upon them.

4.32 Today as in the 1930s, therefore, the challenge remains finding the means by which these stubbornly enduring objectives can be achieved.
