

GLASGOW: TRANSFORMATION CITY DISCUSSION PAPER

1. INTRODUCTION

1.1. This paper provides background information to one of a set of three seminars to be held in November and December 2006. These seminars are based around three themes originally identified in my analysis of "Socio-Economic Change in the Glasgow Conurbation", and provide an opportunity for further discussion of the main findings. This particular seminar presents a perspective on the changes in the economy and to the urban structure of Glasgow and the surrounding area during the last 30 years.

1.2. The initial approach separated-out processes affecting the city and looked at them individually and in depth. Accordingly, demographic processes were separated from economic ones, and so on. But it soon became clear that there were similarities in the way each of these processes developed, that could have been missed if the processes were seen in isolation. These similarities have formed the focus of this and further work.

2. CROSS-CUTTING PROCESSES

2.1. Three broad processes have affected Glasgow in the last 25-30 years. Two relate to geographical differences: the first to changes in the geographical distribution of poverty and deprivation; the second to different trends taking place between Glasgow and both the surrounding area and reference cities. The third process relates to the particular way change in Glasgow has taken place, and the wider implications of the pace and rate of change on the city. These three processes in turn form the content of the seminars.

2.2. This approach sets out a view that different aspects of Glasgow should be seen not as individual or unrelated, but as a set of general features that together define the city. The view is that the particular way in which the local economy in Glasgow was restructured coincided with the consequences of previous policies to manage the shape of the city. The city went through a series of difficult changes, without factors that would have eased this transition, and which made the effect of these changes more acute in Glasgow than in other cities. With hindsight, and improved sources of data, these changes can be better understood, and this seminar acts as a step in discussing their consequences for the future development of Glasgow.

2.3. Part of Glasgow's story is of how cycles of deindustrialisation and deurbanisation occurred simultaneously rather than sequentially to doubly-disadvantage the city. Now, though, deindustrialisation has been replaced by employment growth based around the service sector and with the opportunity of diversifying into higher-level services; while deurbanisation has been supplanted by major changes to the built environment based around the waterfront and in particular the International Finance and Business Services area. Is Glasgow now poised to enter circumstances that could doubly-advantage the city?

3. GLASGOW'S TRANSFORMATION: WHAT'S NEW

3.1. Glasgow's change from a low point in the early 1980s has been based on the retention and growth of younger age groups, particularly those aged between 25 and 44; and the growth in the proportion of residents in employment in professional and

managerial posts, supported by the increased provision of owner-occupied housing. Glasgow's rate of increase in both these aspects has been impressive, and the city has now reached a point slightly ahead of national levels, and a level that would be expected for a city like Glasgow.

3.2. Glasgow was quite unrepresentative of UK and Scottish society at the time of the 1981 Census. The process of conforming to the model of a western European city had severe consequences for a large sector of the population, unable to participate in these changes and which formed the large workless part of the working-age population. Growth in the size of this group was a direct outcome of the socio-economic change that took place in Glasgow and has in turn contributed to the city's enduring health inequalities.

3.3. Notable was the absence of groups or sectors that could have eased this transition. By the 1980s, the younger more aspirant population had moved out of the city, and the industrial sectors that could have eased the transition from heavy manufacturing to services followed them. While in-commuting increased, the outcome was that people working in this way in the city contributed to another local economy separate from that in the city itself. As a result, the city could not adapt to a new industrial landscape based around electrical sub-assembly and could not provide employment for those to whom manufacturing was the natural route to work. The outcome has been large socially-disadvantaged areas that have now become the focus for employability measures, and which could be the source of the continued employment growth around which a large part of the city's future wealth and well-being may depend.

3.4. While much of this is not new, bringing the different strands together helps explain how Glasgow reached its position in the 1980s, and more crucially how areas and groups of people that were once considered problematic have now become a source of continued growth. This approach to understanding previous trends can be used to throw light on the current position facing the city.

4. PACE AND RATE OF CHANGE

4.1. Glasgow has seen some major changes in the socio-economic composition of its resident population. Between 1981 and 2001

- as a proportion of the overall population, the 25-44 age group increased by 39.8%, from 22.6% of the population to 31.6%.
- there was a doubling of residents in employment in social class I&II from 17.6% to 37.9%, and there was a
- dramatic reduction in manufacturing, from 33.9% of jobs in 1971 to 6.0% in 2004, matched by a threefold increase in the finance and business sector.

This pace of change has been more rapid than other comparable areas.

4.2. Part of the explanation of this change is that Glasgow moved from a low base in the 1970s and 1980s that was a consequence of the Government's post-war New Town policy that only ended with GEAR (Glasgow East Area Renewal) in 1976. Glasgow has now caught up with UK urban norms after deeper slumps than elsewhere. But this change has been at a cost, with a lack of a transition in terms of opportunities for those most affected, and by a reduction in the younger part of the working-age population that would have been most able to adapt to new circumstances.

4.3. These processes were interrelated: the growth of New Towns and suburban communities led to population and employment loss out of Glasgow, making the city vulnerable to wider economic change. Moreover, the outcome was a form of double disadvantage, with deindustrialisation combining with deurbanisation, to give a cumulative effect. The separation of place of residence from place of work meant that incomes generated in Glasgow were spent elsewhere, which may have weakened the local economy in Glasgow, at least in the short term. This in turn contributed to the creation of marginalised communities and large numbers of working age persons remote from employment - the extent of this last change being obscured by the practice of moving people from unemployment onto sickness-related benefits.

5. TRANSITION: POPULATION

5.1. Further explanation of these trends comes when the proportion of the population aged 25-44 is compared between Glasgow and the new towns of East Kilbride and Cumbernauld.

	1971	1981	1991	2001	Change 1971-2001
Glasgow	21.8%	22.4%	28.9%	31.2%	+43.1%
East Kilbride (New Town)	29.5%	26.8%	30.8%	30.7%	+4.1%
Cumbernauld (New Town)	32.5%	30.0%	30.7%	29.5%	-9.2%
Bearsden (Suburb)	29.0%	27.8%	27.4%	24.0%	-17.2%
Bishopbriggs (Suburb)	33.7%	30.4%	31.0%	25.0%	-25.8%
Milngavie (Suburb)	25.1%	24.8%	26.0%	27.0%	+7.6%

By 1971 just over a fifth of Glasgow's population was in the younger part of the working-age population, compared to a third of the population in the suburban areas. However, by 2001 the situation had changed so that Glasgow had a similar proportion of the younger part of the working-age population as a New Town would have had in 1971. Although the population in Glasgow has fallen since 1981, the number of people aged between 25 and 44 has increased.

5.2. The growth of the New Town population was directly linked to Glasgow. According to the 1971 Census, 69% of the net moves into Cumbernauld in the previous five years had been from Glasgow, with 58% of the moves into East Kilbride. These areas were highly dependent on Glasgow as a source of growth and their expansion was closely tied to stagnation in Glasgow.

5.3. Explanations for the reduction of the 25-44 age group in the suburban areas include rising house prices, a high degree of population stability, and development constraints in relatively low-density housing. The result has been that as these communities mature, the opportunities for younger people to move in or stay are reduced. At the same time, the growth of owner-occupation in Glasgow has meant that people who might otherwise have moved out of the city are able to get housing within it.

6. TRANSITION: INDUSTRY

6.1. The recent experience of industrial restructuring in Glasgow, from heavy engineering to the service sector, is a familiar one. However it is worth reprising some of the key features in order to better understand the processes that took place.

6.2. Between 1984 and 2004 the number of full-time equivalent jobs in manufacturing in Glasgow fell by 65.5%, from 66,300 to 22,900 (a reduction of 43,400 jobs). As a proportion of all jobs, this was a fall from 22.0% of all FTE jobs in 1984 to 6.8% in 2004. However the main reduction in the number of jobs in manufacturing took place in the 1970s: while there were 142,300 jobs in the sector in 1971, by 1981 this had fallen to 93,600. In terms of overall jobs, the loss of 48,700 jobs meant that the sector reduced by 34.2% during the decade. Over the same period the number of jobs in Glasgow fell by 58,900. Manufacturing was clearly the largest single factor in the loss of employment in Glasgow.

6.3. Even so, it comes as a surprise that shipbuilding and marine engineering formed a relatively small part of this change. In 1971 this sector comprised 13,300 jobs, equivalent to 3.0% of all jobs in Glasgow, and 9.3% of all jobs in manufacturing. By 1981 there were 10,000 persons employed in the sector, 2.6% of all jobs in Glasgow, and 10.7% of the jobs in manufacturing. Although the decline of manufacturing in Glasgow during the 1970s is often typified as the loss of jobs in the shipyards, the reality is that shipbuilding and marine engineering was only a modest part of the overall reduction in jobs at the time.

6.4. As a sector of employment, manufacturing in Glasgow has been in continual decline since at least the early 1970s, with the main loss in employment taking place in the 1970s. During that decade almost 50,000 jobs were lost, with the sector reduced from comprising 32.3% of all jobs in 1971 to comprising 24.5% in 1981, and 22.0% in 1984. This also suggests that the people most involved in this change are now either approaching or are past retirement age. Current high levels of worklessness are not therefore due to this phase of industrial restructuring.

6.5. While reduction of the manufacturing sector was important, the composition of the sector was also crucial. Manufacturing and engineering in Glasgow was heavily concentrated in motor vehicle and transport manufacturing, with little representation in chemical manufacturing or electrical engineering, in contrast with other comparable cities or the New Towns. The following Table shows the composition of jobs in the manufacturing/engineering sector in 1987.

	Chemical Manufacturing	Electrical Engineering	Motor Vehicle & Transport	Food, Drink & Tobacco
Glasgow	2.2%	4.6%	15.2%	23.6%
Manchester	7.6%	21.5%	1.5%	9.5%
Liverpool	9.6%	17.6%	1.0%	25.2%
Newcastle	10.3%	23.4%	1.5%	16.2%
East Kilbride	1.3%	22.8%	25.0%	6.3%

The manufacturing sector in Glasgow had not diversified into chemical and electrical work, as it had in other industrial cities, and was losing out to East Kilbride in terms of the electrical engineering sector.

6.6. The significance of this is that the manufacturing sector in Glasgow was tied to the traditional aspect of the sector, with a much lower profile of capital-intensive industry than elsewhere. Arguably, capital-intensive industries could have acted as a bridge facilitating the transition from a manufacturing-based economy to one centred on services. Their absence made the transition in Glasgow more difficult than in other areas. The timing of the growth of worklessness in Glasgow shows that it was not simply the loss of heavy manufacturing that led to high levels of unemployment: it was also the general weakness of the sector and the lack of diversity within it,

coupled with a generally weak local economy, that led to a lack of employment opportunities. The likelihood that more people working in Glasgow chose to spend their income elsewhere will have also contributed to the city's low rate of economic activity.

7. IMPLICATIONS

7.1. The analysis set out above seeks to emphasise how economic change and social change have been linked together. This has not always been the case. For example, while one of the key policy documents of the 1980s (Strathclyde Regional Council's Social Strategy for the 80s) set out in great detail the level of multiple deprivation in the region, it gave little by way of explanation for the changes taking place. The above narrative has sought to outline the reasons why Glasgow faced so many difficulties by the late 1980s and early 1990s. The combined set of changes that adversely affected Glasgow had their roots earlier on.

7.2. From this perspective, the growth of deprivation in the city is seen as being linked to the way socio-economic change took place in Glasgow. This also gives a clue as to how it can best be addressed. The current strength of the labour market, the developments along the waterfront and other improvements in the built environment, and the capacity for further development in vacant sites and in maximising the use of the working-age population not in employment, together suggest that the current pace of change will not slacken. This phase of socio-economic change provides the best opportunity we have had in recent history to deal with the city's continuing social problems.

7.3. In economic terms the move from manufacturing to services is now being replaced by a move within the service sector towards higher-value services. Equally, the growth of suburbanisation is now being tempered by the maturing of the population in these areas, while the city is retaining a higher proportion of the working-age population than before. These types of changes are set to continue.

8. CONCLUDING REMARKS

8.1. The outline above has been largely historical and has attempted to explain how demographic and economic trends combined in Glasgow to produce the problems it now faces in terms of deprivation and ill-health. Importantly, though, key trends have either now been stopped (as in the loss of the 25 to 44 age group) or reversed (as in the growth of employment in the city). The growth of in-migration from the A8 countries and beyond may even accelerate these positive changes. This is a new situation for the city.

8.2. What are the implications of the current situation? On the one hand, there is the possibility that the problems of social disadvantage faced by many of the city's residents can now be addressed. On the other, there may be a set of new problems associated with urban growth, such as the possible consequences of a casino development, and the environmental and ecological consequences of further development. Our challenge will be to learn how to manage the growth in a way that maximizes and sustains health and wellbeing for all.

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