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Publication Date

2014-05-21

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Urban Government Under Thatcher and Reagan

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Working Paper No. 484

July 1988

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ACKNOWLEDGEMENTS

Research for this article was undertaken during a period of study leave away from my department, the School for Advanced Urban Studies, University of Bristol. I would like to thank the Fulbright Commission for the financial support that enabled me to travel to the United States. I would also like to thank the staff of the Institute of Urban and Regional Development, University of California, Berkeley, who made me a most welcome visiting scholar.

A version of this article is to appear in the *Urban Affairs Quarterly* in 1989. I thank the editors -- Dennis Judd and Donald Phares of the Center for Metropolitan Studies, University of Missouri, St. Louis -- for permission to produce this working paper. The map on page 18 should not be reproduced without the permission of the Department of the Environment, England.

AUTHOR'S BIOGRAPHICAL SKETCH

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URBAN GOVERNMENT UNDER THATCHER AND REAGAN

ABSTRACT

This article examines recent developments affecting urban government in Britain and the USA. In some ways there are strong parallels between the two countries -- the socioeconomic trends impacting on cities are similar, and both the Thatcher and Reagan administrations have reduced central government financial support to city government in the name of national economic policy. The Thatcher government, however, combines economic liberalism with a sweeping commitment to political centralization which would be unthinkable in the United States. The result is that British urban government, in contrast to American experience, has become highly politicized. The Thatcher government's onslaught, which is ideologically motivated, rolls together an attack on locally provided services, a disregard for local democracy, and a partisan desire to inflict major damage on the Labour Party.

URBAN GOVERNMENT UNDER THATCHER AND REAGAN

INTRODUCTION

Local government in Britain is in deep trouble. In the period since 1979 the Conservative Government has sustained a relentless attack on local, particularly urban, government. The emphasis throughout the 1980s on strengthening the power of the British central state has reached the point where "there is a real danger that pluralism as a political value will be jettisoned and an authoritarian regime will result" (Loughlin, 1986: 201). At first sight this may appear to be an extreme statement, but several books have now appeared which lend support to this view by documenting the remarkable centralization of political power which has taken place over the last ten years or so (Newton and Karran, 1985; Hambleton, 1986; Loughlin, 1986; Blunkett and Jackson, 1987; Parkinson, 1987a; Stoker, 1988).

The current crisis in local government reflects wider tensions in British society -- in the economy, in culture, and, above all, in politics. During the 1980s new patterns of political alignment and new sources of political conflict have emerged. Thus we can highlight: the erosion of the two-party system; the fact that the present Conservative government rejects many of the basic principles by which governments have attempted to run the country since 1945; the polarization of party politics to an extent unprecedented since the Second World War; and the growth of protest movements -- with some groups taking to the streets to engage in direct and angry confrontation with the police. These and other tendencies help to explain why, from the 1970s onwards, democracy itself has come to be questioned from a number of different quarters. To oversimplify, those on the political right came to fear that government was becoming "overloaded" by democratic demands. By contrast those on the left came to see representative democracy as inadequate and called for new forms of participatory democracy. "On both the right and the left, democracy came to be seen as a problem: there was too much for the right, and not enough for the left" (Dearlove and Saunders, 1984: 3).

There will be those who will claim that this introduction focuses far too much attention on topics of discord and friction. For example, the chairman of a recent major, government-backed inquiry into the conduct of local government business was able to claim that "there is a solid basis of normality in local government" (Widdicombe Report, 1986: 15). It will be argued later in this article that this "normality" view fails to recognize the significance and power of two major trends affecting British local government, particularly in urban areas, which point towards increasing turmoil and conflict: the

growing polarization of political activity and the continuing Whitehall attempts to centralize financial and policy control over local government.¹ Interestingly, these two trends do not appear to be significant within urban politics in the United States.

COMPARING BRITAIN AND THE UNITED STATES

This article, while it concentrates on recent developments affecting urban government in Britain, attempts to compare and contrast British and American experience. Comparative government is a fascinating but treacherous field. The comparison of the governments of just two countries is enormously complicated. Major political, cultural, social, economic, legal, historical, and geographical differences need to be recognized. Furthermore, when the focus is local government there is a huge variation within each country, particularly within the United States. Having made these caveats, it remains the case that there are interesting parallels and differences which deserve exploration. General comparisons of local government in Britain and America are available elsewhere (Sharpe, 1973; Hambleton, 1978: 89-113; Lee, 1985; Magnusson, 1986). Here the aim is to focus on five key themes which are likely to be significant for the 1990s:

- 1) Urban socioeconomic trends
- 2) The politicization of local government in Britain
- 3) The unfolding central/local conflict
- 4) Whitehall's urban initiatives
- 5) Innovation by local authorities.

At the risk of some oversimplification it will be suggested that, apart from the obvious constitutional differences between the two countries, the contrasting approaches to present-day urban politics in Britain and America are best understood by focussing attention on inter-governmental relations -- central/local relations in Britain and federal/state/local relations in the United States. Two plausible explanations of central government behavior towards local government can be hypothesized.

The first and most publicized reason for attacking local government is common to both countries and is concerned with public spending. In both cases central government is seeking not only to reduce public expenditure but also to displace the blame for cuts in services (and/or increases in locally raised taxes) to the local level. Thus, we find that both the Thatcher and Reagan administrations have sought to reduce central government financial support to local (and state) governments and to encourage the privatization of public services.

The second reason why local government has come under attack in Britain is more fundamental and ideological and does not appear to be a key factor in the United States.

Many local councils and political leaders successfully opposed the Conservative government's expenditure-cutting strategy by developing radical programs for public-service provision which were able to win popular support. A good example is provided by the low-fares transport policy for Greater London, which led to a sharp increase in the use of the public transport system (Mackintosh and Wainwright, 1987: 20-45). There turned out to be more widespread support for the institutions of local government than the government had appreciated, and a national campaign against oppressive Whitehall controls gathered momentum in the early 1980s. The central/local struggle became less a contest between different levels of the state and more a clash between those standing for political democracy and decent public services and a government motivated by a deep and fundamental commitment to the interests of private and corporately owned wealth (Blunkett and Jackson, 1987: 4).

While it is true that, at least since the New Deal of the 1930s, American state and local governments have been involved with social welfare policies aimed at reducing inequalities in material well-being (Wright, 1988: 401-441), they have never been as active as British local authorities in providing redistributive services. Education, housing, and personal social services loom large in British local authority budgets: in 1975, for example, two-thirds of local expenditure was devoted to redistributive services. This historical difference in involvement with and commitment to public services, particularly social welfare services, would appear to be a crucial factor in explaining the divergent approaches towards urban government adapted by the Thatcher and Reagan administrations. The five key themes referred to earlier are now examined in turn.

URBAN SOCIOECONOMIC TRENDS

Over the last twenty years there has been an enormous amount of academic analysis of urban trends and study of the "inner-city problem" in Britain. In particular, we can note that the government-sponsored inner-area studies of the 1970s (Department of the Environment, 1977 a, b, c) were followed quickly by a significant research initiative by the British Economic and Social Research Council (ESRC), then the Social Science Research Council. This set out to study the problem of the inner city in its temporal, spatial, socioeconomic, and policy context (Hall, 1981). This study, in turn, led to a major ESRC-sponsored inner-cities research program involving, *inter alia*, in-depth study of five case-study cities (Bristol, Glasgow, London, Birmingham, Newcastle). Eight books documenting the findings of this research have appeared recently (see, for example, Hausner, 1986; 1987a, b). In addition, we have had individual reports illustrating the everyday realities of

life for the disadvantaged in the inner city (Harrison, 1983), as well as the Scarman Report on the disorders which took place in Brixton, South London, in April 1981 (Scarman, 1982).

In their different ways all of these (and other) studies conclude that there is, indeed, a concentration of problems (as measured by a wide range of socioeconomic indicators) in certain urban areas, and that the social problems associated with these concentrations of deprived groups could well lead, over a period of time, to a collapse in any sense of community and a complete breakdown of law and order. Longstanding students of urban policy, particularly those familiar with the American reform programs of the 1960s (Marris and Rein, 1967; Frieden and Morris, 1968), can be forgiven for feeling somewhat impatient with conclusions of this kind. The reaction could easily be "surely we knew this twenty years ago." In some ways we did. However, the empirical and theoretical work that has been carried out in the intervening years has not only documented in detail the way socioeconomic trends have adversely affected the major cities, but has also extended our understanding of the causes of inner-city problems.

The key features of British, national urban trends have been well documented by researchers on the ESRC initiative (Begg, Moore and Rhodes, 1986; Begg and Eversley, 1986; Begg and Moore, 1987). These authors show that there has been a major shift in the geographic distribution of population and industry in the post-war era. Earlier periods of rapid economic change were accompanied by significant population movements into the cities, whereas the reverse is true for the 30-year period 1951-81. Population and employment have relentlessly deserted Britain's larger urban areas, particularly the inner cities of the six large conurbations, while smaller towns and rural areas have experienced rapid growth.² There has been a quite spectacular fall in manufacturing employment, with the rates of decline increasing decade by decade in inner, outer, and free-standing cities (with the exception of a small increase in outer cities in the 1951-61 period).

Economic decline has increased the unemployment problems of urban residents both absolutely and relative to the nation. In 1981 the unemployment rate in the conurbations was 22 percent above the national average; this compares unfavorably with the rate for other free-standing cities (15 percent above the national average) and that for smaller towns and rural areas (10 percent below the national average). In the inner-city areas of the six conurbations, residential unemployment was 51 percent above the national average, up from 33 percent above average in 1951 (Hausner, 1987a: 6). There is a high degree of "segmentation" in the labour market, with marked differences based on gender, race, age, and skills. For example, the ESRC study of London found "an exceptionally high incidence of unemployment among the young, the less-skilled, and the black population" (Buck, Gordon and Young, 1987: 122).

There has been, as predicted by an excellent study funded by the voluntary sector (SNAP, 1972: 11-21), a growing social polarization with increasing concentrations of unemployed and deprived people in the inner cities of the conurbations. These inner areas top the list of the most deprived areas of the nation. Their severe deprivation problems are closely linked to population loss, particularly the relative outmigration of the better-off. However, it is not just the inner areas that are suffering -- severe deprivation is now also to be found on the newer peripheral estates on the edges of the conurbations. The ESRC research studies confirm another growing polarization in Britain -- that between the economically distressed, mainly northern, regions and the relatively prosperous south of England. 18 of the 20 fastest-growing towns in employment terms in 1971-81 are in the south.

There are, of course, strong parallels between these British urban trends and developments in the United States (Hambleton, 1988a). A helpful comparative analysis of urban economic performance in the 1970s is provided by Wolman (1987). Inter alia, this study shows, first, that there was a very strong regional dimension to urban economic performance. Thus, in Britain "good performers" were in the south with "poor performers" in the north, while in the USA "good performers" were concentrated in the west and "poor performers" in the northeast and midwest. There is substance, then, to the rhetoric about "sunbelt" and "frostbelt" cities, although we should note that these regional trends fluctuate. In the 1980s tax reforms have speeded the downtown revival of many cities in the Eastern United States, so that when observers now speak of two regional economies they may no longer mean "sunbelt" and "frostbelt" but the coastal states and the interior (Norton, 1987: 481). Second, in both countries the very largest urban areas (above 1 million) appeared to be disproportionately "poor performers." Third, while the service sector has become a critical independent factor in urban employment growth (Noyelle and Stanback, 1984) and should be given more attention by policy-makers, it is premature to draw sweeping conclusions about de-industrialization. On the contrary, some American academics have argued persuasively that the post-industrial economy is a myth, that manufacturing matters, and that a sustained weakness in manufacturing capabilities could endanger the technology base of the United States (Cohen and Zysman, 1987; Cohen and Zysman, 1988).

In Britain, in the 1970s, largely as a result of the rigorous analytical work carried out by the government-sponsored community development projects (CDP, 1973; CDP, 1977), we were clear about the need to focus attention on the economic fortunes of the inner areas, and this was both a key feature of the Labour Government's White Paper (Department of the Environment, 1977d) and of the inner-area programs submitted by

selected local authorities to central government (see later).³ We were not clear, however, about the "area versus residents" argument:

In debates about inner city policy the tension between the objectives of regenerating inner areas and ensuring that such regeneration benefits existing inner city residents has rarely been exposed, still less the relationship clarified... what does regeneration mean? Does it inevitably improve prospects for local residents? (Hambleton, 1981: 62)

The ESRC research initiative goes some way to answering these difficult questions. The evidence assembled suggests that a general rise in local economic activity does not necessarily result in a "trickle down" of employment benefits to disadvantaged groups: there is a weak link between local employment growth and the level of unemployment. The benefits of growth are unevenly distributed, as demonstrated by the ESRC case study of Bristol. The comparative economic growth of this "sunbelt city" has resulted in "a widening gulf between those in relatively well-paid, secure employment in financial and business services, for example, and low-paid semi-casual, often part-time employment in retailing, office cleaning, pubs and entertainment" (Boddy, 1988: 21; Boddy, Lovering, and Bassett, 1986). This finding is consistent with earlier research on developments in the USA which uncovered a "sharply dichotomised service work force" (Stanback, 1977: 106). Close examination of more recent American "success" stories, such as the recovery of the City of Boston, reveal similar findings: "Many people are worried by the division of the labour market which provides high-grade, high-paid service jobs at the top end and low-grade, low-paid service jobs at the bottom, and eliminates the middle band of skilled, well-paid, male blue collar jobs" (Parkinson, 1987b: 14).

The evidence is that, for a variety of reasons relating to structures of recruitment, eligibility, access, and allocation, disadvantaged residents have great difficulty in gaining benefits from economic regeneration (Robson, 1986). There can be no doubt that the health of urban areas in both Britain and the United States "has more to do with the ease with which they can exchange older roles for new ones, while continuing to perform critical functions for the larger national and global economies, than with their ability to defend against or deny this role substitution" (Hicks 1987: 439). The real worry, however, is that both countries appear to be making a bad job of managing the transition from one labour market structure to another. Thus, the advice about the need to focus much more attention on local labour market management, designed to ameliorate the adverse social impact of inevitable economic change, seems to be falling on deaf ears. The ESRC team, for

example, has identified a string of policies which would improve the employment opportunities available to disadvantaged urban residents, including expansion of public sector training and placement programs (Hausner, 1987a: 38-40).

Despite the existence of these research findings, the current outlook in Britain is not promising. As explained later in the discussion of Whitehall's urban initiatives, current government policy aims, at root, to regenerate areas, not to help residents. The outlook for American disadvantaged groups is, if anything, more gloomy. The social conditions that spawned the urban riots of the 1960s have, on the whole, worsened. The evidence suggests that American cities are entering a "new urban crisis" -- unemployment levels were far higher in the early 1980s than in the 1960s and "the rate of poverty has increased precipitously since then" (Judd, 1988: 418). Various American researchers have, consistent with the British ESRC findings, highlighted the particular problems of the black urban poor (Wilson, 1987). We may conclude therefore that, if not already in existence, a real possibility for the 1990s is the emergence in both countries of a permanent welfare underclass located mainly in inner areas, public housing projects, and peripheral housing estates.

THE POLITICIZATION OF LOCAL GOVERNMENT IN BRITAIN

The political changes associated with these various socioeconomic trends have affected local government in both electoral and ideological terms. The industrial economy within which modern local government developed provided the basis for two powerful political parties in Britain:

The Labour Party was unchallenged in the mining areas and among the organized industrial workers: the Conservative Party found support in the rural areas and among professional and business people. The result in local government terms was a settled pattern of political control. Particular localities could be controlled by one party or another for generations (Hampton, 1987: 236).

From the mid-1970s onwards this settled pattern has been transformed. Following Hampton, we can note that the industries providing the traditional bedrock of Labour Party support -- mining, the railways, steel, and manufacturing generally -- have declined. Meanwhile the leadership of the Conservative Party has changed hands -- moving from the traditional professions and the proprietors of long-established family firms to executives from the emerging professions associated with new economic developments. The

formation of the Social Democratic Party in 1981 and its alliance with the Liberal Party has introduced a "third force" into party politics -- a force which secured 25 percent of the popular vote at the 1983 general election. A consequence of these political shifts is that the controlling party on many local authorities changes more frequently and councils without a clear majority have become more common. As electoral success becomes less secure, so the turnover of councillors has increased and the period of socialization has been reduced. Many of the new generation of councillors are more determined in their political beliefs, and local government is now seen by all the major parties as "political space" which can provide opportunities for pursuing ideological objectives.

Amongst the welter of recent commentary focused on local government we can, following Gyford (1984: 142-147), identify two major critiques, each with its own internal coherence, each drawing upon certain elements of popular discontent, and each anchored in certain theoretical propositions not specifically about local government but about the nature of the state and its role in society. One critique is that of the radical right, inspired by the ideas of, amongst others, Hayek and Friedman, and having affinities with the viewpoint of American neo-Conservatives. This school of thought sees human well-being as requiring us to "release the creative energy of individuals (rather) than to devise further machinery for 'guiding' and 'directing' them" (Hayek, 1944: 177). In the 1970s two Oxford economists developed a line of argument within this framework to suggest that high levels of public expenditure "crowd out" resources from the private sector of the economy (Bacon and Eltis, 1978). This crowding-out argument usually takes the form of a set of loosely structured assumptions, assertions, and beliefs. In spite of, or perhaps because of, this, the crowding-out thesis is widely believed, and it has formed the basis of government economic policy since 1979.

The central claim of this argument is that the public sector, rather like the growth of a parasite, causes chronic problems for the organism on which it feeds, which, in this analogy, is the economy. While there is now a good deal of evidence which undermines this position (Newton and Karran, 1985: 22-35), this has not discouraged a number of radical-right councils from pursuing vigorous programs of privatization. Spurred on by legislative changes, "competitive tendering and contracting out have developed at a speed that few would have thought possible in the 'consensus' environment of post war British politics prior to the election of the Conservative Government in 1979" (Ascher, 1987: 22).

An altogether different critique of local government emanates from the radical left. Drawing on elements of neo-Marxism and on the ideas of Max Weber, this body of literature has focused on the extent of the local state's autonomy from the central state and from capitalist interests. Those writings of the 1970s which were strongly influenced by

neo-Marxist ideas suggested that the scope for using local government for socialist advance was, for various reasons, very limited (Benington, 1975; Cockburn, 1977; Dearlove, 1979). However, more recent theoretical work, building on the writings of O'Connor (1973) and Offe (1975), has suggested that political struggles at local level are rather different from national struggles and that the state is not as monolithic as, for example, Cockburn had claimed (Saunders, 1980; Saunders, 1981). Particularly influential has been Saunders' "dual state" thesis, which suggests that different theories are relevant to different levels of government since different processes can be seen to be operating at each level. Put simply, Marxist approaches are seen as most relevant to the analysis of national "corporate investment processes," whereas pluralist approaches may be most relevant to the analysis of local "competitive consumption processes" (Saunders, 1981: 277). In more recent years, critiques of the "dual state" thesis have emerged on both sides of the Atlantic (Dunleavy, 1984; Gottdiener, 1987).

Meanwhile, largely unencumbered by these sometimes arcane theoretical debates, political activists in urban Britain have been energetic in using local government to push for social and political change. Traditionally, the Labour left tended to ignore local government as a rather reformist type of politics. As a reaction to the cuts in local government expenditure after 1975 (of which more later), the left came to recognize the potential of local government not just as a vehicle for opposing the cuts but also as a means of mobilizing popular support behind the principles of collective provision and of building new political alliances. A key notion here, as articulated by one of the leading political figures in this movement, was the idea of using "the local state... as an example of what we could do as a Socialist government at national level" -- in effect creating new models of socialism which would "mean something to people at the grassroots" (Blunkett, 1981: 102). In practice, a large number of Labour-controlled urban authorities have, over the last seven or eight years, engaged in a remarkable range of new policy initiatives relating, in particular, to employment, women, race, policing, health, and the decentralization of public services to local level (Boddy and Fudge, 1984; Gyford, 1985; Hoggett and Hambleton, 1987; Stoker, 1988).

So far, this discussion of recent developments in British urban politics has highlighted the significance of initiatives emanating from the political right and left. In addition, we need to record the growing influence of the Alliance parties in local government. As noted earlier, until recently in most local authorities the majority party took control and, with clear party discipline, gave stability to the management of the authority. While there have always been a few hung authorities (on which there was no clear majority for one party), it is only in recent years that a significant number of the

larger authorities have become hung. Indeed, in May 1985, counties where no party had overall political control become the norm rather than the exception (Leach and Stewart, 1986). The Alliance parties see hung authorities as a desirable state of affairs, and in many counties it represents the achievement of their aims. However, in some authorities the Alliance has taken overall control and is pursuing its own ideas on radical reform -- for example, the Liberal administration in the London Borough of Tower Hamlets is pursuing a radical program of decentralization involving the creation of a powerful system of neighborhood committees (Morphet, 1987).

The important general conclusion we can draw is that, while party politics in local government is not new, it is abundantly clear that the 1980s have witnessed a sharp increase in the intensity and polarization of political activity. While the focus so far has been on the changing nature of party politics at local level, it is important to refer briefly to broader political trends. Gyford (1986) has provided a helpful overview of these developments in which he argues that the traditionally dominant representative form of local democracy, which adheres to the notion of the public interest, is today challenged by three variants. First is ratepayer democracy, which is concerned with the rights of individual ratepayers. Second is delegate democracy, operating on a class-based model of politics. And third is participatory democracy, which facilitates the promotion of a range of sectional interests. Gyford is careful to point out that these variations are ideal types which may shade into one another. His overriding point, however, is that local politics has become much more sectional, and that this reflects a more general trend towards a more assertive society.

Before closing this discussion of urban politics, reference should be made to developments in non-elected local government. Non-elected agencies with executive functions are not new in Britain -- for example, the health service has long been administered by boards of members appointed by central government. However, there has, in recent years, been a growth both in the number of nationally organized quasi-governmental agencies (for example, the Manpower Services Commission) and in the number of locally based agencies (for example, Urban Development Corporations, of which more later). There are many reasons why non-elected local government has grown, with one key factor being central government's concern to by-pass local government (Stoker, 1988).

There is not space here to explore in any detail the parallels with American urban politics (but see Hambleton, 1978: 89-113; Lee, 1985; Magnusson, 1986). We can note, however, the relative absence of socialism or socialist parties in the United States. It is possible to identify the emergence in the 1920s of an "urban wing" within the Democratic Party (Judd, 1988: 125-127). And, in the 1930s, the term "liberal" came to be used widely to

describe welfare coalitions and policies, shortly to be joined by "conservative" as a label for the opposition (Wright, 1988: 405). But a working-class party resembling the British Labour Party has never emerged. Katznelson (1981) suggests that this can only be explained by examining the special pattern of class formation in the United States -- in particular the split between the politics of work and the politics of community. In any event, the American municipal reformers of the early twentieth century sought to tackle class tensions, not by a redistribution of social and economic power, but by making governmental institutions more efficient and therefore allegedly more beneficial to all classes of people (Judd, 1988: 113).

The continuing popularity of non-partisan elections in many American cities contrasts sharply with the party political approach which plays an important and growing role in British local government. If those academics who bemoan the decline of American political culture and claim that "there really is no system of democratic self-realization left" (Gottdiener, 1987: 284) are right, then we have a striking contrast with the liveliness of urban politics in Britain. Having said that, we should recognize that this liveliness is under direct threat from a central government which is intolerant of other centers of authority within the state. The next section shows this to be so by presenting a brief outline of the Whitehall attack on local government autonomy.

THE UNFOLDING CENTRAL/LOCAL CONFLICT

It is almost certainly very difficult for American readers to appreciate the extent of British central government control of local government. It has been the case for many years, as Lee observes, that "... national and state political leaders have a far more difficult task in imposing their priorities upon American cities, counties and districts" (Lee, 1985: 55). This is partly explained by the fact that Britain is a unitary state in which all local governments are subordinate to, and exist at the pleasure of, central government. In a legal sense, therefore, central government has always been the dominant partner in central/local relations. This simple legal point conveys nothing, however, of the subtle constitutional relationships which have been built up to constrain the potential power of a "too mighty sovereign" (Hampton, 1987: 240). Thus, up until 1979, it was perfectly possible to envisage central/local relations as a process of negotiation and "game-playing" between two fairly equal partners -- there would be "ups and downs," but the structure of the relationship was not considered to be under threat (Rhodes, 1979). Mrs. Thatcher has changed all that. The centralizing measures taken by the Conservative governments of the 1980s quickly reached the point where one serious academic study was able to conclude

that Britain now "stands within sight of a form of government which is more highly centralised than anything this side of East Germany" (Newton and Karran, 1985: 129).

It is not necessary to catalogue in detail the twists and turns of the unfolding central/local conflict -- the key elements are documented elsewhere (Blunkett and Jackson, 1987; Parkinson, 1987a; Stoker, 1988). Rather, the intention here is to outline four main stages in the central/local struggle and then to refer briefly to some of the different analyses of these developments. The first stage, 1976-79, pre-dates the Thatcher era -- it would be wrong to imply that the efforts to centralize financial and policy control over local government only began in 1979. The 1974-79 Labour Government had itself embarked on a strategy of expenditure cuts and controls encouraged by the International Monetary Fund. However, these restraints were as nothing when compared with the second stage -- 1979-83. During this period, the first Thatcher government launched three onslaughts on local spending: a new system for allocating central government financial support under the 1980 Local Government Planning and Land Act (strengthening revenue and capital spending controls), a new system of targets and penalties (to punish "overspending"), and a further act (the 1982 Local Government Finance Act) to ban supplementary rates and set up the Audit commission (which is supposed to focus local authority attention on getting "value for money"). In addition there was legislation to force local authorities to sell off their council houses at discount prices, to open up various council services to competitive tendering procedures, and to introduce Urban Development Corporations.

With the election of the Conservatives for a second term in June 1983, we move into a third stage, 1983-87, and find the government acting quickly to introduce yet further controls on local government expenditure. The Rates Act 1984 gives ministers the power to limit the rate levels of individual local authorities -- a process known as "rate capping."⁴ The Labour-controlled Greater London Council (GLC) was influential in campaigning against these various oppressive controls and soon became a target. The Local Government Act 1985 astonished the local government community. It abolished a whole tier of local government in England's major cities (that is, all seven metropolitan counties including the GLC), despite the fact that there was virtually no evidence to justify such a reorganization (School for Advanced Urban Studies, 1983) and that strong reservations were expressed in the House of Lords. The fourth stage in this unfolding saga commenced in June 1987 with the election of the Conservatives for a third term. The three key features of the present government's legislative program are all focused on local government: yet more changes to local government finance (involving replacing rates with a poll tax); alterations to education (including the introduction of school budgets and provisions for schools to "opt out" of the state system); and radical change to housing provision (involving

the further breakup of public-sector housing). Over the period 1979/80 to 1986/87, the government has been able to slash the rate support grant (which resembles general revenue sharing) by 17 billion.

The different analyses of these developments in central/local relations over the last 10 years or so are of interest. Some writers argue that the key theme is that the government's initiatives represent an attack on local democracy, defined as the right of local people to choose their own levels and forms of service provision (Jones and Stewart, 1983). Others argue that this focus on local democracy obscures the fact that the measures represent an attack on the welfare state -- on education, housing, and social services (Cochrane, 1985). Bramley argues that the Thatcher government's policies on local government finance are less a case of radical reform in line with carefully considered analysis, and more a process of costly and destabilizing incrementalism. The fact that the changes have been partial and erratic, reflecting the pressure of current events and the influence of different pressure groups, "has produced outcomes which would be very hard to defend as desirable from almost any perspective" (Bramley, 1985). There is evidence to support all three of these analyses, and it is clear that a combination of forces is at work.

My own research on central/local relations draws particular attention to the damaging impact of central interventions on local-authority policy-planning (Hambleton, 1986). This analysis shows how, quite apart from expenditure cuts and restrictive legislation, the 1980s have witnessed change in the detailed arrangements for the planning of local authority (and health) services which have worked against local initiative and have extended central government policy control. This is shown to be the case across a wide range of policy sectors from housing through land use planning, social services, and the urban program to (extending beyond local government) arrangements for planning and managing the health service. The study shows, however, that there are limits to central government policy control of local government. Despite the constraints, considerable opportunities for developing new strategies and policy initiatives remain at local level -- and these opportunities are being taken up by a number of councils (Hambleton, 1988b).

How far can parallels be drawn between these developments in central/local relations in Britain and federal/state involvement in American cities? In terms of expenditure restraint there would seem to be, at least in intent, a clear parallel. American researchers have identified three shifts in federal aid policy towards states and local governments in the period 1978 to 1985 (Wright, 1988: 245-250). First, the Carter administration halted the previously uninterrupted increases in federal aid in real-dollar terms. Second, the so-called "policy earthquake" of the Reagan Omnibus Budget Reconciliation Act (OBRA) of 1981 produced sharp declines in federal aid in the 1981-82

period. Third, from 1982-85, federal aid levels appear to have been in equilibrium. A major factor contributing to moderating and/or preventing cuts after 1982 was congressional opposition. There is no similar constitutional check in Britain, and this partly explains why the Conservative government was able to cut central government support to local authorities so heavily. This is not to imply that the American 1981/82 cuts were insignificant.

On the contrary, the impact on urban services was grave. One independent study has shown that funding for specifically urban programs fell by \$5.8 billion, or 23 percent, in fiscal 1982 from what it would have been had fiscal 1980 policy continued in effect (Peterson, 1986: 30-31). A more general study of federal block grants also shows that the Reagan administration has diverted aid from the big cities: "Cities have been one of the clearest losers of federal funds under block grants" (Peterson *et al.*, 1986: 21). Other studies have also shown that the Reagan administration, like the Thatcher government, has sought to reduce public expenditure on cities (Gurr and King, 1987: 148). In the economic sphere, therefore, there appear to be strong similarities between Britain and America.

In the political sphere there would, however, seem to be a remarkable contrast. From the outset Ronald Reagan has sought to rejuvenate federalism by, for example, strengthening the role of block grants. These grants are intended to remove the federal government's categorical restrictions on how states and localities use federal funds. The major (OBRA) block grant legislation of 1981 provided for nine new or revised block grants containing 57 categorical grants with a fiscal 1982 budget authority of \$9.7 billion (Peterson *et al.*, 1986: 6). In this way the Reagan block grants systematically reassigned program and funding control to the states. Subsequent proposals to introduce proposals for block grants have, on the whole, failed because they have become identified politically as instruments of domestic budget-cutting. However, if the budget issue subsides it is likely that further block grant initiatives will be authorized -- for example, to consolidate the many forms of mass transit and other transportation aid.

Possibly because of the absence of a socialist party operating at city level, the Reagan administration has been able to sustain an intellectually more coherent approach to urban areas than the Thatcher government. That is, in America the neo-Conservative stance of rolling back "big government" has been held-to in relation both to economic and governance policies. By contrast the Thatcher government combines a commitment to economic liberalism with an approach to politics which can only be described as illiberal. Paradoxically, the "free the market" Thatcher government has drawn much more political power to the center than recent Labour governments, who were keen on centralized planning of the economy. In relation to local government, the Conservative Party has

undergone a massive ideological shift. Thus, the 1971 Conservative White Paper on local government favoured giving more powers to local authorities:

A vigorous local democracy means that authorities must be given real functions -- with powers of decision and the ability to take action without being subjected to excessive regulation by central government through financial or other controls (HM Government, 1971: 6).

Given the actual approach to central/local relations adopted by the Thatcher government since 1979, this statement now verges on the astonishing.

WHITEHALL'S URBAN INITIATIVES

In introducing the recent special issue of the journal Urban Studies on United States urban policy, the editor claims that "the national urban policy debate is a pot no longer boiling" (Hicks, 1987: 439). While there is a series of individual and piecemeal programs, there is no unified federal urban initiative or leadership. This state of affairs closely resembles the British situation, where there is, at present, a "continuing vacuum over the role and function of an urban policy" (Stewart, 1987:143). Instead of a coherent urban policy, we have a proliferation of ad hoc measures and projects.

Ever since the 1960s, British and American governments have been swapping ideas about urban initiatives. Earlier it was suggested that there are similarities in the urban trends affecting the two countries, and this begins to explain why there has been a continuing exchange of ideas -- for example, Britain has borrowed Urban Development Action Grants from the United States while some American states have adopted the Conservative policy of Enterprise Zones. The earlier discussion also suggested, however, that the urban initiatives in both countries are being less than successful in tackling urban problems -- appalling concentrations of deprived groups remain in the inner areas of the conurbations and, in Britain at least, on peripheral housing estates. In one sense, then, it is important not to give too much attention to these urban initiatives. They can be a distraction from more important underlying issues -- for example, the ongoing failure to fund urban government properly.

There is a direct link, then, to the earlier discussion outlining the central government attack on local government. Many of the British inner-city authorities with the worst problems are rate-capped. These authorities have argued, ever since 1980, that their grants under the urban program (of which more shortly) do not compensate for the cuts in

rate support grant. It is important to note that the independent ESRC research initiative was able to confirm this extraordinary inconsistency in government policy:

A variety of fiscal and financial measures work in direct opposition to the intention of the inner city programme to target extra resources to defined cities... The continuing restrictions on local government finance have had especially severe effects on large cities where the needs are greatest and where urban programme assistance has not balanced the reduction in central government finance to local authorities. (Hausner and Robson, 1985: 28).

It would be a mistake, however, to write off the Whitehall urban initiatives as irrelevant. Stewart correctly observes:

... it is an oversimplification to dismiss as merely "symbolic" a policy which has involved the expenditure of approaching 2 billion over the last eight years, which has required extensive political and administrative input into new arrangements for partnerships and programmes, which has seen the creation of powerful new public agencies (development corporations), which now supports over 12,000 individual projects, and which has sought to involve significant private sector resources in urban regeneration (Stewart, 1987: 129-130).

As with the unfolding central/local conflict discussed earlier, it is possible to discern various stages in the evolution of inner-city policy. Only an outline of three main phases will be sketched here, as the details have been documented elsewhere (Hambleton, 1981; Higgins *et al.*, 1983; Lawless, 1986; Hambleton, 1986: 80-99). The origins of inner-city policy can be traced back to the mid-1960s (Hambleton, 1978: 114-138). A series of area-based policies aimed at tackling various urban problems emerged in the decade from 1966 -- for example, educational priority areas, the urban program, community development projects, general improvement, and housing action areas. These various policies were hopelessly fragmented, with departments at both local and central government levels often pursuing their initiatives at best in isolation and, on occasion, in competition.

The second stage, 1976-79, was a period of policy launch marked by high hopes and ambitious statements from Labour government ministers. Following on from the major White Paper (Department of the Environment, 1977d) selected, local authorities (known as partnership and program areas) were invited to prepare comprehensive inner-area

programs for tackling inner-area decay. In some ways the approach resembled the American model cities program of the 1960s, except that in Britain the areas targeted were much larger and the national political profile was much higher. At this stage, inner-area programs were seen as broad-based, collaborative ventures aspiring towards new levels of co-ordination between central and local government and other agencies, including the voluntary and private sectors. The designated inner areas were to receive allocations of urban program funds and, in addition, main central and local government programs and policies were to be redirected in order to favour these inner areas. This last point was crucial.

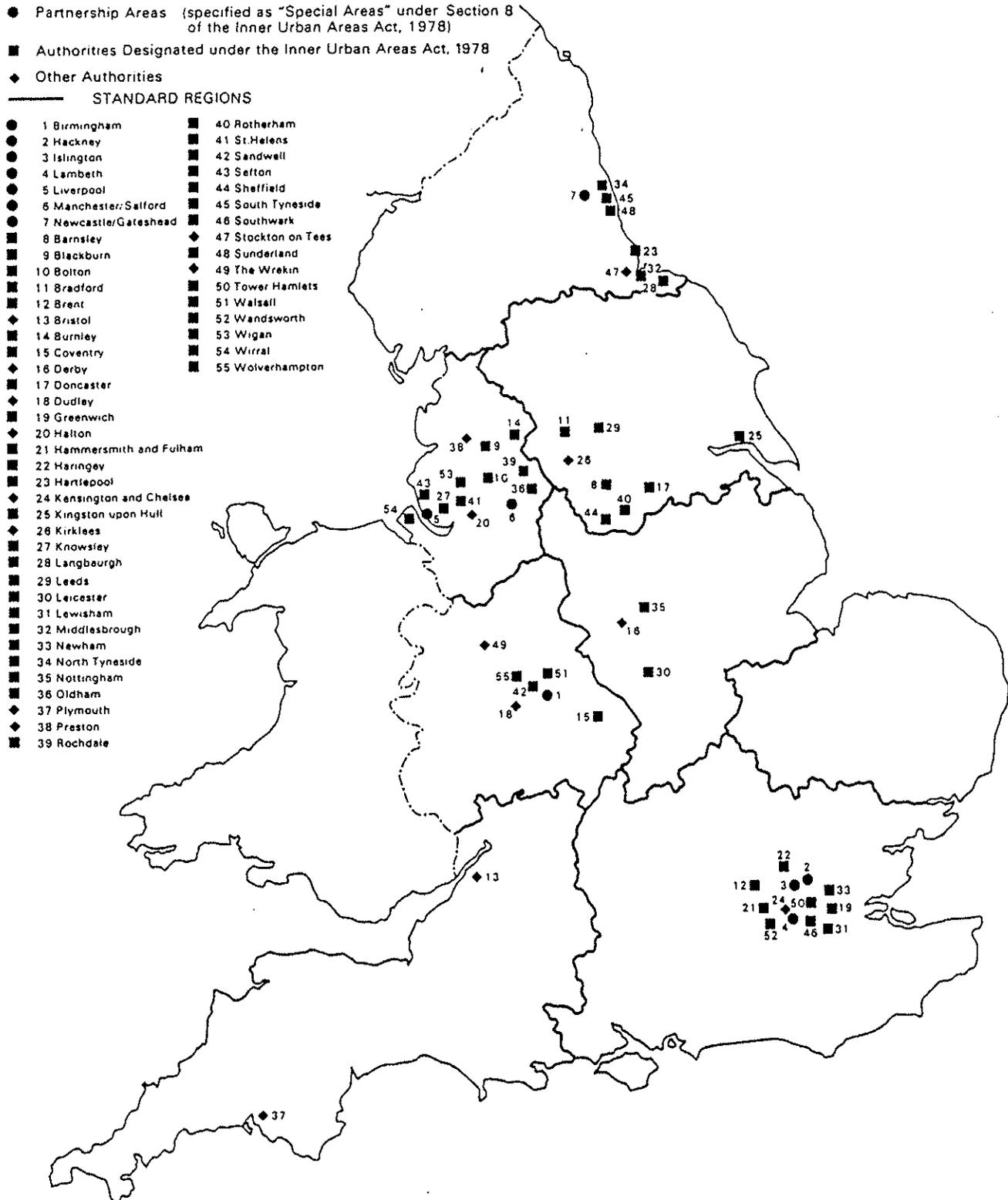
After a period of uncertainty following the election of the Conservative government in May 1979, the policy entered, in 1981, its third broad phase when ministers announced their recommitment to inner-cities policy. Stewart (1987) notes that two strands of action emerged, and these have been key features of inner-city policy in recent years. On the one hand there has been continuity and consolidation -- continuation of the partnership and program arrangements, although with some "streamlining," and with the addition in 1983 and 1986 of a total of 30 local authorities to the list of program authorities. There is now a concentration on 55 areas in England (see Figure 1). There are separate arrangements for Scotland, Wales, and Northern Ireland.

A second, more important strand of policy activity since 1981, however, has been the diversification of policy initiatives. In this period, Urban Development Corporations, Enterprise Zones, Task Force (Merseyside), Financial Institutions Group, Urban Development Grant, City Action Teams, Task Forces (Employment), Urban Regeneration Grant, National Garden Festivals, Business in the Community, Inner City Enterprise, Task Force (Confederation of British Industry), City Technology Colleges, Simplified Planning Zones, Safer Cities Schemes, City Grant, Housing Action Trusts, Estate Action, and numerous other initiatives have been launched. Within this fog of initiatives there is, once again, a competition between Whitehall departments to see who is going to take the lead on inner city policy. Stewart observes that this:

...proliferation of semi-autonomous and/or centrally accountable institutions and the parallel dilution in the role and function of local authority partnership and programme authorities represents a major shift in the interest and power structure within inner cities policy" (Stewart, 1987: 143).

In March 1988 the Conservative Government launched its Action for Cities brochure with a major ministerial press conference fronted by Mrs. Thatcher (Cabinet

AUTHORITIES IN ENGLAND INVITED TO SUBMIT INNER AREA PROGRAMMES FROM 1987/88



Office, 1988). This document sees the private sector playing the leading role in regenerating inner cities and stresses the theme, "helping businesses to succeed." The statement has been widely condemned as offering no serious analysis of inner-city problems, still less a substantial new initiative. Americans may feel that the biannual President's National Urban Policy Reports (Department of Housing and Urban Development, 1982, 1984, and 1986) provide an inadequate appraisal of the Reagan administration's urban strategy. But these reports are far more informative than the Action for Cities, document which has been described as little more than a glossy propaganda leaflet by city leaders.

A key feature of present urban policy is the expansion in the number of Urban Development Corporations (UDCs). These non-elected development agencies, set up and financed by the government to promote physical development in specified areas within cities, are spending government grants worth 200 million in 1988/89 to pave the way for private-sector investment. The first two UDCs (in London Docklands and Liverpool) were set up in 1981, and eight more were announced in 1987.⁵ The Government's financial watchdog, the National Audit Office (NAO), is not allowed to criticize government policy, but simply to comment on its effectiveness. It is significant therefore that the NAO's report on the first two UDCs expresses strong fears about the adequacy of current arrangements for monitoring the corporations (National Audit Office, 1988). The NAO is concerned that lax management systems are leading to a waste of taxpayer's money -- the arrangements for ensuring accountability to parliament for the substantial sums involved simply are not good enough. We are reminded here of the way Washington was put under extraordinary strain by the proliferation of categorical grants during the Johnson administration. The experience of that era was that federal officials became enmeshed in administrative details that often obscured program goals and frustrated local accomplishment (Peterson *et al.*, 1986: 3). The problem of "long-distance" accountability to parliament would vanish if the UDCs were run by local government, but this, of course, is not what the government wants.

Virtually all the current Whitehall initiatives tend to downgrade the contribution that local authorities can make. In addition, they divert attention from the need to redirect the main programs and policies of government towards those most in need. Crucially, they put the emphasis on regenerating inner-city areas -- the welfare of inner-city residents is a secondary consideration. Various commentators have reflected on these developments (Solesbury, 1986; Moore and Boothe, 1986). Solesbury notes that two newish concepts have emerged -- leverage and joint ventures -- and these can be expected to be important in the next few years. Meanwhile Moore and Booth point to the contradictions in urban policy -- particularly the conflict between economic and social objectives referred to earlier

as "area versus residents." Stewart (1988) stresses the importance of developing clearer ideas about what institutional arrangements and instruments suit which inner-city localities. There is encouraging news from Scotland, where the Glasgow Eastern Area Renewal (GEAR) project provides some helpful lessons about the need for a collaborative approach (Donnison and Middleton, 1987).

There are both parallels and differences between the Whitehall initiatives and the policies being pursued by Washington. Both governments have, as discussed earlier, cut central government financial support to cities. However, Washington has been relatively more "hands off" than Whitehall. Thus, Levine (1983) argues that the Reagan urban policy is constrained by a national economic policy which celebrates the virtues of non-inflationary national economic growth and sees little or no virtue in revitalizing declining areas. A more recent analysis by Wolman (1986) supports this interpretation. More than that, it suggests that Reagan has been able to displace urban problems from near the top of the traditional domestic policy agenda and substitute an emphasis on national economic performance and market-induced adjustment as the primary approach to urban policy. The Conservative government, while it toyed with the idea of abandoning inner-city policy in 1980, has chosen to be more interventionist. Lawless (1987) suggests that this is because urban policies are politically attractive, as they cost comparatively little and help sustain the image of a caring, innovative administration. Also, given that there were inner-city riots in 1980 and 1981 and disturbances in other years, fear of continuing urban strife has probably also been a factor. However, the key driving force behind the Whitehall initiatives is to by-pass and undermine local government. The proliferation of specific "strings-attached" schemes enables ministers to impose their priorities regardless of the wishes of the locally elected councillors.

INNOVATION BY LOCAL AUTHORITIES

The discussion so far has focused on the important national developments affecting urban government. While space does not allow a full review of the significant innovations taking place within British urban government, it is important to touch on certain key trends if only because they are likely to continue to be influential in the 1990s. Brief remarks now follow on five areas of innovation: 1) economic/employment planning, 2) equal opportunities, 3) consumerism, 4) decentralization, and 5) the extension of local democracy.

In the period since the mid-1970s, there has been an enormous growth in local government activity in the fields of economic development and employment planning (Young and Mason, 1983). As in the United States, a distinction can be made between approaches which focus on the stimulation of economic growth and initiatives which aim to

provide employment opportunities for particular groups (Turok, 1987). The first and most common approach is market-oriented. It assumes that growth is necessarily progressive and that the benefits will "trickle down" to all groups in the population. The second approach, which is newer and more experimental, might be called interventionist. It attempts to tackle the root causes of economic decline and seeks to promote economic democracy. American survey evidence suggests that, in most cities, economic development policy is characterized by attempts to foster general economic growth (Robinson, 1988; Bowman, 1988). There are exceptions to this. For example, since 1983 the Harold Washington administration in Chicago has pursued a job-oriented economic development strategy (Judd, 1986: 229-237; Mier *et al.*, 1986). On the whole, however, urban economic development in the United States stresses wealth creation rather than job creation. Many American city councils are manipulated by local development and real estate interests in a way which would be viewed as totally unacceptable in Britain (Cummings, 1988).

While the American business community is beginning to do more to support social programs (Herbers, 1988), it is clear that Britain has gone much further in developing comprehensive economic development strategies which seek to achieve specific social objectives (Gilhespy *et al.*, 1986). Most of these ideas have been generated by urban authorities seeking to create new ways of developing local economic policy. The experience of the Greater London Council deserves attention (Mackintosh and Wainwright, 1987), as does the varied experience with local enterprise boards and other forms of local authority intervention (Young and Mason, 1983; Blunkett and Jackson, 1987: 108-142; Forbes 1987).

The development of equal opportunities policies and practices has been a major trend in British urban government in recent years. The vast majority of urban authorities have adopted an equal opportunities policy statement and are pursuing programs of action to combat unfair discrimination in employment and personnel practices and in policy-making and public service delivery. The main focus has been on tackling ingrained sexism and racism within local government, but there are also initiatives by many authorities designed to address other forms of discrimination, for example on grounds of disability, sexual orientation, and age. Many authorities have established a race relations committee of elected members, appointed special race/ethnic advisors, developed anti-racist training programs, introduced race/ethnic dimensions into policy-making procedures, and developed consultation arrangements with local black/ethnic minority groups (Ouselely, 1984; Ben-Tovim *et al.*, 1986). A growing number have also set up women's committees and women's units, and these have focused attention on, first, the under-representation of women and women's issues in formal political structures; second, the particular place of

women in the workforce; and, third, the relationship between women, the family, and the welfare state (Goss, 1984; Mackintosh and Wainwright, 1987: 105-136). There is a long way to go with these initiatives. "White patriarchy" is well-entrenched, and new committees and strategy units can be marginalized. Resistance from established professional departments can mean that new initiatives are "ghettoized" into special arrangements within city hall (Boddy and Fudge, 1984: 11). It would be a mistake, however, to underestimate the significance of these equal opportunities programs. They are bringing new priorities to the forefront of urban policy-making and, as new forms of representation and organization develop, they can be expected to have a major impact on the political organization of local government.

The strong movements towards consumerism, decentralization, and the extension of local democracy within British urban government are discussed in detail elsewhere (Hambleton, 1988c). The idea of developing "consumerist" approaches to public sector management is probably receiving most attention at the moment, but the trend towards decentralization of service and financial management is also gathering force. Ideas for extending local democracy by developing new ways of involving people in decision-making about public services are also attracting interest -- particularly in inner-city areas where residents complain of feeling powerless and where citizen alienation towards government appears to be growing. To a certain extent these three themes overlap; it can be argued that they share the broad aim of closing the "them and us" gap between those providing public services and those needing or wishing to use them. Thus, getting closer to the consumer might well involve decentralizing services to neighborhood offices, and the localization of services might well provide a starting point for attempts to widen public involvement and extend local democracy. It is perfectly possible to develop initiatives -- and a number of British urban local authorities are already doing this -- which combine all three ideas.⁶

These three movements have their American parallels. The influential study of successful American private companies, "In search of excellence," emphasized the importance of "getting close to the customer" (Peters and Waterman, 1982). Many American local authorities are now trying to adapt and apply these consumerist ideas within the public sector (Barbour *et al.*, 1984). The movements towards neighborhood decentralization and public involvement have a longer history, in the sense that a variety of initiatives along these lines has been tried in American cities since the late 1960s (Yates, 1973). My own research in this field identified significant innovations in Boston, New York City, and Dayton (Hambleton, 1978). However, these initiatives of the 1970s, while they

altered the political landscapes of many cities by pushing for decentralization and community control, had a limited impact.

Katznelson (1981: 135-189) argues that the aim of these innovations was not only to overcome the threatening gap between citizenry (especially black citizens) and government, but also to fragment social and political tensions into manageable community-sized components. It is too early to judge whether the British radical decentralization programs will tread this same path. We can note, however, that there is a much higher level of commitment to these ideas on the part of city political leaders than was the case in the United States. Moreover, large numbers of young activist councillors are keen to develop new forms of participatory democracy. Indeed, many local politicians argue that it is only by developing radical programs of decentralization and democratization that local government can win back popular support for public services and mount an effective political campaign against oppressive Whitehall controls. Finally, we should note that as local government becomes more politicized, traditional ideas about public sector management, particularly those relating to the interface between elected members and officers, are having to be rethought (Alexander, 1986; Stewart, 1986). In this changing context, many of the models of management developed within the private sector are coming to be recognized as limited, if not positively unhelpful.

CONCLUSION

This article has suggested that there are strong parallels between urban government in Britain and the United States: the socioeconomic trends impacting on cities are similar; both the Thatcher and the Reagan administrations have reduced financial support to city government in the name of national economic policy; and urban areas are becoming increasingly divided, with extraordinary concentrations of deprivation and poverty in some neighborhoods.

It has been suggested that together with these similarities there are remarkable divergences. During the 1980s, national and local politics in Britain have become highly charged and ideological; urban authorities in some of the areas suffering the most severe consequences of economic decline have developed a political agenda which offers a different vision of the world than the one presented by the Conservative government; in response to local resistance the Thatcher government has passed legislation in every year since 1979 to strengthen the power of the central state over local government. Following the 1987 election, Labour Party support is concentrated in the major cities, and it is clear that the government's current strategy is more concerned to destroy the remaining

institutions controlled by Labour than to bring about any fundamental reform of local government.

In marked contrast to this experience, American city government has not become highly politicized. The Reagan administration has been able to adopt a strategy, not of federal intervention, but of federal policy withdrawal. In truth, the states, rather than local governments, have been the main beneficiaries of this approach. The states, spurred on by organized pressure groups, have, in many cases, taken steps to constrain local governments -- California's Proposition 13 of 1978 and ensuing measures provide a vivid example (Danzinger, 1981; Raymond, 1988). But no state governor has even begun to consider centralizing control over local government to the degree now advocated by the Thatcher government. Indeed, it has been shown that the Thatcher government policies are a strange and massive reversal of Conservative Party philosophy, which traditionally has stood for a vigorous local democracy.

Different analyses of central/local relations in Britain have advanced various explanations for the central government attack. In this article it has been suggested that the government's key concern has been to undermine the role of local government in providing redistributive services. The onslaught, which is ideologically motivated, rolls together an attack on locally provided public services (particularly housing, education, and personal social services), a disregard for local democracy (involving a misuse of parliamentary sovereignty), and a partisan desire to inflict major damage on the Labour Party (particularly as it has been effective in building new political alliances at local level which are resistant to the Thatcherite, monetarist doctrine). Partly because a working-class party resembling the British Labour Party has never emerged, American local authorities have not been as active as their British counterparts in providing redistributive services. For complex social, political, and cultural reasons, the Reagan administration has not been threatened by city governments developing their own radical programs for public service provision. As a result, the federal government has not found it necessary to emulate the Thatcher government's interventions in urban government.

The centralizing trend has severely damaged urban government in Britain; American cities are fortunate to have escaped such an onslaught. It has been argued, however, that despite, and to some extent because of, the Thatcher government's attack, a remarkable amount of innovation is now taking place within British urban government. Five key themes are identified: 1) economic/employment planning, 2) equal opportunities, 3) consumerism, 4) decentralization, and 5) the extension of local democracy. As to the future, the forces of the 1980s may have redefined the underlying basis of central/local relations in Britain -- future governments may be unwilling to reverse the centralizing

trend. On the other hand, it can be argued that urban politics has been reinvigorated and that the new pressures which are building up, both within and outside the formal political parties, will lead to a significant strengthening of local democracy. Either way, British urban government in the 1990s promises to continue to be turbulent and conflictual.

NOTES

1. This claim is made largely on the basis of my work with local and central government over the last ten years at the School for Advanced Urban Studies, which is a national center for research and post-experience training. SAUS runs upwards of 120 residential short courses each year for elected members and officers, as well as a Masters course in Policy Studies, a Diploma course in Housing Studies, and a wide range of research programs.

2. There will always be arguments about the appropriate definition of areas. These remarks are related to four types of area (Begg, Moore, and Rhodes, 1986: 38-39):

- (i) the inner city areas of the six large conurbations of London, Birmingham, Manchester, Liverpool, Newcastle, and Glasgow;
- (ii) the outer city areas of these six large conurbations;
- (iii) the free-standing cities -- the next 17 largest cities -- Bradford, Bristol, Coventry, Derby, Hull, Leeds, Leicester, Nottingham, Plymouth, Portsmouth, Sheffield, Southampton, Stoke, Cardiff, Aberdeen, Dundee, Edinburgh. In essence these are all the cities with a population of about 200,000 or more;
- (iv) the remainder of Great Britain -- that is, towns and more rural areas.

3. I say 'we,' as I was involved in the development of inner-cities policy in the late 1970s -- first as Team Leader of the Gateshead Comprehensive Community Programme, referred to in para 65 of the White Paper (Department of the Environment, 1977d), and second as Co-ordinator of the Gateshead Inner Area Program within the Newcastle/Gateshead partnership (1977-79).

4. Rates are locally raised property taxes in Britain.

5. These UDCs are in the West Midlands, Teeside, Trafford Park, Tyne and Wear, Cardiff, Bristol, Leeds, and Manchester.

6. I have in mind here the programs of radical decentralization being pursued by a number of local authorities, for example, the London boroughs of Islington, Lewisham, and Camden, and major cities such as Birmingham and Manchester (see Hoggett and Hambleton, 1987).

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