

Institution: Coventry University
Unit of Assessment: 19
Title of case study: Industrial and Regional Policy for Restructuring
<p>1. Summary of the impact</p> <p>This case study focuses on research into how sectors such as automotive and clothing are restructuring themselves, the consequences for communities, and the implications for industrial and regional policy responses. Impact has been achieved through: directly informing and shaping government policy and strategy; recommendations applied by government organisations and agencies; and through direct benefit to organisations and communities. Three linked areas where impact is evidenced are highlighted: industrial policy for traditional and emerging sectors; policy for funding and developing sub-regional economic development structures; and policy for dealing with economic shocks.</p>
<p>2. Underpinning research</p> <p>The research underpinning this case study encompasses a portfolio of projects funded by EU and research council grants, commissions from various levels of government and from the private sector. It has been multi-disciplinary and collaborative, with academic, industrial and public sector partners, and has been disseminated through a variety of channels. The initial research was undertaken by Professor Clark (retired, 2006) via the European Union's ERDF RETEX II programme [£25,000, 1996-1998] that highlighted the fragile state of the Clothing industry in Coventry. In 1998 Berkeley was awarded a transnational grant [ESF ADAPT; £242,000] to assess the extent of the clothing sector's decline and change across Europe and, through working with industry and other key stakeholders, develop and implement a strategy for increasing the competitiveness of the region's clothing industry. Berkeley (and Tully) subsequently provided a comparative analysis of firms' behaviour in the clothing manufacturing and automotive sectors funded through the EU 5th Framework programme (with University of Oxford). This highlighted how firms both within (automotive) and without (clothing) defined policy clusters display similar behavioural characteristics (1).</p> <p>Jarvis and Berkeley were commissioned by Coventry City Council in 2008 to map for the first time the scope and scale of creative industries highlighting particular areas of strength, opportunities for growth and recommendations for policy makers. Findings were disseminated through events and the media, with academic contributions critically assessing the assumption that creativity and economic development are intrinsically linked (2). Jarvis and Berkeley were subsequently commissioned to provide research on economic opportunities for other emerging, transformational sectors: environmental technologies and low carbon vehicles.</p> <p>More recently, research has focused on the implications of restructuring in the automotive sector on business, economy and society. On the impact of restructuring, a significant body of research has been undertaken on the impact of plant closure on workers and their families. Specifically, ESRC funded research led by Bailey (moved to Aston, October 2013) examined the economic and social impact of the closure of MG Rover's Longbridge plant and the subsequent policy responses (3). This extended earlier research to provide a unique three-wave longitudinal survey. Research has been widely disseminated (4,5) and its impact was highlighted by the Academy of Social Sciences in its first 'Making the Case for Social Sciences' report. In terms of the impact of restructuring on business and the economy several linked projects are noteworthy. First, a commission from MG Cars Ltd to produce a growth strategy to penetrate EU markets that drew lessons from earlier experiences of Japanese and Korean manufacturers in the UK. Second, membership of the CABLED consortium (Berkeley); a flagship low carbon vehicle demonstrator project in the West Midlands region. This involved implementing criteria through which potential drivers of low carbon vehicles could be selected by participating manufacturers, the provision of a hydrogen fuel station on the University's campus, and a survey and analysis of drivers' experiences with recharging. Third, an evaluation of the West Midlands Regional Development Agency's 'Taskforce' response to the 2008-09 economic recession (Bailey and Berkeley), which targeted support at the region's automotive sector. Findings from this project evidenced the effectiveness and value for money of modest but 'intelligent' interventions in mitigating the impact of recession. In particular, the evidence-led, partnership approach adopted by the Taskforce was</p>

found to be particularly valuable and a model for future intervention. This in turn led to: a commission from the Department of Business, Innovation and Skills (BIS) (in conjunction with SQW Consulting) to research economic shocks and to develop a practical framework to inform government decision-making on what to do in the event of shocks; and further research funded by the Audit Commission looking at local authority responses to recession. The latter resulted in reports for the Commission and an edited volume (6). Finally, expertise has been developed internationally via two research projects funded through EU DISTRICT+; and more broadly through research in a Framework 7 project that focuses on industrial policy as part of the transition to a new, sustainable growth path in the EU.

3. References to the research

1. Tully, J. and **Berkeley**, N. (2004) Visualising the Operating Behaviour of SMEs in Sector and Cluster: Evidence from the West Midlands, *Local Economy*, 19(1), 38-54. (IF 0.621; citations 10) Submitted to RAE 2008 in UoA31.
2. **Jarvis**, D., Lambie, H. & **Berkeley**, N. (2009) 'Creative Industries and Urban Regeneration', *Journal of Urban Regeneration and Renewal*, 2(4), 364-374. (IF 0.421)
3. **Bailey**, D., Chapain, C., Mahdon, M., & Fauth, B, (2008) *Life after Longbridge: Three Years on. Pathways to Re-employment in a Restructuring Economy*. London: The Work Foundation.
4. **Bailey**, D., Clarke, I., & de Ruyter, A. (2010) Private equity and the flight of the phoenix four-the collapse of MG Rover in the UK, *Cambridge Journal of Regions, Economy and Society*, 3(3),367-382. (IF 1.764; citations 4)
5. **Bailey**, D., Chapain, C., & de Ruyter, A. (2012) Employment outcomes and plant closure in a post-industrial city: an analysis of the labour market status of MG Rover workers three years on, *Urban Studies*, 49(7), 1595-1612 (IF 1.493)
6. **Bailey**, D. & Chapain, C (2011) *The Recession and Beyond: Local and Regional Responses to the Downturn* London: Routledge.

Key Funding

- *Industrial Adaptation for sector-based co-operative networks*. **Berkeley**, N. with Steuer N, Clark D. and Smith-Canham, J. ESF ADAPT programme. 1998-2000. £242,000. Grant won competitively through peer-review; project subject to European Court of Auditors report.
- *The Economic and Social Impact of the Demise of Rover at Longbridge: A Longitudinal and Holistic Approach to Economic Restructuring*. **Bailey**, D. with Chapain, Bentley (B'ham), de Ruyter (Glasgow Caldeonian) and Hall (UWE)). ESRC (RES-000-22-2478); 2006-2009; £100,000 Rated Outstanding (2010).
- *Coventry & Birmingham Low Emission vehicle Demonstrator project (CABLED)*; **Berkeley**, N. Technology Strategy Board. 2009-2012. £166,000.
- *Evaluation of the West Midlands Taskforce*. **Bailey**, D. and **Berkeley**, N. Advantage West Midlands. 2009-10. £22,000.
- *Welfare, Wealth, Work for Europe (www for Europe)*. **Bailey**, D. EU Framework Programme 7 (FP7). 2012-2016. £146,000. Partner with 32 other partners across the EU.

4. Details of the impact

A significant number of published outputs and activities linked to this research have been cited and referenced and have received widespread publicity in the UK and international media, including TV, radio and the written press. **Berkeley** has been interviewed for BBC Radio 4's Costing the Earth programme. Bailey has been interviewed for documentary programmes, including BBC Radio 4's File on Four and You and Yours; BBC's Inside Out (RDAs and LEPs); BBC Radio 4's Analysis (MG Rover); and the BBC's Money Programme (Toyota). In addition, Bailey's blogs at Reuters and The Birmingham Post are widely cited, and he is also a columnist for the Birmingham Post and Coventry Telegraph. This media engagement strategy has been deliberately designed to profile and position our research, and to shape debates in the areas highlighted.

Informing and shaping national policy debates

Our research is informing and shaping national policy debates in three areas: industrial policy for

traditional and emerging sectors; policy for funding and developing sub-regional economic development structures; and policy for dealing with economic shocks. This includes a number of advisory roles, including (Bailey) as Specialist Advisor to the House of Commons Select Committee on the West Midlands in its inquiry into the Impact of the Recession on West Midlands Business (2009). Research has also been used in evidence presented to a number of parliamentary inquiries and public consultations, such as: the 2012 Transport Committee inquiry: Plugged-in Vehicles, Plugged-in Policy (a); the Business Innovation and Skills Select Committee inquiry into Local Enterprise Partnerships (2011); the Takeover Panel Inquiry into the Kraft Takeover of Cadbury (2011); the 2012 All Party Parliamentary Group (APPG) on Local Growth, LEPs, and Enterprise Zones (in conjunction with the Regional Studies Association (RSA)); the APPG on Rebalancing the British Economy (2012); and to the APPG on the West Midlands (2013). As an example of impact, following written evidence to the Transport Committee Inquiry on electric vehicles **Berkeley** provided oral evidence that was subsequently used by the Committee in their press release to accompany the report into its findings. This stimulated national political and media debate on the effectiveness of the policy, with **Berkeley's** views being sought for radio and newspaper interviews. Mark Egan, Secretariat of Transport Select Committee, notes that **Berkeley** directly informed policy debate with an *“engaging style and has helped [us] prepare persuasive and credible arguments to lead well-informed discussions”*. He stated that *“without the work of Coventry University the inquiry would have been less striking and would not have had such clear recommendations and thus less impact on the media and as a result impact on parliament”*.

Other prominent roles have included: the UK academic lead on the European Automotive Skills Council (Begley, 2012-) and membership of the Coventry and Warwickshire Local Enterprise Partnership Executive Delivery Board (**Berkeley**, 2011-). In this role **Berkeley** also contributes to the analytics division, fundamental for underpinning LEP strategy and action plans. The Wilson Review of University-Business collaboration (2012) makes specific reference through a case study to the active involvement of Coventry University in driving the LEP agenda (b).

Influencing policy and practice

Research has directly influenced and informed policy and practice. For example, the clothing industry strategy (**Berkeley**) was implemented locally by Coventry's Clothing Partnership in 2000. Regionally, in November 2009, Advantage West Midlands published a sector profile and action plan for the clothing industry informed by a *“significant programme of research undertaken by Coventry Business School, Coventry University”* (c). The creative industries research (**Jarvis** and **Berkeley**) has, as noted by Graham Simpson of Coventry City Council had a *“direct impact on the development of inter-agency structures intended to underpin the growth of the sector”*; and provided the evidence that funding should be strategically *“directed into the gaming and software sector”*. Moreover as a result of the research on the environmental technologies sector, Simpson notes that the Renewable Energy Technology Alliance was established in 2011 to provide commercial opportunities through public-private partnership funding to create jobs and investment in the region.

Simultaneously, Unit research on the response to the MG Rover collapse highlighted the need for 'permanent capacity' to deal with shocks and was cited in several Select Committee inquiries. When Regional Taskforces were set up in response to the 2008-09 recession, they were modelled on the work of MG Rover Taskforce. Research on the need for a supportive industrial policy for the automotive sector also saw Bailey taking a leading, national role in pressing the case for support for the automotive sector over 2008-9, including a 'scrappage' scheme to support demand. Ian Austin (Regional Minister for West Midlands at the time) stated that Bailey was able to detail exactly what was happening in the sector and this evidence was used to argue for the scrappage scheme which the Government subsequently introduced in 2009. More recently his critique of Local Enterprise Partnerships (LEPs) has been widely cited in policy debates. The government has responded by providing additional resources for the operation of LEPs.

Use and application of research by agencies and organisations

Impact is also evidenced by the way that research has been used and applied. For example, in its investigation into the performance of Regional Development Agencies in 2010, the National Audit Office cited the evaluation of the West Midlands Regional Taskforce in its independent supplementary review of the work of Advantage West Midlands (d), whilst several other

submissions to Select Committee Inquiries have cited the Unit's work on MG Rover (for example: the House of Commons Transport Select Committee Inquiry into Bombardier in late 2011). A wide range of other organisations have benefited from this research and its findings, including: the All Party Parliamentary Group (APPG) on the West Midlands (**Berkeley** presented a keynote on the future of the West Midlands economy); the APPG on Rebalancing the British Economy; Advantage West Midlands in its submission to the West Midlands Select Committee's Inquiry into the Impact of the Recession on West Midlands Business; the Department of Business, Innovation and Skills (with SQW) to develop a practical framework to inform government policy on response to shocks; the Dell Taskforce, set up to deal with Dell's downsizing in Ireland; the LDV Taskforce set up by Birmingham City Council; representatives of the Gothenburg Business Region who sought to draw upon the MG Rover experience in light of concerns over the future of Saab in Sweden (Bailey made presentations in Birmingham and Gothenburg); the CBI in terms of what can be learned for the automotive industry generally; and Deloitte, where Bailey gave the Deloitte Manufacturing Dinner speeches in 2009 and 2010, and presented at the Deloitte Business School on Manufacturing, drawing on the MG Rover work. Bailey's work is also widely cited in high profile industry reports – such as the 2012 Society of Motor Manufacturers and Traders (SMMT) / KPMG report: *An Assessment of Supply Chain Opportunities in the UK Auto Sector* (e), and the broader *UK Manufacturing Supply Chain Insight* report (f) by Barclays, which featured a detailed commentary by Bailey. Both reports received widespread media coverage. Mike Baunton, Acting Chief Executive of the SMMT notes that “investment in higher level apprenticeships to build the skills base by enhancing practical skills and experience has resulted in part from the author's (Bailey's) reports on the UK market and the gap in the supply base which argue for the skills and labour force which are needed to underpin the industry and which has informed public debate”, adding that Bailey provides “an independent voice between industry and politics” which “brings credibility to the debate”. His research has also been picked up by think tanks such as Civitas (g).

Use and application of research by beneficiaries

Our research has also been used and applied by beneficiaries. For example, the MG Rover research stimulated the setting up of the 'Retooled' website by ex-workers, featuring webcasts of their redundancy experiences, in the hope that this would help other workers in similar situations (h). The site explicitly thanked the project for stimulating the idea. Retooled was a pilot supported by Arts Council England and Birmingham City Council as part of 'Say Hello', a programme of projects attempting to break new ground for participatory work around digital media.

5. Sources to corroborate the impact (indicative maximum of 10 references)

- (a) House of Commons Transport Committee: Plugged-in vehicles, plugged-in policy? <http://www.publications.parliament.uk/pa/cm201213/cmselect/cmtran/239/239.pdf>
- (b) Wilson Review of Business-University Collaboration <http://tinyurl.com/pxnd64t>
- (c) Advantage West Midlands Textile & Clothing Industries in the West Midlands Sector Profile <http://tinyurl.com/pf8q7w3>
- (d) National Audit Office Independent Supplementary Review of Regional Development Agencies http://www.nao.org.uk/publications/1011/rda_reviews.aspx
- (e) Society of Motor Manufacturers and Traders and KPMG Report <http://www.smmt.co.uk/2012/09/capturing-opportunity-an-assessment-of-uk-automotive-supply-chain-opportunities/>
- (f) Barclays UK Manufacturing Supply Chain Insight <http://www.barclayscorporate.com/content/dam/corppublic/corporate/Documents/research/manufacturing-report.pdf>
- (g) see Tristram Hunt MP (ed), *Rebalancing the British Economy*. London: Civitas. 2013
- (h) MG Rover workers re-tooled website: <http://retooled.co.uk/about-the-project/research/>