

Britain was the world's first industrialised nation (late 18th century), the leading commercial/naval power in the 19th century, ruled an empire encompassing about a quarter of the world's territories in the 1920s. It was by that time overtaken by larger economies with more resources and population. After World War 2 it could no longer afford holding on to an empire where nationalist movements had developed. Downsizing and economic difficulties by the late 1960s and 1970s led to a great deal of concern about British decline. However, by the start of the 21st century, Britain was a medium-sized country with a fairly healthy economy that had been able to regain some global influence through the various international organisations it belonged to. It seemed to have acquired a more regional outlook, as a member of the EEC/EU, while still retaining some useful global reach. Its inhabitants had seen their living standards rise since the 1940s and could be considered as reasonably well-to-do. However, there was/is a great disparity between regions in Britain and indeed a widening gap between low and high-income households. By 2012/13, Britain's regional focus (having EU members as its main economic partners) is increasingly questioned for economic and political reasons.

I.A. The country and its resources.

British Isles : The United Kingdom+Ireland+some isles belonging to the crown but with their own legislation (tax havens) such as Man, the Channel islands.

The United Kingdom : Great Britain + Northern Ireland

Great Britain : England + Scotland + Wales

Britain is separated from the continent by the English Channel, from Ireland by the North Channel + Irish Sea. It has never quite felt it belonged to Europe.

It has moderate geographical features. Lowlands and highland regions in Scotland, Wales and Northern England. Even the highest mountain, Ben Nevis is only 1343 metres high. Its climate is moderate, rather wet throughout the year, although cases of extreme weather (droughts, floods) are getting more frequent (climate change?).

Regular rainfall has helped to give England the image of a « green and pleasant » land. Rather surprisingly perhaps for the first medium-sized country to have had a larger urban than rural population (1850). Yet this is linked to a farming sector that has proved very efficient for centuries. Over $\frac{3}{4}$ of the land area is farmed. It produces $\frac{2}{3}$ of the country's needs in foodstuffs. Livestock farming plays a large part (meat, dairy products, poultry, eggs). This sector suffered in the 20th and 21st centuries. Mad-cow disease was a blow for many British farmers. In 2001 and 2007 there were extensive outbreaks of foot-and-mouth disease leading to the slaughter of hundreds of thousands of animals. The movement of people in the countryside was restricted, which means that all the rural economy suffered (tourism). Arable crops (cereals+vegetables) are produced in England.

Farming incomes have fluctuated in the past 30 years due to crises, the development of biofuels and increased demand leading to a rise in commodity prices. Farmland in England has trebled in value in the past decade. Many farmers have diversified their activities (guest houses, « agritainment », farmers' markets). The sector has benefited from the CAP. Yet, agriculture accounts for less than 1% of economic output, under 2% of the workforce (about 0.5% in England in 2010, DEFRA census of agriculture)

Fishing is still extensive but the fishing fleet is smaller. Stocks have shrunk, EU fishing quotas and competition from other EU countries tend to be resented

At different periods through the centuries, tin or iron mining played an important role, this is no longer the case.

Energy production. Britain has been fairly fortunate where fuel production is concerned.

Coal boosted the industrial revolution with steam-powered machinery in factories and the development of railways; There were mines in Wales, Scotland, the midlands and the north of England. Most are now closed.

In the 1970s, during a period of oil crises, British economy received a useful boost. Its balance of payment had suffered from increasingly expensive imports. Sizeable reserves of oil and gas were found in the North Sea (Brent oil). When production peaked in 1999, Britain was the world's 6th

biggest oil and gas producer (now 10th or 12th) The gas supply is expected to be down by 2/3rds by 2015. Thus, while it was able to meet 73% of its needs in oil and gas in 2000, it is now again a net importer. Few fields are being discovered, they are increasingly difficult to develop. Governments have been concerned about energy security. Gas is imported, mainly from Norway and Russia and the country is likely to become dependent on foreign suppliers

However, according to a firm engaged in prospecting for gas, Britain may have large shale gas reserves in Lancashire. Fracking is not altogether popular, especially among local inhabitants and environmentalists. Indeed, there were two small earthquakes linked to drilling by Cuadrilla Resources in the region in 2011. This led to a temporary ban lifted in December 2012. Apart from earthquakes, fears about groundwater pollution have been raised.

Electricity generation :

British nuclear plants are ageing, all but one were expected to close by 2023. Some will be kept in use for a longer time. Plans for building new power stations have run late. There was a safety review after Japan's nuclear accident. Two German firms E.ON and RWE gave up so it might be up to EDF or Chinese companies. Nuclear power is seen as a way to cut CO₂ emissions but it generates dangerous waste.

Efforts have been made to develop renewables. Wave and tidal power is being developed. Several wind farms have been built. However on-shore ones tend to trigger a great deal of opposition and off-shore ones are expensive. The London Array project plans to set up 175 turbines in the Thames estuary, which would make it the world's largest off-shore wind farm *Guardian Weekly*, 02.11.12).

The coalition government is confronted to two difficulties. First that of ageing power plants, which might lead to power cuts by 2015 (OFGEN, industrial regulator's warnings). 1/5th of Britain's electricity-generating capacity is to shut over the next decade. The other issue is the need to meet climate change commitments. In 2008, the Climate Change Act received cross-party support. It commits Britain to cut its (1990 level) greenhouse gas emissions by 80% by 2050. 30% of its electricity is also supposed to come from renewables by 2020. Indeed the current PM pledged to have the « greenest government ever ». yet 30 new gas-fired power stations received the go-ahead in December 2012 (less pollution than coal but still fossil fuel). The latest energy bill (2012) intends to invest £110bn in the renewal of infrastructure. In a context of austerity the idea is to attract investors. To do so, they are to get a minimum guaranteed price, which will be paid for by households. Their bills may rise by £95 a year at least. Yet prices are already a problem, fuel poverty is increasing (10% of household income spent on energy) and customers have complained about bills for some years. The British electricity market was privatised in the early 1990s. There are now six big companies (including two German ones, E.ON and RWE, a French one, EDF). There has been some suspicion of price fixing by some of those utilities.

The United Kingdom has about 62 million inhabitants. It is densely populated, especially in the South-East, and large conurbations such as Manchester or Liverpool. Some areas, like the Highlands are sparsely populated. As in many European countries, the population is ageing. Life expectancy reached 78.2 years for men and 80.3 years for women in 2010 (ONS). Yet the population has been growing both through immigration and an improved birth rate in the 21st century (about 12 per 1000) With about 1.98 child per woman, the UK is one of the three EU countries with the highest birthrate.

Britain saw its population increase rapidly in the 19th century and British people started to emigrate in large numbers, aiming for the USA, Canada, Australia or New Zealand. There is still a sizeable amount of emigration nowadays. It peaked in 2008 with 427,000 citizens and residents leaving the country. EU workers in particular can move easily between countries. It was down to 339,000 in 2010, 136,000 of whom were citizens. 149,000 of the latter left in 2011. Statistics do not agree but in the first decade of the 21st century 4.5 (World Bank 2006) to 11m British people were living abroad, especially in the USA, Canada, Australia, New Zealand, Spain or France. Who were they? From the late 1990s onwards, well-to-do families have been looking for holiday homes in Spain or France. These countries were also targeted by pensioners. However this is less true now (7% of

emigrants were pensioners in 2006, 2% in 2010). Over half of the British people who want to settle overseas are looking for work. Just as happened in the early 20th century or after World War 02, they are targeting New Zealand or Australia. Many nowadays also turn to emerging countries. Indeed India is increasingly attractive to British people of Indian descent. With university fees of up to £9,000 a year, larger number of British students are also heading for universities overseas.(Erasmus programme more popular in the past 5 years).

On the other hand, immigration has always played an important part. Throughout the centuries the country attracted Celts, Romans, Angles, Saxons, Vikings, Normans and a number of religious or political refugees (French protestants, Karl Marx). After the second world war, Britain needed manpower to help rebuild its economy and bombed out cities. In 1948 a British Nationality Act enabled empire and Commonwealth citizens to settle and work in the UK. Between 1948 and 1962 over 280,000 people came from the Caribbeans. From the 1960s onwards, large numbers came from the Indian subcontinent (India, Pakistan, Bangladesh). This caused some amount of hostility in the population and, after 1962 (Commonwealth Immigration Act), immigration laws became increasingly restrictive ; By the early 21st century, the debate centered on whether asylum-seekers were genuine refugees or not (2002 act). In 2004 new countries joined the EU, Britain, Ireland and Sweden proved more welcoming than the other members. 427,000 East European migrants officially registered between May 2004 and June 2006. This was more than the government had expected and it was more restrictive with Romanians and Bulgarians after 2007. In spite of economic crises, there were over 579,000 Poles and over 97,000 Lithuanians in England and Wales in 2011 (census figures). All in all, a fairly healthy British economy had attracted over 5 million immigrants between 2000 and 2009. Governments had by 2008 opted for a points system, inspired by Australia. It enabled them to select skilled immigrants. The current government has promised to restrict immigration further. As it cannot target EU migrants, it has set a cap on skilled workers , tried to cut the number of foreign students (successfully but this is criticised on economic grounds) and means to limit family reunification by setting an income threshold. There was a fall in net immigration in 2011.

2. Transport.

To be productive all these resources should be able to connect easily. Unfortunately transport is often mentioned as a cause for concern by the CBI and various business groups.

The opening of the first major interurban motorway in 1959 was the start of a major building programme. However road traffic is considered as congested. This is also the case for large cities. In 2003 the then-mayor of London Ken Livingstone tried to cut traffic-jams by introducing a congestion charge. It proved rather successful but the current mayor, B. Johnson has restricted the area covered to the City and West End.

Railways were invented in 19th century Britain. With nationalisation in 1948, they were turned into an integrated system. However, governments expected them to be replaced by cars and they were underfunded. British Rail was privatised in the mid 1990s (1993 act, 1996 implementation). Infrastructure (Railtrack) was separated from operations. Companies were awarded franchises to operate trains. It was not a success. After a number of serious accidents, railtrack was nationalised as National Rail but lines are operated by various companies. Franchises are awarded by the Department for Transport. Some lines have been modernised, for example the track that serves the Channel tunnel link. The government is in favour of the HighSpeed2 project. However this high speed track between London and Birmingham is highly controversial. Work is supposed to start in 2017. The link would then open in 2026 and be followed by others leading to Manchester and Leeds. Passengers complain about high fares and the quality of the service but they are increasingly numerous. Some efforts have been made to improve overcrowded commuter trains, as with Crossrail a high frequency London-South East service.

Air transport was deregulated in the mid-1980s. Traffic has expanded, airports are congested. This is especially the case for Heathrow, the London hub. It was built for 45 million people a year and now

sees about 70m. Its owner is BAA which was established in 1965 as British Airport Authority by the government, privatised in 1986 and bought by Ferrovial (a Spanish group) in 2006. BAA Ltd owns/operates seven UK airports. It wants to expand Heathrow so as to be able to compete with European hubs. A £3bn 5th terminal was opened in 2008 but only for BA. Business groups, union leaders, the aviation industry and some politicians are in favour of a 3rd runway. Local inhabitants and environmentalists are not. B. Johnson lobbies for greater airport capacity but favours an estuary airport.

B. Centre and periphery

England and the other nations .

1. England is by far the wealthiest and most populous part of the UK, but not the only one. Creating the UK took centuries. In fact, after the last successful invasion of England in 1066 by the Duke of Normandy, English kings possessed large territories on the Continent. They also enlarged their insular possessions. Wales was conquered in the 13th century (1285). The task was more difficult where Ireland and Scotland were concerned, union with Scotland was not due to conquest. In 1536-42 Henry VIII integrated Wales to England. By that time few French territories were left and the Tudor dynasty cut another link to the Continent by abandoning the Roman Catholic Church in favour of the Church of England. Scotland and England were brought together in 1603, when the Stuarts inherited the English crown. In 1707 the parliaments of the two countries merged, creating Great Britain. The English parliament wanted to secure the succession of a new protestant dynasty (Hanoverian). Indeed England often looked for closer links with its neighbours during wartime for safety reasons. Thus in 1800 the Act of Union created the UK. It is said that the different parts of Britain were safely tied together in the 18th century because of a shared protestant religion and the feeling that the country offered freedom and wealth to its inhabitants. It was thus a kind of fortress separated by the Channel from less happy European rivals. In the 19th century, economic and imperial development further tightened the links. Thus Scots played a major part and found many opportunities in empire building, while Glasgow and its region boomed thanks to the British industrial revolution.

There were however nationalist movements in the Celtic fringe. Particularly in Ireland which was treated more or less like a colony. It bred resentment in the catholic majority and the handling of the Great Famine by the UK government in the mid 1840s did not help. By the second half of the 19th century, many Irish, both protestants and catholics, wanted home rule (a certain amount of autonomy). Some Fenians preferred an independent republic. By the end of the century British Liberal leaders were ready to offer Home Rule, indeed, « home rule all around », which explained why Scotland obtained its own Secretary of State and Scottish Office in 1885 as a step to administrative regionalisation. However the British political establishment, including a large part of the Liberal party, proved difficult to convince. The protestant majority in the North of Ireland was opposed to Home Rule. After a small independence war, Southern Ireland gained its independence in 1921-22, first as a dominion, then as a republic in 1949. Six counties in Ulster remained part of the UK. Northern Ireland was in fact granted Home Rule, with a parliament (Stormont) that favoured the protestant majority.

In the interwar period and after World War 2 Britain's staple industries (coal, steel, shipbuilding) went into decline. This caused much suffering in the Celtic subnations where they had played a great part. It is thus said that economic crisis and the end of empire were starting to unravel the ties that had bound the UK together. In the case of Northern Ireland, discrimination by the Stormont parliament and the Royal Ulster Constabulary against the catholics caused protest movements in the 1960s. Some, more radical, catholic organisations like Sinn Fein fought for the unification of Ireland. By the late 1960s, violence had escalated between paramilitary groups. Britain sent troops, then resumed direct rule in 1972. This did not necessarily help. Civil rights were infringed. The army was viewed with suspicion by catholics after Bloody Friday in 1972 (the army fired on a demonstration, 13 died). Both the Irish and the British governments tried to broker an agreement (1973 Sunningdale Agreement, 1985 Anglo-Irish Agreement) but failed until the 1998 Good Friday

Agreement on power-sharing between the two communities. It offered devolution (transferring power from central government to the regional/subnational level), a power-sharing executive and the setting up of crossborder bodies, like the Council of the Isles (or British-Irish council : its members are representatives from Britain, Ireland, Scotland, Wales, the Isle of Man, the Channel Islands). However there was a great deal of suspicion between communities and segregation had intensified (schools, hospitals). The RUC was reformed because it had been too close to protestant paramilitaries. It is now the Police Service of Northern Ireland with an increased number of catholic officers. Cross-party co-operation was difficult to achieve, especially as the more moderate parties that had signed the agreement lost out to more radical ones, the Democratic Union Party and Sinn Fein (considered as close to the Provisional IRA). In 2006, the Irish and British governments set a six-month ultimatum. In March 2007, the Sinn Fein leader Gerry Adams and the DUP leader Ian Paisley managed to share power and Stormont was restored. It gained added justice and policing powers after another agreement between the two parties in 2010. Although the new leaders Robinson and McGuinness have managed to work together, there are still difficulties. Northern Ireland is suffering from the economic crisis and the public spending cuts (40% youth unemployment in Derry). Some protestant paramilitaries and republican groups have not abandoned violence and there have been victims of bombs and shootings. Unrest is feared during the marching season. Rioting erupted lately when the Belfast council decided to cut the number of days when it flies the Union flag. Yet there may be less popular support for violence (peace protests in Belfast).

Scotland is not in fact considered as having done too badly out of the union. A number of Prime Ministers in the past 100 years were Scots or had Scottish roots. The 1707 Act of Union enabled the country to keep its legal and educational systems as well as its own brand of protestantism. A Scottish Office was set up in 1885 and moved to Edinburgh in 1937. Scotland had its own executive bureaucracy. Thus it retained a strong sense of Scottish identity. The decline of the staple industries (mining, shipbuilding) brought hardship. The Glasgow region suffers from unemployment, poverty, a high mortality rate. Indeed the transition from manufacturing to a service-based economy that was strongly encouraged by governments in the 1980s and 1990s proved difficult and was felt to favour south-east England. Manufacturing employment in Scotland fell by 23% between 1985-94 (*Rise*). Yet diversification and the development of financial services and high-tech clusters favoured some Scottish regions. North sea oil and gas also triggered an economic boom around Aberdeen. By 2000 its unemployment rate was down to the national average.

It seems however that periods of economic crises and some unpopular political developments fostered an increased desire for autonomy. The Scottish National Party was set up in 1934 and gathered support in the 1960s and 70s, although it never won more than 11 seats at Westminster. By the 1970s it started to question the amount of benefits Scotland got from North Sea oil. In the 1970s the Labour government needed SNP support. A limited devolution offer was put to a referendum in 1979. A majority voted in favour but the turn-out was too small for the result to be taken into account. By then the SNP was divided between those who wanted independence and those who felt devolution was a useful first step. Political reforms carried out by M. Thatcher and J. Major made the Conservatives unpopular and boosted support for devolution. The introduction of the poll tax (local tax reform) and the privatisation of utilities were disliked. In the 1997 general election no Conservative MP was elected in Scotland. New Labour saw devolution as a good way of countering a movement for independence. In 1997 the Scots were offered a parliament with primary legislative powers on health, education, housing, agriculture and other devolved policy areas. 74.3% voted in favour. 63.5% voted for the right to vary the basic rate of income tax by 3p in the pound. 129 MSPs were elected in 1999, with a mixed top-up system (Holyrood). The areas devolved to Scotland are managed by a small government led by a First Minister. He is now Alex Salmond, the SNP leader. His party won a small majority in 2007 and a larger (65 seats) one in 2011. Most funds come from a Whitehall grant allocated according to the Barnett formula, which favours the Scots over the English. Even with budget cuts it still amounted to £33.6bn in 2011-12. MSPs are criticised by central government. It considers they do not use their power to increase income tax or business rates and yet spend freely (free care for the elderly, free bus travel for pensioners, no tuition fees for

Scottish students). Thus the 2012 Scotland bill proposes to transfer to MSPs the responsibility for raising 35% of their budget by 2016. As you can see some issues have been raised by devolution. Another one, which started being mentioned in the 1970s, is the West Lothian question. Why can a Westminster MP for a Scottish constituency legislate for England on a matter for which an English MP cannot legislate for Scotland. As you can see also, the tendency is for Scotland to gain more autonomy. However the SNP is not satisfied with devolution. The PM and the FM have now come to an agreement on a referendum in 2014. Only about a third of Scots seem to be in favour of independence. The SNP considers that oil/gas tax revenues would counterbalance the loss of the British grant. However these resources are running out. Some point out that a Scottish government would not have been able to bail out Scotland's two biggest banks (the Royal Bank of Scotland and HBOS) whereas Britain could afford it. Thus economic worries do not seem to help the cause of the SNP.

Welsh enthusiasm for devolution was very limited. It was never totally unified under Welsh princes. From the 16th century onwards, its institutions were not distinct from those of England. National consciousness developed in the 19th century but it was based on culture rather than politics. Thus Welshness seemed to be or have been variously linked to dissenting churches, rugby, eisteddfods (literary festivals), song and the Welsh language. About 28.4% of the population had some knowledge of Welsh in 2001 and it has been a compulsory school subject since 1988. Yet large numbers of English speakers immigrated in the 19th century to the mining regions or to rural regions in the late 20th early 21st centuries looking for retirement or holiday homes. Plaid Cymru (1925) has mainly had some success in Welsh-speaking areas but is not to be compared to the SNP. Wales gained some administrative devolution, with a Welsh Secretary in 1964. It showed little interest in devolution in the 1979 referendum. Its economy has suffered from the decline of mining and other staple industries. J. Major's reforms of local government led to the increase in numbers and influence of unrepresentative quangos. It was resented even when they proved efficient. Thus in 1997 a very small majority (50.3%) voted in favour of a limited form of devolution. An assembly of 60 members was set up (Labour majority in 2011). It had at first mainly administrative responsibilities. After a referendum in 2011 (63.5%) it gained primary legislative power in 20 devolved areas. It has however been criticised for scrapping some efficient quangos too quickly, especially the Welsh Development Agency in 2004, and for failing to improve health and education. Wales is still one of the poorest areas in Britain and Western Europe. Its GDP in 2010 amounted to 73% of UK average. The Welsh assembly may however evolve towards the role of a parliament with a greater say over finances.

Why devolution ?

It has been seen as a way of giving a greater say to sub-nations, considering the imbalance between England and its neighbours. Regional bodies were also useful in the EU context to take advantage of EU regional offers. Although Wales is one of the few regions to have got poorer while receiving Objective 1 (EU) funding. On the other hand devolution has been said to breed confusion, conflict and irresponsible behaviour in bodies that do not have to raise their own funds. The idea that devolution would prevent a break-up is debatable. Britain is not a federal state. Sovereignty has not been transferred from Westminster to the devolved assemblies. Thus it can change any law passed by devolved parliaments. A federal organisation would have a written constitution stating clearly what the rights of each member are. Different amounts of power were granted. Finally England has no devolved authority (except, up to a point, for London). Something which English people are starting to criticise (polls).

2 London and the regions

The relationship between England and the other subnations is mirrored by that between London and the other English regions. Indeed it has been said that the further away you get from London, the less wealthy and influent you are likely to be. For centuries the South-East was the most fertile and hence the wealthiest part of the country. This changed for a while with the industrial revolution. Sources of energy were to be found in the bleak northern and western regions. Thus industries

developed and cities such as Manchester (cotton), Birmingham (metal, engineering), Sheffield (steel) grew in size. Population was attracted to these regions in the 19th century. However, with the crisis in staple industries, the trend was reversed in the 20th century, especially after the 1960s. The economic switch from production to services has favoured the south again, especially since the 1980s. In December 2012, the East Midlands had the highest proportion of jobs in the production sector for Britain, 13.8%, London had the lowest, 3.1%, but the highest percentage for the service sector, 91.7% (ONS). The unemployment rate was at its highest in the North-East at 9.5%. Birmingham, England's second-biggest city had turned to car-manufacturing by the 1970s. It suffered with that sector later in the century and does not seem to profit now car-making has picked up again. Between 1998-2008, it lost 61,000 private sector jobs (Centre for Cities think-tank). Indeed the healthiest industries are not labour intensive (highly automated).

Where health and education are concerned, the Midlands and the North are not favoured either. Their mortality rate is higher and adults have a below-average level of qualification. (ONS : East Midlands / Yorkshire-Humberside, 2009-10, lowest percentage of 16-year-olds in post-compulsory education or training)

There are exceptions and some prosperous spots like York. There have been efforts at improvement. Some have met a certain amount of success. Thus Manchester's expanded university has started to attract firms interested in highly-skilled labour and cutting-edge science. The regeneration of Liverpool (port, derelict docks) linked to its being chosen as the 2008 European capital of culture has led to some improvement in employment and education. However 4 out of 10 jobs there, were in the public sector and the city now suffers from the budget squeeze. This is often the case in the north of England, where job creation between 1997 and 2010 favoured the public sector. It makes these regions particularly vulnerable to drastic spending cuts.

Thus the gap is widening between an improved north and London and the south-east. The capital has been for centuries a political, administrative and business centre. In the 19th century it became a global commercial and increasingly financial hub (*The Economist*, 30-06-12), boosted by industrial and imperial expansion. However, the period between the late 1940s and the 1980s saw some decline in its commercial, manufacturing and even financial roles. Its docks closed, its population fell. Indeed governments at the time tended to encourage industries to set up in regions that were even more in need of economic revival. However, by the 1960s-70s, the City was again a flourishing centre for international banking. It developed further after the Big Bang reform of 1986. Once deregulated it became one of the world's leading financial hubs, attracting a large number of foreign financial firms (Wimbledon effect) and a highly-qualified specialist workforce. It has suffered from the current crisis. What had been praised as the British government's light regulatory touch tends now to be considered as a rather lax policy after a number of scandals (money-laundering or Libor interbank offer rigging scandal involving Barclays, HSBC etc). Jobs in the City had fallen in 2012 to the level they had reached 20 years earlier. However, regulations have been tightened and the City keeps its edge thanks to a number of assets. They include a geographical one, it is midway between Asia and America , the use of the English language, a highly skilled workforce and a cluster effect.

London is also an FDI target. The Shard, Europe's highest building, was financed by Qatari investors, while the London Gateway, a large container port, is being built by Dubai's DP World.

London's population has been growing in the 21st century through births and immigration. 2/5ths of Britain's migrants live there. It attracts wealthy foreigners and highly-qualified ones as well as low-earners. Increased demand and limited supply have caused the price of housing to soar. Its old transport infrastructure has only partly been modernised, although it has been said that the region has received the lion's share of spending in infrastructure. In fact the large amounts spent on the 2012 Olympic Games venues and the subsequent regeneration projects have been criticized as funnelling investment to the South-East.

It must be remembered that there are poverty-stricken areas in the South-East. In 2010, the London borough of Newham had an employment rate of only 56.3%. Some formerly attractive sea-side resorts like Margate now tend to be inhabited by impoverished pensioners and asylum-seekers.

Decentralisation/devolution have not gone very far in England, except for the London area. England is administratively divided into 9 regions as well as counties, districts and boroughs. The role of local government declined after World War 2, when many services that had been managed at that level were nationalised. Heavy-handed supervision was linked to increasing financial dependency on central government. In the 1980s, budgets were capped and many activities had to be outsourced to the private sector. In 1986, a Conservative government abolished the Greater London Council and the Metropolitan councils (around large cities, like Greater Manchester) so as to be able to push through its reforms. The number of unrepresentative, though sometimes efficient, quangos increased. Voters lost interest and local election turn-out was/is very low (a tendency to turn to the local MP to solve problems). New Labour thought it could revive interest by proposing directly elected mayors but the success was limited. The current government, which is in favour of decentralisation (though perhaps less so of devolution) followed suit. In May 2012, ten large cities voted on whether they wanted a directly elected mayor. They included Sheffield, Manchester, Birmingham... Only Bristol agreed, nine cities refused. However, local authorities in some large cities are likely to get increased budget autonomy with a tax-increment financing scheme ie the right to keep any increase in business rates and an ability to borrow for investment using this money. This could prove particularly useful considering the current budget squeeze. Some authorities are also linking together to create combined identities as with and around Manchester.

In the 1990s, the development of a regional tier began to seem useful for economic and administrative reasons. It was also seen as a better way to attract EU regional funding. Regional offices were established in 1994. New Labour set up Regional Development Agencies in 1999. They were quangos accountable to the government but they were seen as a first step to elected regional chambers. However, the idea was rejected by North-East voters when put to a referendum in 2004. RDAs have been scrapped by the current government. They were seen as too bureaucratic and undemocratic. They were replaced by smaller, more flexible public-private Local Enterprise Partnerships.

Here again, London stands out as the only successful -if limited- example of devolution in England. In a 1998 referendum, 72% voted in favour of a Greater London Authority, including a directly elected mayor and a Greater London Assembly of 25 members. Although the London mayor has the country's largest electoral mandate, his powers are limited to transport, planning, housing and policing (and this only up to a point). The first elected mayor (not Lord Mayor) was Ken Livingstone, an « old » Labour politician who set up the congestion charge. He was replaced by another colourful, controversial figure, the Tory Boris Johnson in 2008 (and 2012). The latter has fairly successfully lobbied for increased infrastructure spending. Most of the budget is funded by central government. Yet the GLA seems likely to gain more power over finances and the Assembly has now taken on the role of the London Development Agency.