Regional Development Agencies :

Origins, Theory and Practice

Paul R.Gee

Submitted as part of the
requirements for the
Degree of Master of Philosophy

Department of Town
and Regional Planning
University of Glasgow

April 1981

SYNOPSIS

This thesis seeks to explore some of the main origins, strengths and weaknesses of regional development agencies both at a theoretical and practical level, and to examine how these conceptual issues have been translated within Britain where they have to take account of social, political and administrative constraints.

Chapter one begins with a general discussion on the nature of the regional problem. The variety of types of government action at the level of the region are discussed and their institutional requirements outlined. Out of this the regional development agency emerges as the central concern of the paper. In chapter two the origins of the development agency idea are explored by examining two of its earliest applications - the Tennessee Valley Authority and the Cassa per il Mezzogiorno. Several features emerge as common to both agencies. In the third chapter it is contended that the creation of 'ad hoc' regional development agencies represents an attempt to establish at the level of the region a new and more powerful form of planning i.e. 'innovative' planning. This demands that development agencies are created in a form which can avoid the inherent inflexibility and constraints of the traditional government bureaucracy.

In chapter four, the background to the creation of regional development agencies in Britain, and in particular Scotland, is discussed. Their emergence is seen in terms of an evolving regional planning machinery and a changing attitude towards regional affairs. Chapter five looks at the Highlands and Islands Development Board as the first large-scale application of the development agency idea in Britain. It is contended that much of its 'success', compared to previous attempts at development, can be attributed to its institutional form. Chapter six focusses attention on the Scottish Development Agency as one of the new generation of development agencies created by the Labour Government in 1975. Although relatively new its operations serve to illustrate many of the constraints and problems facing this type of institution.

The concluding chapter draws together some of the main
problems inherent in the development agency concept and those
problems particular to the way it has been applied in Britain.
It is proposed that there is a clear need to determine when it is
an appropriate institutional solution and that more work is needed
to improve the institutions of the future.

ACKNOWLEDGEMENTS

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF ABBREVIATIONS

CORFO	-	Corporation de Fomento de la Produccion
DAFS	-	Department of Agriculture and Fisheries for Scotland
DEA	-	Department of Economic Affairs
EEC	-	European Economic Community
GEAR	-	Glasgow Eastern Area Renewal
HIDB	-	Highlands and Islands Development Board
HIDCC	-	Highlands and Islands Development Consultative Council
IDA	-	Industrial Development Authority for Ireland
NEDC	-	North of England Development Council
NESDA	-	North East Scotland Development Authority
OECD	-	Organisation for Economic Cooperation and Development
TVA	-	Tennessee Valley Authority
SDA	-	Scottish Development Agency
SDD	-	Scottish Development Department
SEDCOR	-	Strathclyde Economic Development Corporation
SEPD	-	Scottish Economic Planning Department
SICRAS	-	Small Industries Council for Rural Areas in Scotland
SIEC	-	Scottish Industrial Estates Corporation
SNP	-	Scottish National Party
STUC	-	Scottish Trades Union Congress
WCSP	-	West Central Scotland Plan

INTRODUCTION

The decade from the mid-1960's to the mid-1970's was a period of intense government activity in the field of regional planning and development in Britain. The creation of the Regional Economic Planning Councils and Boards in 1964 marked the first real attempt at establishing a system of planning at the level of the region by creating a permanent institutional arrangement.

Similarly, new and stronger interventionist legislation covering regional assistance for industry were introduced. However, it was not until the creation of the Highlands and Islands Development Board in 1965, and the Scottish and Welsh Development Agencies in 1975, that regional planning became a legitimate and powerful activity within British planning practice.

The creation of these 'ad hoc' regional development agencies represented a radical attempt by central government to create a new system of administration at the region in order to confront the severe and complex problems of regional decline. Apart from anything else this suggested a philosophical basis for policies and institutions of regional development different from that governing other innovations in regional matters. The notion of the region as a platform for the implementation of policies on behalf of central government had given way to an acceptance of the region as an autonomous unit of development.

Given the considerable importance of these innovations in terms of their power base for decision and action at the region relative to previous efforts, it is suprising that so little attention has been paid to either the theoretical issues which relate to their creation or to their experience in practice. Given this neglect, the aim of this study is to explore some of the main origins, strengths and weaknesses of the development agency concept both at a theoretical and practical level, and to examine how these conceputal issues have been translated into practice where they have to take account of the social, political and administrative environment and constraints.

The structure of the study divides into two parts. The first is an attempt to set out some of the main conceptual issues and ideas as they relate to the development agency as an instrument of regional planning and as a form of regional institution. Chapter 1 provides by means of an introduction to the subject area some of the background to a concern for the region on the part of government, and identifies the variety of forms regional action and regional institutions may take. Out of this the regional development agency emerges as the central concern of the study. Chapter 2 looks at the origins of the regional development agency concept by examining two early examples in practice, and attempts to identify some of the main features which have been seen as fundamental to subsequent applications of the idea. In Chapter 3 some of the main theoretical issues underlying the development agency concept are explored - in particular the notion that their creation represents an attempt to initiate a new and more powerful style of planning in order to overcome the limitations and inherent weakness of the traditional government administration.

In the second section the development agency concept, as it has emerged and been applied in Britain, is examined in relation to some of the arguments and issues raised in the earlier chapters. In Chapter 4 the emergence of the development agency is seen in terms of an evolving regional planning machinery in Britain and a changing attitude towards regional issues. In Chapters 5 and 6 the case studies - the Highlands and Islands Development Board and the Scottish Development Agency - are examined in some detail as two prominent examples of the development agency concept and its application in Britain. First, the background to their creation and what they were set up to do is examined. Second, their formal development is explored. Finally, their performance as regional development agencies is examined and explained according to the features outlined in the first section. The final Chapter concludes on the significance of the development agency as an institution of regional planning, and on the success of translating theory into practice.

REGIONAL INTERVENTION AND THE REGIONAL PROBLEM

1.1   The Regional Problem

Differences across national economic space, whether measured in terms of unemployment, income, migration rates, standard of living or 'welfare', have presented themselves as an inevitable consequence of economic progress.   This is by no means a new phenomenon. Spatial disparities have been traced back as far as the thirteenth century to Venice — an early example of the core-periphery model (Baron, 1973).   However, it was not until the advent of the Industrial Revolution at the end of the eighteenth centry, which fundamentally altered the economic structure of the more advanced countries, that significant spatial differences became apparent.

These differences have stemmed in the most part from either the absence of any industrial base, often as a result of poor natural resources, or the loss of some earlier locational advantage.   An additional factor, of particular relevance to the experience in Britain, has been industrial stagnation i.e. the early start hypothesis.   No matter the historical cause, regional disparities are usually associated with conditions of poor housing and education, relatively high unemployment and other disadvantages which make for hardship if not political unrest.   This may in turn lead to emigration, from which a bias then develops in the population structure towards the less employable groups.   Thus, the process of regional decline becomes cumulative.

In view of the long standing nature of these problems it is perhaps surprising to note that a concern for the region[1] is only a relatively recent phenomenon.   It was not really until after the Second World War, when government responsibility and power to control the level of activity came to be properly accepted, that the region became a

---

[1]Throughout this paper the region is taken to refer to any space greater than an urban area i.e. supra-urban, and smaller than a nation.

major consideration of economic policy making. In particular, the acceptance of full employment as an objective, and of the goals of a welfare state, necessitated regional action (McCrone, 1976).

Although the need for action at the region on the part of government, regardless of political complexion, appears today to be universally accepted there remains some level of disagreement in practice as to the extent and form this involvement should take. Nevertheless, the general arguments in favour of intervention have always tended to centre on two main sets of issues, those of 'equity' and 'efficiency'.

The essence of the equity argument is that it is socially, morally, and thereby politically unacceptable for various parts of a nation to differ markedly in their levels of 'welfare'. On the other hand the efficiency argument has tended to emphasise the inadequate functioning of the regionally adaptive mechanisms resulting in the loss of potential growth through resources in certain areas remaining unused or underutilised (Vanhove and Klaassen, 1980). These arguments have important implications for the objectives, the policies and the instruments of regional intervention adopted by governments.

Throughout the remainder of this paper it is assumed that there is no dispute over the case for intervention. The argument concerns not the principle, but the way such action is formalised at the region.

1.2   Types of Regional Action

As we have seen, the introduction of a spatial element into the national decision-making machinery has been founded on two sets of objectives, to reduce the social hardship from unemployment (equity), and from a realisation that the achievement of national economic goals such as maximum economic growth and full employment could not be adequately accomplished through national planning alone (efficiency). In Britain where "in principle, all power resides with the central government and sub-national bodies act only with devolved authority" (Gaskin, 1974, p. 203), this has meant that regional problems have been approached from an essentially centralist perspective i.e.

4

"national planning done by regions" (Grieve, 1980, p. 63). Within this, policies designed to change the course of events in the regions have been given an especially, though not exclusively, economic formulation. This activity, which for present purposes is referred to as _regional policy_, provides the framework within which all other authorities at regional or sub-national levels must operate. However, the inability of regional policy so defined to come to grips with the sensitive and complex problems of particular regions has led to increasing demands for alternative forms of regional action. The thesis advanced is that the regions themselves - the subject of regional policy - should have a greater say in the form policy should take and its impact upon them. Regionalist issues require that some form of action is generated at the region itself. Peter Hall (1970) makes this point clear in discussing the relationship between central and local planning, where he states:

> "You could theoretically create regional provincial
> governments which were responsible for drawing up
> structure plans, that is regional-local planning,
> which could then be carried out in more detail by
> the lower tier authorities; but these provinces
> could simultaneously, I think, do quite a lot of
> regional economic planning themselves."

(Hall, 1970, p. 81)

Clearly, what Hall is referring to here is not regional policy, but _regional planning_ which points the way towards greater levels of regional autonomy, under a reformed structure of authority. This freedom of action leads regional planning into a concern for:

> "The planning of the distribution of resources within
> a region of whatever resources (national or local)
> it has available to it, in pursuance of the regions
> own priorities for the satisfaction of its social
> needs, and the expression of policies directed to
> that end in a preferred pattern of economic and
> physical development."

(Senior, 1974, p. 450)

5

On the basis of this formulation regional planning is seen as a
framework for the steering and management of change between the
central and local political administrations (Gillingwater, 1975).
It is a process embracing a wide set of activities and which
invariably includes a central concern for regional development,
that is action designed to expand or change the economic structure
of the area (Gaskin, 1974).

The relationships between the various types of action
outlined can pose major problems of articulation between the
various levels of administration.   The objectives of planning
in any one region, and the resources to be allocated to achieve
them, cannot be determined in isolation from what is happening in
other regions or from the pursuit of broader objectives.   These issues
are of particular importance when new and powerful institutions of
planning are created at the level of the region.

1.3   Types of Regional Institution

Central to the previous discussion was a concern for the
institutional context of planning.   The demands of
regional planning and regional development are such that they cannot
be managed from London, Paris or Rome.   Pressman and
Wildavsky (1973) have   shown in their study of implementation
"how great expectations in Washington are dashed in Oakland".
Therefore, if these actions are to have any real meaning it follows
that some form of public instituions at the region are necessary to
generate these actions and sustain the decision-making process they
imply (Alden and Morgan, 1974).   From this a number of public
governmental and administrative institutions have been proposed and
tried.   However, the popular view in practice is that those arrangements
which have become established at the region have been weak and
subservient to the central authorities.   On this theme Kuklinski has
argued:

"If we try to find a common feature in the agencies
responsible for regional planning in various countries,
then behind the impressive display of differences in
social and political backgrounds, in managerial
solutions and in technical perfections, we would
find one basic common feature, the regional planning
agency, as a rule, has only an advisory capacity
in the process of investment decisions."

(Kuklinski, 1970, p. 274)

The weaknesses implied in this statement, although echoed in the
writings of many commentators, are not universal and   by no means
inevitable.   There exists both in theory and practice a wide variety
of institutional alternatives which are capable of organising
themselves on a regional scale.   Out of this two broad categories
of institution have emerged:

i)   those developed or evolved locally; and

ii)   those established by and owing allegience to
       central government as either advisory or
       executive.

In Britain those institutions which have developed locally have
usually resulted from the coming together of neighbouring local
authorities.   The most common form of this type of institution is
the industrial development association, for example, the North East
Scotland Development Authority (NESDA).   However, some of these
organisations such as the North of England Development Council (NEDC)
were initiated not by local authorities,but by private enterprise.
Although their operations have met with some modest success it is an
institutional form which has been little developed in practice, and one
which is usually weak.

It is in the second of these categories that the most important
developments have taken place.   Alden and Morgan (1974) for example
identify four main institutional formulas available to central

government in the British context, these are:

    i)   Administrative decentralisation by central
            government;

    ii)   Administrative devolution from central
            government;

    iii) Regional or provincial government;

    iv)   Ad hoc regional institution created by
            central government.

Out of the wide variety of institutional arrangements conceivable those which have become established have denied the region any real likelihood of matching up to the executive power and scope of government at the national and local level. As McCrone writes:

"Regional planning cannot be said to have had much
impact on the regional problem so far and in many
respects it has still to find its role. Much
depends on whether the regional bodies are to remain
advisory or be given some executive powers."

(McCrone, 1976, p. 276)

However, out of this condition of institutional impotency the creation by central government of ad hoc regional development agencies to embrace new sets of problems, and to provide a strategic element in the development of the region, presents a potentially far more powerful base for decision-making and action at the region (Alden and Morgan, 1974). Examples of this in Britain have included the setting up of the Highlands and Islands Development Board in 1965 and the Scottish Development Agency in 1975. Their creation in the form of semi-autonomous and executive agencies of government represents an attempt to translate into Britain many of the fundamental features of the development agency concept which have derived from the early regional development schemes in the Tennessee River Valley and the Mezzogiorno in Southern Italy.

CHAPTER 2

THE ORIGINS OF THE CONCEPT

"A nation attempting to develop its own backward

regions should ..... provide certain 'equivalents

of sovereignty' for these regions.   The most important

of such equivalents is a reaction against the feelings

of despondency and self denigration ..... and the

mobilisation of its energies through regional

institutions and programmes."

(A Hirschmann, 1963, p. 199)

2.1   Introduction

As an instrument of regional planning the regional development agency has only been resorted to when the problems have been perceived as particularly severe.   The first, and perhaps best known example of this, was the creation in 1933 of the Tennessee Valley Authority (TVA) in the United States.   This represented the first large scale application of many of the ideas of regional planning - in particular the definition of the region on the basis of its problems.   The creation in 1950 of the Cassa per il Mezzogiorno in Italy marked another important period in the heritage of the development agency idea and in the practice of regional planning.

Both these 'ad hoc' arrangements emerged   as a pragmatic response to the problems of regional decline.   Yet many of their fundamental features have been seen as essential   · subsequent regional development programmes within a variety of contexts including Britain. It is appropriate, therefore, to outline the main features and briefly examine the experience of both agencies in practice in an attempt to identify some of the strengths and weaknesses of the development agency approach.

2.2   The Tennessee Valley Authority

The Need for Planning

The problems of the Tennessee Valley region[1] - a backward rural area
extending within the boundary of seven states - were deep rooted, and seen
as particularly severe within the context of an already industrialised and
technoligically advanced national economy (Friedmann, 1973 b).   Within
the region what few private developments there were had taken place in a
largely incomplete, piecemeal and uncoordinated fashion.   It was becoming
clear   to government by the 1930's (after an uphill battle
extending over many years prior to this - see Lilienthal, 1953), that
the people themselves were too dispirited to lift themselves out of their
poverty unassisted.   This realisation that the free play of market
forces provided no solution to the difficulties of the South (at least
that was the current belief) meant there was a need to look towards a
new and radical approach to development.   It was through President
Roosevelts New Deal of 1933 (which created the TVA) that the political
impetus for such an approach was provided.

The Government had prior to the TVA already "intervened" in the
Tennessee River area through the siting of a Nitrate Plant at Muscle
Shoals.   And there was nothing particularly novel about the government
becoming involved in individual public tasks.   There were, for example,
long established American precedents for government activity in flood
control and navigation, in forestry and agriculture, and in research.
Similarly, public power systems were by no means innovative (Lilienthal,
1953).   What was radical and new about the whole TVA idea was that one
agency was to be entrusted with responsibility for them all, and that no
one activity was to be seen as an end in itself.

As the basis for this "unified development" approach, the
regionalism of the South explicitly rejected   the conventional
unit of planning, i.e. the metropolitan area (Friedmann and Weaver, 1979).
Instead the concept of the homogenous natural area of the river basin
presented itself as that most suited to a programme of comprehensive
development (see Mackaye, 1928).

---

[1]Defined as the Tennessee River Basin.

This use of the region as an autonomous unit of development was
to be a deliberate experiment by government to integrate goals of
national advancement with those of regional welfare (Lilienthal, 1953).
In these terms the TVA - as a national agency but one confined to a
particular region - was to become a means of strengthening rather than
dividing the nation.

Meanwhile those in the South saw in regional planning, and its
embodiement in the TVA proposals, an opportunity to halt the decline of
their resources and people and to achieve a "regional balance" while
maintaining a distinctive regional character (Friedmann and Weaver, 1979).
The subsequent organisation of the TVA programme was to be an expression
of many of these regionalism ideals.

The TVA and Regional Planning

The creation of the TVA in the form of an autonomous regional agency
marked an important attempt to decentralise the functioning of the federal
government and create an administrative device between the layers of state
and national government.   It was argued that an administration which was
able to override existing political and economic boundaries and follow the
technical relationships within the region would, as it were, fill an
"institutional gap" between the layers of government and   be
better able to   confront certain sets of problems (Goodman, 1947).

In a communication to the Senate Judiciary Committee, Senator Listor
Hill, who in 1933 as a Representative was one of the conference managers
for the original (TVA) Bill, spelled out in greater detail some of the
thinking behind the TVA's organisation:

> "The intent of the whole (TVA) statute was to create an
> agency which would be free of some of government red tape
> about which we complain, which would have authority
> commensurate with its responsibilites.   We made certain
> that it could not 'pass the buck' to another bureau or
> department in the event of failure and that it would not
> be required to waste time and energy in jurisdictional
> disputes.   It was intended that the (TVA) Board alone be
> held responsible for the effective administration of the
> policies laid down by Congress?"

(Cited in Lilienthal, 1953, p. 170)

It was hoped that by devising such an administrative arrangement which would see planning and action not as separate, but as a single and continuous process, to create within the Tennessee area a "spirit of enterprise". In order to achieve this the new authority would require significant new powers and a great number of purposes which would inevitably raise many important administrative, economic and political issues. For example the Republicans who were fierce critics of the whole TVA proposals, seeing them as unnecessary, expensive and plainly unconstitutional (Patterson, 1976), were determined to show it would be a failure.

In order to initiate the TVA statute under the restricted powers of the federal government (set out in the Constitution), it was found necessary to argue the case for a TVA in terms of it removing barriers to inter-state commerce; only in this way could the TVA become a legitimate activity. Inevitably, therefore, it was around the technical problems of flood control and river navigation which provided the TVA's mandate that all other activities for regional planning must grow. From the works constructed for these purposes, for example the building of dams, it was possible to produce and sell electric power and engage in the production of fertilizer. Though indirectly derived such schemes offered substantial development potential for the region.

Through the Act, therefore, the principle functions of the TVA emerged as:

    i)   Flood control;
    ii)   Improved navigation;
    iii)   Generation of electric power;
    iv)   The proper use of marginal lands;
    v)   Re-afforestation; and
    vi)   Securing the economic and social well-being of
            the regions' population.

It is important to note that the majority of these purposes assigned to the TVA were, with the exception of vi), fairly specific and on-going in nature. As a result, much of its energies in practice became confined to carrying out set duties regardless of their impact on economic growth or overall regional welfare. The scheme developed increasingly towards a technical exercise whose success became measured by electricity

output, acres re-afforested, and volume of river traffic etc., rather than as an exercise in comprehensive regional resource development as originally envisaged.

This 'technical' trend became   reinforced by the terms of accountability (see Chapter Three) of the TVA programme, through the submission of annual reports for approval to Congress, but more particularly through its need to produce quick and 'visible' results.   In order to retain support for its activities the TVA had to prove itself a success. As Lilienthal (1953, p. 183) notes:

> "There are few enterprises ..... which have been subjected to
> more rigerous and persistent public review or about which
> more detailed reports have been made".

Under such scrutiny it was hardly surprising that the TVA's potential for developing new and innovative programmes for development, which may take time to show results, or may even fail, was severely constrained. This meant there was little need for long range planning by the Board. As a result what planning there was took place in an informal way (Friedmann, 1973 b) and remained largely in the hands of the states and the private institutions.

Yet despite the failure of the TVA scheme to live up to the ideals of those who favoured an integrated regional approach to resource development, it did retain some important vestiges of "regional thinking". In particular, it outlined the importance of the public administration of regional planning by showing that:

> "If a particular goal is described specifically, the method
> for reaching it should be disclosed with equal particularity;
> it cannot be ignored as an 'administrative detail' ".

(Lilienthal, 1953)

In these terms the essential features of the TVA have emerged as:

i)   It was an autonomous body with its own controlling Board,
        separate from the federal (central) government and from
        the state (local) governments, with authority to make
        administrative decisions within the region.

ii)   It was accountable to the political executive
      (i.e. the President) rather than come under the
      auspices of ordinary government departments.

iii) It was given responsibility to deal with resources
      as a unified whole (if necessary transcending
      state boundaries) - not divided among several
      centralised federal departments with their
      headquarters in Washington.

iv)   Through its sale of electricity and fertilizer
      the TVA had a substantial revenue of its own and
      was, therefore, less reliant on central government
      for its finance.   This enabled the Board to take a
      longer term view of projects than would otherwise
      be possible through normal government budgeting.

The effect of these features on subsequent planning practice,
particularly at the level of the region, have been profound.   As
an administrative device the regional development agency 'model' (based
on the ideas embodied in the TVA scheme) has served as the basis for
developments in Italy (the Cassa per il Mezzogiorno), Britain (the
Highlands and Islands Development Board and the Scottish Development Agency -
see Chapters 5 and 6) and in many other developed and developing countries.

2.3   The Cassa per il Mezzogiorno

The Cassa per il Mezzogiorno (Cassa),   established
some time after the Tennessee Valley Authority in 1950, provides another
prominent example of the development agency idea in practice.   Its creation
marked for the first time in Western Europe, intervention at the region
beyond the use of licensing and investment incentives to firms (Allen and
Maclennan, 1970).

Whilst drawing on the same fundamental principles as the TVA the
Cassa does, however, exhibit significant differences which have served to
shape subsequent applications of the development agency idea - particularly
in Britain.

It was not really until the creation of the Cassa in 1950 that the North-South dualism in Italy began to attract official attention (Allen and Maclellan, 1970). There was an increasing realisation that the lack of coordination and planning, which had characterised previous attempts at Southern development, had . exaggerated rather than reduced regional differences. The continuing decline of the Mezzogiorno[2] - with high rates of out-migration, low income per head levels and low activity rates, lack of services and infrastructure - left the area displaying characteristics more akin to an underdeveloped country than of a region within one of the most industrialised western nations. This realisation meant that "The Southern Question" was no longer viewed in purely political or ideological terms, but was seen empirically as a seriously depressed area (for a fuller discussion of the problems of Southern Italy see Allen and Stevenson, 1974).

The basic idea behind the creation of the Cassa, as a special development agency, was that it should complement the normal infrastructure activities of the state (i.e. the central, regional, provincial and local authorities) by undertaking coordinated "extraordinary interventions" wherever the standard state apparatus was shown to be inadequate either in scope or resources (Yuill, Allen and Hull, 1980). In essence, the Cassa was authorised to combine in its planning activities that which would ordinarilly have concerned a variety of vertically oriented agencies of the national bureocracy. Through the Cassa the coordination of activities in the South would, it was hoped, prove possible.

The creation of the Cassa, therefore, was an ambitious exercise, representing on paper at least, "the beginnings of regional planning in Italy" (Allen and Maclennan, 1970, p. 47). In order to operate effectively it was accorded considerable financial flexibility and a substantial allocation of funds. Therefore, it was assumed in theory that the Cassa's interventions would not be a substitute for what the ordinary administration might do, but provide "additional" intervention and a kind of programming based on administrative coordination (La Palombara, 1966).

---

[2]An area roughly corresponding to mainland Italy south of Rome plus Sicily, Sardinia and a number of smaller islands.

However, from the very beginning there was some confusion as to the exact mission the Cassa was to fulfil. Over the years this continuing confusion has led some critics to point out that the ministries involved in Southern development tended to use the Cassa simply as either a "top-up" for their own activities, or as a dumping ground for problems they themselves could not resolve.

As with the TVA, many of the problems confronting the Cassa were of an essentially technical nature. Up to 1957, therefore, the largest part of its effort was concerned with agricultural rehabilitation (agriculture being the Mezzogiorno's principle activity), and to a lesser extent infrastructure. Thus, the job of the Cassa, as a development agency for the South, was to promote increased agricultural production (mainly through land reform), and construct roads and schools etc. These were seen basically as pre-industrialisation measures and were never really aimed at bringing about autonomous development in the South. Any upswing, therefore, in industrial development during the first ten years, as a result of these improvements, would have to be regarded as a bonus rather than a policy expectation (Watson, 1970).

After 1957 a more direct strategy for industrialisation emerged. As part of this move the Cassa was given a number of new functions, in particular the supplying of direct infrastructure for industry, where previously it had been concerned only with more general infrastructure projects (Yuill, Allen and Hull, 1980).

This new direction for policy presented serious problems for the Cassa's decision makers. It was not found easy, for example, to implement the current orthodoxy of the growth-centre strategy which created conflict in terms of economic benefit and spatial equality. As a result, the Cassa tried to steer a middle course, being in some cases compelled to direct investments to areas whose sole claim to intervention lay in their political support and influence on the Cassa.

Despite the hopes that the creation of the Cassa would mark a break from the traditional problems of public administration (see Chapter 3) by having "operational freedom" (through "earmarked" funds and no sectoral constraints) it proved in practice to have its operations determined as much by the ballot box and local political interests as by economic rationality (La Palombara, 1966). In so far as this was the case, the Cassa's potential as a development agency, whose very strength lies in its freedom of action, was seriously curtailed.

2.4 Reiteration : The Main Features

The complexity and scale of the problems of the Tennessee Valley and the Mezzogiorno, both suggested the need for new institutional arrangements at the region. In the case of the TVA it was the hydrological basin which provided the appropriate scale of operation. In the Mezzogiorno the scale of operation was not so easy to determine, consequently the Cassa emerged as a spatially indiscriminate organisation. This partly reflected a shift in regional planning itself away from the primary resource planning of the TVA towards multi-objective programmes concerned with loosely defined and messy problems - "southern development" - and sets of ill-defined and inter-related objectives - "to promote and accelerate development".

Yet both schemes showed that regional institutions, if they were to allocate values and resources effectively, would require the adoption of several essential ideas - a nomenclature "regional authority" would not necessarily constitute regional planning. These included:

i)   The organisation should operate at the strategic level of the region;

ii)   It should be endowed with broad executive powers;

iii)   The organisation should be granted sufficient, and guaranteed finance to engage in new projects, and adopt a longer term view of planning. It may also be useful for the agency to generate finance of its own (n.b. TVA's sale of electricity and fertilizer).

17

iv)   These powers should be concentrated within a
single institution at the region with sufficient
"autonomy" (see Chapter 3) to be capable of
overcoming the many limitations inherent in
traditional Government bureucracy.

These "fundamentals" of the development agency idea can be seen as
an attempt to initiate a new style of planning at the region.

CHAPTER 3

<u>DEVELOPMENT AGENCIES : SOME THEORETICAL AND</u>
<u>INSTITUTIONAL ISSUES</u>

3.1   <u>Introduction</u>

Following on from the previous discussion of the origins of
development agencies in practice, this chapter seeks to explore some of
the main theoretical ideas and arguments which permeate the development
agency concept.   In particular, the emphasis will be on the administrative
components of development agencies, where it is contended that their
creation represents, somewhere along the line, a translation from a
theoretical base (or loosely articulated set of ideas) into an
institutionalised form of interventionist activity.

It is hoped that by examining this somewhat neglected, yet
fundamentally important, aspect of regional planning to provide a basis
for a better understanding of development agencies in practice.

3.2   <u>Public Planning and the Region</u>

Regional planning as an activity which has been implanted and
developed at a particular level in society and within a particular
environment, represents only one strand within a complex process of
public planning (Gillingwater, 1975).   It is by definition sub-national,
being subject to some degree of control, however powerful the regional
authority, by a superior decision making body in its environment.
Similarly by definition regional planning is supra-urban, that is it often
deals with a lower tier form of government which "is near universally well
established and well entrenched, which exercises important functions and
which is often seen as the bulwark of democracy." (Alden and Morgan, 1974,
p. 201).   Regional planning may thus have to work through and with these
institutions and this may in turn influence planning methods adopted at
the regional level.

Regional planning, therefore, whether considered administratively,
politically or methodologically cannot be seen as either an exclusively
technical exercise or a free-standing and autonomous administrative
machine. As Gillingwater (1975) points out, it is not and cannot be
considered an 'end' in and of itself,   rather it is a 'means' concerned

with the influence and manipulation of power and political influence within and between central and local administration. It is this institutional element which appears to be the most critical in shaping the regional planning process and yet remains the least explored.

Given this complex balance between the 'technical' and political strands of regional planning, which in both Britain and North America have become increasingly intertwined and mutually dependant, it is hardly surprising to find that no ideal policy solution towards planning at the region exists. As the OECD Report (1973) states:

> "Since each country has its own political structure,
> its own system of administration and its own
> peculiar sets of problems, it is unlikely that there
> would be any kind of uniformity in the forms of
> organisation which exist to deal with any of the
> major problems. This is as true in the field of
> regional policies as of any other."

(OECD, 1973, p. 213)

This presents for the planner a fundamental problem ie in a given situation which type of institution and which procedure will serve the end of planning best? (Faludi, 1973 a).

3.3 Regional Planning Style : Allocative and Innovative Planning

In the theoretical literature much has been written about the variety of planning 'styles' and their implications for the process of planning. Out of this extensive debate two broad dimensions of planning have presented themselves as having most significance at the level of the region i.e. "allocative" and "innovative" planning - both distinct forms in terms of their potential for action and in their institutional requirements (Friedmann, 1966). By examining their distinctive features it may be possible to translate elements of both planning styles into more general arguments concerning the public administration of regional planning.

"Allocative" Planning

Much of the debate concerning the form of planning at the region revolves around the notion of autonomy i.e. the ability of institutions at the region to formalise and implement policies and programmes of their own.   Under a system of allocative planning, where the main concern is to ensure the coordination and optimal allocation of resources between all competing uses with a view to maintaining the system in balance (Friedmann, 1976), power and responsibility are vested with the central authorities.   This   'top-down' (i.e. national/regional (P Hall, 1975)) categorisation of planning means that the region becomes simply a platform whereby functions are discharged and policies are physically implemented.   This is reflected in the weak institutional arrangements responsible for regional planning, such as decentralised or devolved central departments or advisory bodies (see Chapter 4).   Regional planning, therefore, is seen as a bureaucratic activity concerned solely with the articulation and coordination of the 'means' necessary to achieve nationally (i.e. centrally) determined ends, rather than with innovatory change.

Within allocative planning, therefore, the key priority becomes the contextual elements of public planning itself i.e. the stability within the administration of planning, between those institutions and individuals which are the subject of this intervention, and society at large (Gillingwater, 1975).   In essence allocative planning assumes a given order and is not concerned with changing that order unless directed to do so by those with legitimately regarded authority.

"Innovative" Planning

In purely conceptual terms innovative and allocative planning can be seen as opposite ends of a complete autonomy - dependancy continuum the position along which will determine to what degree planning institutions are able to independently pursue their own policies, or be entirely dependant on the actions of others.   In practice, where most decisions fall somewhere between these two extremes, this crucial question of administrative articulation poses a major challenge to policy-makers.

In innovative planning it is the high degree of autonomy afforded the regional institution in the setting of 'ends' and 'means' which is the crucial distinguishing feature. Therefore, because access to power becomes a feature internal to the regional planning process itself it is a style of planning which has only been resorted to in times of crisis or when alternative approaches have failed. Yet its significance in practice must not be understated.

The creation of ad hoc regional development agencies, such as the Highlands and Islands Development Board and the Scottish Development Agency, represent important attempts to initiative a kind of "innovative" regional planning through their ability to:

> "Fuse plan making with plan implementing ..... the
> essential feature being neither plans nor intentions
> for other agencies to act upon but action which changes
> the nature of reality."

(Friedmann, 1973, p. 59)

These new institutions illustrate the attractions of innovative planning in terms of its ability to come to grips with serious problems and conditions of crisis at the region (Alden and Morgan, 1974).

As Hambleton (1979) notes, by re-defining planning in this way implementation is no longer seen as a step subsequent to policy formulation (as in allocative planning), but becomes part of a complex chain of reciprocal action. This process of a continual learning from experience through policy formulation, implementation and feedback is essential if institutions are to constantly evolve in the face of changing circumstances and thereby bridge the gap between intent and action.

On the basis of this formulation innovative planning represents an explicitly political activity. Within this political environment of regional planning the role of the regional planner becomes one which attempts to harness and mobilise the largest

share of resources and commitment to a single new or neglected
use with a view to producing major changes, or a realignment of
existing objectives (Friedmann, 1966), even where this might have
severe implications for competing uses and the achievement of other
values elsewhere (Alden and Morgan, 1974).   To this extent innovative
planning becomes analogous to advocacy planning (see Davidoff, 1965),
where the innovative institution assumes the role of advocate for the
region.

3.4   The Institutional Context of Planning

Having outlined the main components of both the allocative and
innovative dimensions of regional planning in theoretical terms, it is
now possible to make some general observations concerning their
institutional and operational requirements within the British context.

In Britain where the style of government, and therefore the
administrative organisation, is highly centralised with respect to
formulation, setting and implementation of national policies and
programmes (Hanson and Walles, 1975), the political administration
remains largely impervious to suggestions that power should be vested
anywhere but at the centre.   However, within this   national
policy making i.e. 'top-down', role of central government is concealed the
balance between the components of policy i.e. formulation (intent) and
physical implementation (impact).   As Loasby notes:

> "A choice is not effective without implementation which
> may be far from simple.   It is dangerous to assume
> either, that what has been decided will be achieved
> or that what happens is what was intended."

(Loasby, 1976, p. 89)

As the operations of government have widened in response to changing
social and economic conditions so the gap between intent and action has
become increasingly apparent.   In an attempt to bridge this gap a
variety of agencies have evolved to discharge functions and physically
implement policies in the name of government.   This implies a separation

of authority away from the central authorities towards the regional and local levels creating as a result two diametrically opposed objectives within planning itself:

i) To maintain the institutional system which has been created i.e. "allocative" planning, with a move towards the bureaucratisation of the planning function.

ii) To induce major changes in the system i.e. "innovative" planning, through the creation of powerful regional institutions.

Within the first objective the potential for introducing an increased effort towards planning at the region is limited, with the administration and therefore the capacity to formulate policy remaining highly centralised. What emerges is a system of top-down planning where, institutions which do become established tend to be confined to performing either a coordinating or an advisory role between the local and national levels.

On the other hand in response to new problems created by rapid change, or to confront particularly severe and complex problems, the establishment of new and powerful public institutions may be necessary. Aitkenhead (1979) has outlined five main 'political' theories of why government may resort to this action:

i) 'Buffer' theory - to protect certain activities from political interference;

ii) 'Escape' theory - as a means of escaping known weaknesses of the traditional government departments;

iii) 'Participation' or 'pluralist' theory - as a means of diffusing government power;

iv) 'Dirigiste' theory - suggests that if government cannot do what it wants to do within the existing administrative structure then it may create new institutions to make these activities possible;

v)   'Too many bureaucrats' theory - if public opinion
       is against the expansion of government then the
       creation of new institutions outside the civil
       service, by creating a quasi-civil service,
       provides an alternative way of extending
       government activities.

The numerous agencies which central government has evolved to
generate these actions have not all been directed at local authorities,
which have been primarily a historical development (Gillingwater, 1975).
       number of ad hoc (quasi-governmental, para-statal etc ...)
institutions have been set up 'at arms length' from government; some
with specific purposes such as the nationalised industries, and others
set up to perform a multitude of purposes such as the regional development
agencies.   The interesting feature of these institutions is that they
represent   government attempts to adopt   the   practices of private
enterprise i.e. acting as if it was 'not government' (Jordan, 1976).

This indicates an acceptance by government of the need to move
towards an innovative style of planning.   Only by creating institutions
<u>independent</u> from the traditional administrative machinery is it possible
to devise new programmes and spend money in different ways i.e. act as
a public entrepreneur.   This is because:

       "Elected authorities do not do these things well.
       Politicians are necessarily and properly obliged to
       look after the largest and most vulnerable groups in
       their constituencies .....   They tend to spread
       resources thinly to please the maximum number of
       voters, and allocate them according to rigidly
       defensible rules.   All that is good politics but
       bad development policy."

                                        (Donnison, 1974, p. 41)

This criticism of the allocative qua instrumental view of planning
at the region, where policy decisions become governed by short-term
political expediencies rather than by explicitly defensible reason,

is supported by Chadwick (1971) who questions the ability of planning
so defined to come to grips with the fundamental long-term problems
of depressed regions.   However,   proposals to create independent
'ad hoc' institutions within planning systems, such as exist in
Britain , can pose major problems through : their lack of accountability
and the potentially undemocratic nature of their actions.   As Das
writing of the Indian experience has argued:

> "Autonomous State Corporations tend to operate as
> independent bodies with objectives and policies
> often at variance with the general economic policy
> of the government."

(Das, cited in Hanson, 1965 p. 354)

If, therefore, 'ad hoc' institutions are to have any political
significance their creation in a form in which they would be
responsible to no-one (i.e. complete autonomy) would appear to be both
undesirable and unlikely.   It is inevitable that where power is being
wielded and money is being spent the political leadership will be
concerned with the activities of these institutions.

3.5   Institutional Accountability

By its very nature innovative planning consists of a variety of
independent, uncoordinated, and competitive thrusts which represent
within society nodes of intense change (Alden and Morgan, 1974).   In
this context the role of the allocative planner becomes one which
attempts to check what might otherwise become an undemocratic form of
planning, and to ensure that the interests of the societal system as
a whole are safeguarded.   This need   to bring innovative
institutions within the allocative purview of government i.e. by holding
them accountable, inevitably creates tension with their conflicting
claims for independence. .

Robinson (1971) has identified three broad dimensions of institutional accountability each of which may be applied in a variety of forms:

a)   Programme accountability - where the agency is
     held responsible for the tasks that it delegates
     to perform and the objectives which it pursues;

b)   Process accountability - where the concern is
     with the way a particular programme or task has
     been discharged;

c)   Fiscal accountability - where the concern is
     to make sure that all the money is spent for the
     purposes for which it was intended e.g. through the
     publication of annual reports.

The exercise of accountability and the form in which it is requested will determine the operational parameters of planning institutions and, therefore, the extent to which innovative planning may become established. For example, an agency with financial autonomy (i.e. its own source of income)   which is able to avoid the day to day scrutiny of ordinary government departments will tend more towards an innovative mode of operation, whilst rigid conditions of accountability will   limit the institution to an allocative mode.

Issues of accountability must inevitably mean that institutions are not only answerable for deviations from or failure to achieve objectives and targets formally agreed and authorised, but are answerable to any kind of criticism or fears of undemocratic government. Such arguments are an essential component of the innovative - allocative planning conflict where the demands for independence on the one hand and accountability on the other can never both be fully satisfied. It is the task of the policy maker to achieve between these extremes the subtle balance required to ensure the effectiveness of public action without threat to 'democracy' according to its conventional wisdom.

3.6 Reiteration

It is convenient at this stage to reflect on some of the main arguments in favour of development agencies (as independent 'ad hoc' institutions) which have emerged from the discussion so far.

Convention

Where previous experience or examples set elsewhere have shown that an appropriate institutional solution for tackling certain problems or sets of problems exists, then it may be expedient to adopt that solution. By drawing on previous practice in this way new activities can be expected to encounter less opposition from their novelty.

Limitations of Bureaucracy

This is an essential element in the general argument concerning planning style. Like other organisations, government i.e. the civil service, is likely to build up patterns of behaviour and operational procedures which become natural to itself. These will tend to become reinforced as the organisational structure evolves. However, where new and unusual types of problems are encountered this form of organisation, with its inherent 'practices' (the civil service 'culture') may prove incapable of generating the necessary actions. Therefore, in order to develop fresh ideas and initiative new forms of organisation may be required.

The 'Clean Sheet'

Following on from the previous point it is contended that it is easier to set up a new institution than it is to reform or modify an existing one. It has already been argued that a new institution will be able to develop its own structure and patterns of behaviour in order to promote rather than resist change. Taken a step further, this implies that the disbanding of old and the creation of new institutions in response to changing conditions is an on-going exercise. In this way organisations will evolve rather than become institutionally and behaviouraly entrenched.

Freedom from Political Interference

It is contended that public institutions will be better equipped
to confront certain types of problem e.g. severe regional decline,
if they can avoid the day to day scrutiny of ministers and resist the
forces of external political pressure. This leads to the argument
that some types of institution should be allowed to operate
independent from government and that establishing them in the form
of autonomous or semi-autonomous bodies can achieve this.

Efficiency

It is argued that independent institutions are more likely to
operate efficiently in terms of achieving their objectives than are
ordinary government departments. This is because, unlike the 'process'
orientated departments, independent organisations are better able to
single mindedly set about the task(s) assigned to them. This may
also explain why single function agencies are invariably more successful
(in effiency terms) than their multi-functional counterparts.

However, it must be recognised that the notion of efficiency
carries with it some large and questionable assumptions that efficiency
can be determined by administrative form. Though it would appear to
be generally accepted that certain organisational structures hamper
efficiency without necessarily implying that others will generate it.

3.7 Conclusions

It has been argued in this chapter that many of the institutional
features of regional development agencies represent an attempt by
government to initiate a new style of planning i.e. innovative planning,
at the region. In innovative planning society is provided with a
powerful tool with which to confront the complex and serious problems
which often fail to correspond with the existing
institutional structure of society, and which therefore require some
new institutional form to tackle them.

However, despite the attractions of innovative planning in terms
of its affinity with regional planning it does suffer a number of
disadvantages in its translation into planning systems. These result

largely from the fact that it is often regarded as an inherently undemocratic form of planning, and one which is carried out without regard for its wider impact. It appears unlikely, therefore, that innovative planning would ever completely replace allocative planning at the region (Friedmann, 1966). This inevitably means that 'innovative' institutions i.e. regional development agencies, are held in a constant state of tension between their conflicting claims for independence and the wider demands for institutional accountability.

THE DEVELOPMENT OF THE REGIONAL PLANNING MACHINE IN BRITAIN

4.1 Introduction

Many of the ideas of regional planning, embodied in the development agency concept, have been translated into Britain   with the creation of the Highlands and Islands Development Board in 1965, and more recently the Scottish and Welsh Development Agencies in 1975.   This did not take place within a "policy vacuum", but has been the result of a gradual evolution of policy aimed   at the region.   Therefore, before going on to discuss the course development agencies have taken, it is necessary to examine the context within which they were concieved by identifying some of the main policy events and influences which lay behind their creation.

4.2 The Development of Regional Planning

Although political parties have differed in the degree of state intervention necessary, each has been committed to the general principles of a policy for the regions (Kellas, 1977). Yet regional intervention does not have a particularly long history in Britain, where the main developments have been primarily . post-war.

One of the major motivations for intervention was the growing concern for the physical environment, with continued post-war metropolitan expansion threatening to create insoluble economic, social and physical problems (Hall, 1975). From this there emerged a kind of physical planning, i.e. town and country planning, at the region exemplified by the plans produced by Sir Patrick Abercrombie for Greater London in 1944 and   the Clyde Valley in 1946. Though these strategy plans were purely advisory and no administration system was established to implement their proposals they ranked as important documents in terms of the substantive issues covered and the approach to regional planning which they adopted (Alden and Morgan, 1974).

A second major reason for intervention at the region (and arguably the most important), which did not fully emerge until the late 1950's and early 1960's, was a concern for the inadequate growth rates of regions suffering from high levels of unemployment. Out of this concern emerged a system of ad hoc measures, consisting largely of state control and subsidisation of industrial location i.e. regional policy (though regional policy measures date back as far as the 1930's) whichwere designed to take positive steps towards reducing the unemployment levels in the depressed areas of Scotland, Wales and the North of England.

Other pressures for the creation of a system of regional planning gained expression during the 1960's, with the emergence of issues of autonomy and regionalism as a reaction against the centralist tendencies of government, and the increased difficulties in administering a complex society.

From these influences emerged a post-war system of regulatory planning (Hall, 1975) which made no attempt to include a policy of general economic planning, or to develop "corporate" institutions of intervention. This was in marked contrast to the French system of indicative planning which relied heavily on the coordination of public and private investment programmes through a complex administration machinery. In Britain, therefore, suggestions such as those contained in the Barlow Report (1940), for the creation of a regional development corporation as an instrument of regional planning, were taken no further.

Yet, despite the increased policy efforts of the late 1950's to assist the regions, the growing crisis of manufacturing and the persistence of regional problems in Britain meant that the effectiveness of regional intervention was becoming increasingly diminished. This became reinforcedwith the growing complexity of problems facing town and country planning around this period, particularly in terms of urban development and communications. By the end of the 1950's, therefore, these trends had provoked a movement towards a stronger state inter-ventionist and planning role at the region, with a recognition that in order to make policy more effective new institutions capable of generating these actions would be required.

4.3 The Machinery of Planning

The creation of the National Economic Development Council (NEDC) by the Conservative Government in 1960 marked an important step in the "regional thinking" of government. Through its attempts to provide and plan for a faster rate of growth in Britain, the NEDC was instrumental in raising a number of important regional issues, in particular the contribution of the region s' efforts towards national prosperity. This concern for the   economic aspects of growth helped bring a new perspective to regional policy.

However, it was not until the Labour Government of 1964, which was historically committed to helping the less prosperous areas (Alden and Morgan, 1974), that a real political acceptance of the need for planning at the region was heralded. This, along with the growing disenchantment among many economists and planners with the previous form of policy (Hall, 1975), provided the context for the Labour Government's reforms which included the creation of the Department of Economic Affairs (DEA) in line with the current ideas on indicative planning, and the setting up of a series of Regional Economic Planning Councils and Boards. Both these developments were seen as providing considerable momentum towards regionalism in Britain.

The Department of Economic Affairs, created in 1964 under the strong French influence on planning practice, lay at the heart of the Governments economic policy-making machinery (McCallum, 1979). Its function was to devise a Five Year National Plan which would provide the framework whereby planning at the national level could be integrated with regional issues. A major element in the DEA's role, therefore, was to coordinate at the regional level many of the strands of policy and planning undertaken by central and local government, and the various ad hoc bodies such as hospital boards (Hughes, 1974), where much of the case for regional coordination arose from the frictions which existed between the responsible bodies. It was hoped, as a result of these measures, that a "painless" redistribution of resources towards the lagging regions could be achieved.

In order to provide the necessary elements of regional coordination under the DEA's scheme, the Labour Government announced in 1964 its intention to create a system of regional institutions - the Regional Economic Planning Councils and Boards - which were to come under the general control of the DEA.

4.4   Regional Institutions : The Regional Economic Councils and Boards

It was the Regional Economic Planning Councils and Boards, set up within each of the newly created Economic Planning Regions (8 in England with 1 each in Scotland and Wales), which represented the most significant move towards creating a system of planning at the region.   Although the idea of regional representation was well established, nothing like the Councils, and to a lesser extent the Boards, had previously existed in Britain.

The Councils as advisory bodies were to represent the regions interests at national level, even though they were not to be made electorally responsible to the region itself.   Instead, they were made up of Government appointed regional representatives, such as trades unionists, industrialists, academics, and other local public figures, who were to serve on a temporary basis.   To do this the new Councils were given the following terms of reference:

   i)   to assist in the formulation of regional plans
         having regard to the best use of the regions
         resources;

   ii)   to advise on the steps necessary for implementing
         the regional plans on the basis of information
         and assessments provided by the Regional Economic
         Planning Boards;

   iii) to advise on the regional implications of national
         economic policies.

In practice, however, their operations revealed a number of basic flaws (Alden and Morgan, 1974).   In particular, their lack of executive powers and autonomy meant that the Councils proved to be at best a forum by which central government policies could be scrutinised,

and where regional dissatisfaction could be given more formal expression, though   there was no means of guaranteeing their advice would be accepted.   This was highlighted early on in the Councils existence when the local authorities, feeling their autonomy was threatened, joined together to form a series of standing conferences against the new machinery.   This inevitably led to severe operational problems for the Councils who, having no powers of their own, relied entirely on the cooperation of the authorities for plan implementation.   These problems were made even more severe for the Councils by their limited staff resources, and the difficulty in generating real local support for their actions - a problem which . .. :   faces any non-elected form of administrative decentralisation.

In this respect the Regional Economic Planning Councils can be said to accord very strongly with the allocative mode of planning - possessing low levels of autonomy and a high degree of implementation dependence - and as such, represent a weak form of planning institution at the region (see Chapter 3).

The Regional Economic Planning Boards on the other hand, whilst being the least innovative part of the new institutional arrangement, did not suffer quite the same operational problems as the Councils. The intention of the Boards, comprising largely of civil servants, was to provide a "lateral" link between the variety of Government departments already operating in the region, whilst retaining an unchanged vertical decision making structure (Alden and Morgan, 1974) where:

"..... their creation would not affect the existing
powers and responsibilities of local authorities or
existing Ministerial responsibilities."

(Hansard, 10 December 1974)

The product of this arrangement was that the Boards retained a central i.e. Whitehall orientation and, thereby, a weak regional focus and commitment, achieving little more than to coordinate and adjust matters of detail (Self, 1970).

It is apparent that on the basis of this evaluation, the
Regional Economic Planning Councils and Boards as a form of
administrative decentralisation rather than heralding a new era in
integrated land-use and economic planning, served only to illustrate
the weaknesses of this kind of institutional arrangement at the region.
This view is reflected by Peterson (1966) who concluded in his study
conducted soon after the creation of the new machinery, that their
weaknesses would serve to indicate the need for more radical
institutional change at the region.

4.5 Regional Development in Scotland

Within Scotland (and to a lesser extent Wales) there have emerged
considerable differences in the practice and   machinery of
regional planning from that which exists in the rest of Britain. This
is due in part to the framework for policy making which exists in
Scotland which, unlike that of an arbitrary administrative unit, "is
that of a historic nation, which was once a state" (Kellas, 1977 p. 2)
which has been characterised by "institutional leadership and political
innovation" (Scotsman, 23 August 1979). Through this modified context
for policy formation and implementation, and with the existence of a
strong national identity and a devolved administration in the Scottish
Office, Scotland has provided the "seed-bed" for administrative innovation
in Britain (Gillingwater, 1975).

For many years in Scotland the combination of persistent
unemployment, high net migration, and slow employment growth,
represented the outward manifestation of deep rooted economic, social
and environmental problems. By the late 1950's the apparent divergence
of its economic performance, relative to that of most other regions in
Britain, saw within Scotland a change in the climate of opinion over
issues of regional economic planning away from a preoccupation with the
relief of unemployment, to a wider understanding of the basic problems
of which unemployment was but one symptom.

Instrumental in this view was the publication in 1961 of the
Toothill Report (Inquiry into the Scottish Economy 1960-61) providing
as it did an elegant framework for action by highlighting Scotland's

regional imbalance not only as a waste of national resources, but
as a serious constraint on the successful management of the economy.
Within this it illustrated the need for coordinated plans of regional
development as a means towards greater national prosperity.   However,
the report, though tacitly acknowledging that a distinct economic
system was at work in Scotland, did not, as this might suggest,
advocate that separate policies be devised for north of the border.
The interwoven nature of certain sectors of the Scottish and English
economies, it was argued, would make that an inappropriate proposition.

From the Toothill Report emerged the philosophy that regional
policy should be sensitively designed to concern itself as much with
the modernisation of indigenous Scottish industry as it was with the
importation of new projects from elsewhere.   Secondly, the Report
recognised that there already existed in the Scottish Office an
administration   uniquely capable of providing this greater
sensitivity to local requirements.   From this the role of the Scottish
Office in regional development affairs was to be gradually strengthened.

The creation within this "umbrella" organisation (.   the Scottish
Office) of the Scottish Development Department in 1962, designed to take
over the industrial and planning functions of the various Scottish
Departments, was an attempt by government to coordinate regional
development measures in Scotland on a basis not possible elsewhere in
Britain (see Figure 4.1).   Other Scottish initiatives around this time
included the publication of the White Paper : Central Scotland (A
Programme for Development and Growth) in 1963, which provided for the
creation of eight growth centres to form the focal point of growth
within the wider region (Glasson, 1974).

However, it was not until the 1966 White Paper : The Scottish
Economy 1965-70, that the first real plan was produced for the regions.
Unlike the stream of regional strategies and studies being produced
between 1965 and 1971 by the Regional Economic Planning Councils
(Hughes, 1974), the White Paper was a true plan in the sense of
specifying targets to be achieved whilst enjoying some degree of
government commitment rather than being purely advisory (McCrone, 1976).

Figure 4.1   Source: Scottish Office (1979)

STRUCTURE OF SCOTTISH OFFICE AND FUNCTIONS OF DEPARTMENTS

Secretary of State
Minister(s) of State
Parliamentary Under Secretaries of State

Permanent Under Secretary of State
Scottish Office Management Group

DEPARTMENT OF AGRICULTURE AND FISHERIES FOR SCOTLAND
Agriculture
Fisheries

SCOTTISH EDUCATION DEPARTMENT
Education - including primary, secondary, further and higher education (excluding universities).
Public libraries
Youth and community service
Sport and recreation
The Arts
Royal Scottish Museum

Social Work Services Group

SCOTTISH HOME AND HEALTH DEPARTMENT
Home:
Police and fire services
Civil law and criminal justice
Prisons

Health:
National Health Service
Miscellaneous health functions

SCOTTISH DEVELOPMENT DEPARTMENT
Local government
Town and country planning
Housing
Roads and transport
Water, sewerage and pollution
Urban renewal
Building control
Ancient monuments
Historic buildings

SCOTTISH ECONOMIC PLANNING DEPARTMENT
Industrial and regional development
Manpower services
North Sea oil
Electricity
Highland and rural development
Tourism
New Towns

CENTRAL SERVICES
Solicitor's Office
Personnel management
Management services
Finance
Devolution
Scottish Office Computer Service
Scottish Information Office
Chief Statistician
Liaison Unit, London

SCOTTISH COURTS ADMINISTRATION+
Courts

+ The Scottish Courts Administration is also responsible to the Lord Advocate for certain functions in the field of law

FORESTRY COMMISSION*
Forestry

*The Minister of Agriculture, Fisheries and Food and the Secretary of State for Wales are forestry ministers for England and Wales respectively

SUBSIDIARY AND LINKED BODIES

Crofters' Commission
Red Deer Commission
Herring Industry Board
White Fish Authority (Scottish Committee)

National Library of Scotland
National Galleries of Scotland
National Museum of Antiquities of Scotland
Scottish Sports Council
Community Education
SCE Examination Board
Scottish Council for Community Education
Scottish Arts Council

Health Boards
Common Services Agency
Scottish Health Service Planning Council
Scottish Record Office
Department of the Registers for Scotland
General Register Office for Scotland
Court of the Lord Lyon
Mental Welfare Commission
The Lands Tribunal

Scottish Special Housing Association
Countryside Commission for Scotland
Historic Buildings Council for Scotland
Scottish Transport Group

Scottish Development Agency
Highlands and Islands Development Board
New Town Development Corporations
Scottish Electricity Boards
Scottish Tourist Board

Through this document the Scottish Office was able to have its first
real attempt at planning for the Scottish sub-regions by taking into
account 'local' requirements.   In this respect Scotland was
at the forefront of thought on regional development in Britain.

The White Paper for all its foresight was, nevertheless, poor
as a 'practical plan'. For example, it was excessively optimistic
about the growth prospects of the Scottish economy,   this inevitably
resulted in the setting of unrealistic targets (McCrone, 1976). Yet
despite this it remained an influential document raising many important
issues on regional development and its potential within Scotland.
In particular it highlighted the ability of the sub-national units, such
as the Highlands, to contribute to their own as well as the national well-
being.

The bearing of Scotland during this phase of regionalism in
the early 1960's was made even more important with the creation in 1965
of the Highlands and Islands Development Board (HIDB).   This saw for
the first time within Britain a real attempt to embody   _ the ideas
of regional planning and development through the creation of new and
powerful regional institutions.   Its introduction as a development
                  a recognition of
agency saw/the need for a more selective approach towards regional problems,
and an acceptance that the region could provide more than simply a
framework for information gathering and advisory planning (as characterised
by the Regional Economic Planning Councils and Boards), but be
the appropriate level for autonomous development.   The significance of
the HIDB is discussed more fully in the following Chapter.

4.6   The Present System

Since the Highland Board several other developments in the
machinery of regional economic planning in Scotland and Britain have
taken place.   In particular the creation in 1975 of a new generation of
development agencies for both Scotland (Scottish Development Agency) and
Wales (Welsh Development Agency) was of major significance marking a new
direction for government intervention at the region.   (See Chapter 6 for a
detailed discussion on the Scottish Development Agency).

FIGURE 4.2

THE MACHINERY OF REGIONAL PLANNING : SCOTLAND

BRITAIN   SCOTLAND

Cabinet/Parliament

Treasury   Scottish Office

  All taxes and   Scottish Economic Planning Department
  public expenditure
                               Selective regional assistance
Trade   New Towns
                               Electricity
  Imports/exports   Road and sea transport
  Airports   Scottish Development Agency
                               Highlands and Islands Development
Industry   Board

  Non-selective supports
   and guidelines   Scottish Development Department
  Nationalised industries
   and Govt/industry relations   Local Government supervision
  National Enterprise Board   Physical planning
                               North Sea oil infrastructure
                               Scottish Special Housing
Energy   Association

  Oil, gas, coal, atomic
                               Department of Agriculture and
Employment   Fisheries for Scotland

  Training (former Regional
  Employment Premium)   Administers UK and EEC price
                              supports
Environment

  Rail, Freight, Ports, Docks   Forestry Commission (under Scottish
                              Secretary in Scotland)

- - - - - - - - - -

Scottish Council (Development and
  Industry) Promotional body.

Scottish Chamber of Commerce

Convention of Scottish Local
  Authorities

Etc.

(Source: after Kellas (1977)

At the Scottish level other developments which have had a
bearing on regional planning include the creation in 1971 of the
Scottish Industrial Development Office (SIDO).   Whilst within the
Department of Trade, and not the Scottish Office, SIDO was able to
administer industrial grants in Scotland without reference back to
Whitehall.   Following on from this the creation within the Scottish
Office, of the Scottish Economic Planning Department (SEPD) in June 1973
saw another move towards strengthening the Scottish level of regional
policy decision-making.   The role of SEPD, taking over the function of
SIDO, was to advise the Secretary of State on matters relating to
industrial and economic development in Scotland, including the administration
of selective financial assistance under the Industry Act 1972 (town and
country planning remained under the supervision of SDD - see Figure 4.1),
and also to act as the immediate coordinating and sponsoring body for
much of the regional planning machinery in Scotland, including the
development agencies

However, with the decline in the number of areas eligible for
regional policy assistance in Scotland under the current measures,
the importance of SEPD's selective assistance appears to have declined
relative to the operations of other major British Departments (see
Figure 4.2).   Yet in its role as the overseeing administrative and
bureaucratic arm of the Scottish Office, the influence of SEPD on the
operations of other agencies, such as the Highlands and Islands
Development Board and the Scottish Development Agency, has become
increasingly important.

4.7   Conclusions

It was not really until the 1960's that regional planning in
Britain developed to include some element of economic planning.   Before
this regionalism had emerged .   .   . from a concern for the problem of
town and country planning, i.e. physical development.   However, under
the influence of key events and a growing awareness of the problems of
the region, the need for strategies capable of incorporating a concern
for physical development and regional economic policy was becoming clear.

The creation of a system of regional planning in the form of
Regional Economic Planning Councils and Boards in 1964 (the Councils
have since been abolished in 1979) was a reflection of this swing
culminating in the National Plan of 1966 and the variety of regional
strategies and reports.   This was an important innovation at the
region where for the first time an attempt was made to create an
institutional focus between the central and local layers of government.

However, it soon became apparent that this system of advisory
planning, with the region being denied any real power, was wholly
inadequate in confronting the complex problems of the region and in
satisfying the needs of regional planning.   These would require the
creation of new institutions capable of reconciling the ever changing
and conflicting interests of power groups (Allan, 1974).   Clearly this
was not the task of decentralised government departments, but the task
of regional institutions altogether more powerful and autonomous.

This emerged with the creation of the Highlands and Islands
Development Board in 1965 and the Scotttish Development Agency in 1975.

THE BRITISH PROTOTYPE : THE HIGHLANDS AND ISLANDS
DEVELOPMENT BOARD

5.1   Introduction

The creation of the Highlands and Islands Development Board in 1965
was a landmark in the development of British planning practice.   As we
have seen in the previous chapter, the use of the region   .   in the
sixties was primarily one of administrative convenience, with governments
defining the region differently for specific purposes but always without
autonomy (Sant, 1977).   The Highland Board marked a distinct break from
this tradition, where it was argued the particular problems of the
Highlands[1] required a specific problem-based form of government
intervention.

The "Highland Problem" (Youngson, 1973, Adams, 1976, Bryden and
Houston, 1976), as it became known, had usually been expressed in terms
of a declining population and ageing population structure.   As Mackay (1978)
points out underlying and serving to reinforce these trends was the
decline of employment in the primary sector and the lack of alternative
employment opportunities.   Decades of this process unchecked had
drained communities of the young and most able, leaving a lack of
initiative, leadership and local capital to develop indigenous employment
opportunities (MacGregor, 1979).

In order to break this vicious cycle of emigration various
official and unofficial agencies were set up in the Highlands, from
the Napier Commission who published their report in 1884 to the Advisory
Panel for the Highlands and Islands which was set up in 1947 and was not
dissolved until 1965.   It showed that the permanency of the Highland

---

[1] The definition used refers to the seven crofting counties of Argyll,
Caithness, Inverness, Orkney, Ross and Cromarty, Sutherland and Zetland
(see Figure 5.1).

problem could never be adequately resolved by the numerous advisory .
bodies and local authorities represented in the region, but that there
should be more radical changes in the arrangement for controlling
land affairs in the Highlands and Islands. The realisation that
these were problems that town and country planning it its conventional
sense could not encompass meant that completely new solutions would
need to be found (Grieve, 1980).

Since within Britain there was no previous experience of ad hoc
interventions capable of confronting the deep rooted problems of the
Highlands to draw upon much of the inspiration came ͺ from planning
practice overseas.   Through
the example of schemes like the Tennessee Valley Authority (TVA) and
the Cassa per il Mezzogiorno, the notion of a locally orientated
development body capable of offering a comprehensive approach to
development, and with sufficient autonomy, finance and executive power
to generate these actions, seemed to provide the appropriate formula
(see Chapter 2). Under this influence and using the New Town Development
Corporation legislation as its basis (Smith, 1975), the Highlands and
Islands Development Board found its way on to the Statute Book in 1965
as a kind of "regional development corporation".

5.2   The Highlands and Islands Development Board

The HIDB was established under the Highlands and Islands Development
(Scotland) Act 1965 and its powers were slightly increased under the 1968
Act of the same name. The background to the Act lay in the long history
of unsuccessful development attempts unique to the Highlands, and the
broader changes in   "regional thinking" of the mid-1960's. Being
a completely new arrangement to Britain, Parliament was unclear of its
potential and found it difficult to establish a yardstick against which it
should operate.   As a result the Board was given a very wide remit
in its area (see Figure 5.1) with its objectives set as first, "to assist
the people of the Highlands and Islands to improve their economic and
social conditions", and second, "to enable the Highlands and Islands to
play a more effective part in the economic and social development of the
nation" (HIDB, 1979 a).

Orkney

Western Isles

Shetland

HIDB Area

0   20   40   50 miles
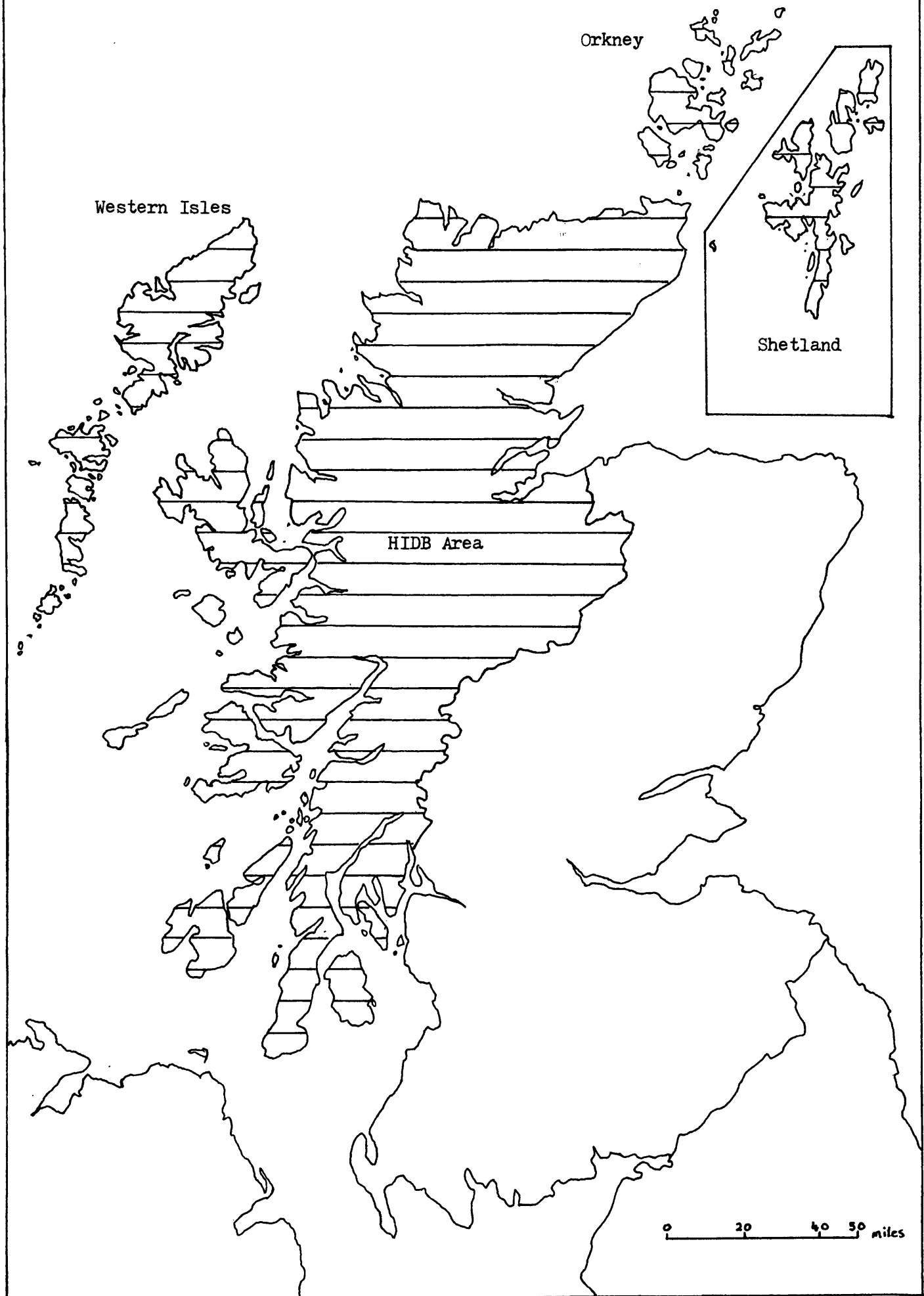
In order to pursue these broad objectives the Board was given a unique set of powers unparalleled in their strength and breadth within British regional policy, these included:

i) The ability to acquire land by agreement or with the approval of the Secretary of State for Scotland by compulsory purchase, and to hold, manage, and dispose of land;

ii) To erect buildings and to carry out other operations on the land;

iii) To form or acquire shares in a company with the approval of the Secretary of State;

iv) To conduct in its own right either directly or indirectly any business or undertaking;

v) To provide management and advisory services to individuals or companies;

vi) To give financial assistance by way of grant or loan to any person or company carrying out or proposing to carry out business in the area;

vii) To commission or carry out research.

To give these powers expression the Board was given a source of income in the form of wholly voted money controlled by annual budgets settled with the Secretary of State within the legislation.   The Board was also required to seek ministerial support over the use of particularly sensitive powers such as the compulsory purchase of land. Furthermore, as Haddow (1979) notes, Parliament's lack of trust in the Secretary of State and the Board to get on with the job without further guidance resulted in the establishment of the Highlands and Islands Development Consultative Council (HIDCC) to advise the Board on the exercise of its functions.

As a government agency the executive of the Highland Board was
rather unusual, consisting of seven full-time persons (including the
Chairman) who were appointed by the Secretary of State.   The HIDB
(Scotland) Act 1965 also specified that these whole-time members
should be in the majority— this having been conceded under pressure
by the Parliamentary Opposition who argued that only in this way
could the effectiveness of the Board be secured (Haddow, 1979).

Due to its uniqueness, and what appeared at the time to be
substantial powers, the HIDB was heralded by many as a measure which
could "if applied properly pave the way for revolutionary change in
the seven crofting counties" (New Statesman, 12 March 1965, p. 386).
As a body separate from the regular central departments (for example
SEPD which consisted entirely of civil servants) with "autonomy to
formulate its policy and carry it out" (McCrone, 1965), the Board
would be able to provide a strong regional counter-force to the centralist
tendancies of government, and be able to affect significantly its own
economic and physical environment.   There came with its creation a
feeling of tremendous optimism and expectation in the Highlands
(Carter, 1975).

5.3   The HIDB in Practice

The somewhat strange policy process which created the HIDB, with
the choice of policy instrument (i.e. the HIDB itself) preceding any
real notion of what needed to be done to solve the "Highland Problem",
meant that the remit set by Parliament, which was to guide the Board
in practice was never spelled out in any great detail.   As a result
it was left to the Board, partially through a process of trial and error,
to find its own role (MacGregor, 1979).

To a considerable extent the operations of the Board were conditioned
by the actual and perceived nature of the problems it was to confront.
Within this there was an implicit assumption, or theory of development,
in the Board that the Highlands was a poor rural region ("traditional" -
like the Mezzogiorno in Southern Italy) which, in order to develop
in the face of plannings conventional wisdom needed to be made "modern".

In the words of the first Chairman, Professor Robert Grieve, the area was regarded by the Board as one which:

> "the various revolutions in agriculture, industry and technology have passed by"

<div align="right">(HIDB, 1967, p. 1)</div>

This process of "modernisation" was to be achieved by importing into the Highlands a package of "norms". For example, throughout the Boards early annual reports a heavy emphasis was placed on the introduction of manufacturing industry as providing the most urgent and long-term basis for development in the area (Carter, 1975). This reflected the urban-industrial bias of both the practice and philosophy of planning, and the need to bring the Highland economy more closely into line with the national economy.

From the outset the HIDB recognised the success of its efforts towards improving the area's economic and social well-being depended on its ability to relate them to a regional strategy. The principle features of which, in terms of the powers available, was the Board's capacity for:

a)   Selectivity or discretion;

b)   A comprehensive approach sectorally, and in the range of inducements it could offer.

As a result, the Board was able to involve itself on a broad front to strengthen the base of the Highland economy. To this end it became actively involved in supporting and promoting all the main sectors in the region including agriculture, forestry, fishing, tourism and manufacturing.

At first the Board tried to adopt conventional regional strategies such as the growth-centre approach, seeing the key to Highland regeneration in terms of urban and industrial expansion. Within this, however, the role of the HIDB was limited to promotion and financial assistance in the form of grants and loans, with the statutory planning powers for

infrastructure and housing remaining with the planning authorities - the burghs and the counties (MacGregor, 1979). Despite the powers available to the Board (what it could use was a different matter) little attempt was made during its formative years to selectively discriminate between possible ventures (Adams, 1976), or in an entrepreneurial way create new ventures itself. Consequently the HIDB emerged as a responsive agency — a kind of "merchant bank with a social purpose" (Grieve, 1973).

The ability to undistort national priorities and adopt those most suited to the region was seen as an essential feature of any programme of development for the Highlands. As a result the HIDB, despite its manufacturing emphasis, began to vigorously promote a programme of tourism which, it was argued, would provide employment opportunities in the rural areas as well as contributing to the national interest (HIDB, 1967). At this time the Board was the only body equipped with the necessary powers and finance to further this work. Nevertheless, there was a great deal of criticism of the strategy, in particular the unjustifiably high proportion of HIDB finance allocated to it; accounting for 44.9 per cent of total grant aid, during the period 1965-70 (MacGregor, 1979); and the lack of any real mention in the early reports of the dangers of tourism. Yet despite the criticisms this showed the ability of the Board to act in an innovative way by setting its own budgetary and operational priorities.

This "innovative" capacity of the HIDB became limited in practice by the existence of many other Government departments or agencies operating within the Highlands and dealing with different programmes or parts of programmes. As a result, it took in many cases considerable time and negotiation for the Board to establish for itself a role.

Figure 5.2 illustrates the HIDB's external relationships and interactions. These have taken place at essentially three levels - national, local and regional. This "inter-corporate" dimension (Aitkenhead, 1979) of the Board's activities had an important bearing on its ability to coordinate and offer a unity of approach to development in the Highlands.

FIGURE 5.2

HIGHLANDS AND ISLANDS DEVELOPMENT BOARD :
RELATIONSHIPS AND INTERACTIONS

'Top-Down'

- The Secretary of State for Scotland and the Scottish Office, especially the Department of Agriculture and Fisheries for Scotland (DAFS), the Scottish Development Department (SDD), and the Scottish Economic Planning Department (SEPD);

- The Treasury;

- Other GB Departments with remit in Scotland including the Department of Employment, the Department of Industry (via the SEPD and the Scottish Development Agency), and the Ministry of Agriculture, Forestry and Fisheries;

- Ultimately the Cabinet;

- EEC.

Same Level

- Highlands and Islands Development Consultative Council (HIDCC);

- Statutory bodies including the Crofters Commission, Forestry Commission, Countryside Commission for Scotland, Scottish Development Agency, Scottish Tourist Board, White Fish Authority, Herring Industry Board, Scottish Transport Group etc;

- Non-statutory bodies ('semi-official') the Scottish Council (Development and Industry);

- Local Authorities, pre 1975, the burghs and counties, post 1975, the Districts (with no powers for local planning or development control) and the Regions.

'Bottom-Up'

- Councils of Social Service, Community Councils, Community Enterprises and Cooperatives, An Cammun, Local Constituency Parties, Churches, Local Businesses, Local Trades Unions, and other interest groups.

- The general public.

These variety of interactions inevitably bring with them conflicts
and frictions which the development agency model is designed
to reduce, if not remove (see Chapter 3). For example, the Scottish
Office with its all Scotland purview may wish to influence the activities
of the HIDB in accordance with its own priorities, whilst on the other
hand, the Board wanting to retain its autonomy may wish to resist such
pressure.

The most notable example of this "top-down" pressure being exerted
on the Board's operations concerned the use of its powers for the
compulsory purchase of land. In its ninth annual report the Board
stated that:

"The intensification and rationalisation of land use
in the Highlands remain an essential aim for the
continued viability of the rural economy and social
fabric of the region."

(HIDB, 1974, p.

Yet, as a result of political pressure from central Government who
advised the Board against the use of its powers of compulsory purchase,
and in the face of some local hostility by land-owners who feared "creeping
socialism" in the Highlands, this important dimension of the Board's work
was approached with extreme caution. This made the effective operation
of the development strategy very difficult as:

"The Board does not only have to identify the right
programmes by technical and economic criteria, it must
have adequate contacts, understanding and support at
the local level and a strong political presence at
national Government level."

(Bryden and Houston, 1976, p. 139)

This potential for friction (or conflict) in the Board's work may
occur at all levels. For example, local interest or pressure groups may
try to influence the activities of the HIDB, whilst the Board for its part
may wish to escape such pressures. Similarly, the fact that there remains

a great variety of bodies in the area operating at the same level
(see Figure 5.2) clearly limits the ability of the Board, despite
its powers, to supercede or even coordinate activities in the
Highlands.   This was made apparent with the re-organisation of Local
Government in Scotland in 1975 which saw the creation of a Highland
Regional Council to cover much of the Board's area and population[2].
With statutory authority at both the strategic and local level the
new Regional Council severely undermined the "strategic" planning
function of the HIDB.

As a result of these external pressures and changes the Board,
where possible, had to adapt in order to create for itself a new and more
positive role towards Highland development.   Recent policy moves, such as
the establishment of a multi-purpose community cooperative scheme in 1977
drawing largely from the Irish experience, and the proposals contained in
the Board's fourteenth annual report for the establishment of a Highland
craft centre (Craft point) for the dissemination of skills in design,
management, production techniques and marketing (HIDB, 1979), are recent
examples of the Board acting and evolving in a positive way with "an ethos
based on innovation" (Grieve, 1973).   The move towards cooperative
development was seen as particularly noteworthy with its emphasis on
tackling the severe problems of the remote West and Islands.

With this new emphasis towards development in the remoter areas
closer contact between the Board and the localities became essential.
As a result of this new dimension to its work, and in an attempt to move
away from its image as a distant bureaucracy in Inverness, the HIDB
decentralised some of its administration and appointed several field
officers to help generate local initiatives well suited to local needs.
In this respect at least the Highland Board has moved from a responsive
mode of operation to assume the role of advocate (MacGregor, 1979).

---

[2]Also a largely unchanged Argyll County became a district within
Strathclyde Region and Orkney, Shetland and the Western Isles became
multi-purpose single tier authorities.

5.4 The Highland Board as a Development Agency

At its inception in 1965 the Highlands and Islands Development Board was the first   attempt by a British Government to initiate a kind of "innovative" planning at the region through the creation of a new institution (see Chapter 3). Its organisation embodied many of the features of regional development agencies outlined in earlier chapters. For example:

i)   It has a regionally defined remit;

ii) To a substantial degree it is independent of the central departments and the elected local authorities;

iii) It is an executive body, rather than a purely planning and advisory one;

iv) It has a wide range of responsibilities covering all sectors of the economy, although it has no authority over bodies involved in the same activities;

v)   Subject to permission by the Secretary of State for Scotland it has some quite extensive enabling powers to acquire land, start its own businesses etc, though it is only actually required to run a grants and loans scheme to private developers.

The Highland Board as an agent of development has operated with some degree of success, on this many commentators agree. In part this success has derived from the planning method employed by the Board which in some instances accords closely to that of innovative planning, as formulated by Friedmann in 1966 (see Chapter 3). As an institution it has managed to fuse plan making with plan implementing by preparing a brief strategy then moving as quickly as possible into "performing a multitude of fruitful actions" (Grieve, 1972). However, the features of the Board have caused considerable concern among those who see its operations as "undemocratic" — in the exercise of its functions no account is taken of electoral responsibility (except indirectly, through the Secretary of State for Scotland). Therefore, in its executive role the Board finds itself fulfilling functions which might otherwise be undertaken by a "regional government".

This lack of local accountability can create tension over the Board's efforts. Very often there are few formal channels through which the inhabitants of the region can influence decisions taken on their behalf. These difficulties (actual strengths in terms of the development agency concept) may be added to where, as in the case of the HIDB, the innovative institution is a product of political manoeuvering behind closed doors. In this way the people of the region not only have little say in its operation, but have virtually no say in its creation. As a result, the development agency is an institutional arrangement which faces a fundamental dilemma - gaining its strength from the freedom of action afforded by a lack of democratic control, whilst at the same time weakened by its lack of democratic authority.

In his paper McKay (1973) criticised the Board for its heavy emphasis on the economic aspects of Highland development (in terms of expenditure) rather than having a broader concern for the social and cultural aspects of development. This criticism is not confined to the HIDB alone, but one which has been levelled at most applications of the development agency idea. Development agencies have tended to operate on the basis of certain "key assumptions" which, in order to establish that institution within the national adminstrative framework, become constantly repeated and heavily emphasised in the passing of legislation through Parliament . In this way it may prove difficult to throw off these assumptions later, especially given the administrative and political autonomy which preserves them from challenge. As a result, the ability of institutions to evolve in the face of changing circumstances and, therefore, their ability to respond creatively to new challenges may become severely constrained. This illustrates some of the weaknesses of translating theory into practice — Friedmann (1966) for example, regarded the ability to learn from experience and adapt to changing circumstances as crucial for the successful implementation of a programme of innovative planning.

5.5 Conclusions

The Highlands and Islands Development Board incorporated in its organisation many of the ideas from the early regional development agencies such as the Tennessee Valley Authority and the Cassa per il Mezzogiorno.

As an executive body with a corporate form distanced from the local
democratic process, and with a concern for economic development, the
HIDB reflected a changing attitude within Britain towards measures
designed to aid the lagging regions. Yet despite its "advantages" the
HIDB failed to match up to expectations. For example, the Board was
given wide powers (it had no resposbility however for statutory planning),
but limited finance, a wide remit to coordinate other public institutions,
but with little real power to control their activities, let alone those
of private capital within the region. These "constraints" did little
to help the Board's choice of policy decisions where the very existence
of control within an environment of uncertainty must limit the extent
to which regional institutions like the HIDB are free to fly in the face
of conventionally accepted theory and practice (Bryden, 1979)

Yet, as Magnusson notes:

"despite the traumatic experience that the Board and
the Highlands have suffered, despite the lamentable
lack of communication with the Scottish Office, the
Board has at least shown the way and established new
patterns of thinking that will assuredly bear fruit
in the future.

(Magnusson, 1968)

This was undoubtedly the case in that support for the HIDB
experiment led to the creation of a new generation of agencies some years
later.

THE NEW GENERATION OF AGENCIES :
THE SCOTTISH DEVELOPMENT AGENCY

6.1   Introduction and Background

Within Scotland orthodox regional policy measures have been in
operation since the 1930's and have almost certainly made some
contribution towards employment creation in the region (*See* Moore and
Rhodes, 1974).   Yet as Table 6.1 shows, their operation appears to
have done little to radically alter Scotland's position relative to the
remainder of Britain — in particular the South and the Midlands of
England.   It was becoming clear, therefore, by the 1970's against a
background of continuing industrial decline and unemployment, and with a
subsequent loss of skills from the region that more would be needed
than the incentives under the 1972 Industry Act if these problems were
to be tackled in any real way.

During this period the need for more radical approaches towards
regional development was becoming supported by influential groups and
individuals[1] throughout Britain.   In Scotland for example the Labour
Party had long argued the case for a Scottish based body with direct
powers of development (Stephen, 1975).   Similarly, the Scottish Trades
Union Congress (STUC) in its 1974 resolution on the Scottish economy
contained inter alia a demand for:

> "the establishment of a Scottish Development Authority
> to coordinate planning and initiate through a Scottish
> State Holding Company ..... the compulsory purchase of
> equity in firms and to establish enterprises where
> necessary."

> (STUC (1974) cited in Brown, 1975, p. 228)

---

[1]See for example W Rodgers : Regional Development Corporation Bill,
House of Commons, 1 December 1971.

TABLE 6.1

SELECTED ECONOMIC INDICATORS BY REGIONS

Region	GDP per Capita £ 1970	Average Unemployment % 1970-73	Average Net Annual Migration 1961-71 (per 1000 in 1971)
SOUTH EAST	894	1.8	- 0.2
WEST MIDLANDS	807	2.6	- 0.3
EAST MIDLANDS	746	2.6	+ 2.1
EAST ANGLIA	743	2.7	+ 7.2
NORTH WEST	731	3.5	- 1.7
YORKSHIRE AND HUMBERSIDE	729	3.3	- 1.5
SOUTH WEST	723	3.5	+ 5.9
WALES	666	4.3	- 0.1
NORTH	656	5.2	- 3.3
SCOTLAND	705	5.1	- 6.2
BRITAIN	740	3.46	- 0.6

Source: Adapted from Manners et al (1980)

Much of this campaign centred around the successful example of
the Highlands and Islands Development Board. But perhaps of most
importance in defining this crude notion into a usable product, and
in the subsequent establishment of the Scottish Development Agency, was
the publication in 1974 of the West Central Scotland Plan (WCSP) which
contained as one of its recommendations the setting up of a Strathclyde
Economic Development Corporation (SEDCOR).

The proposal for an industrial development corporation (i.e. SEDCOR),
which would act 'at arms length' from government, was based on the notion
that part of the problem of economic regeneration in West Central
Scotland lay in the inherent weaknesses of the existing machinery of
planning.   Furthermore, it was argued that the existing general policy
measures under the Industry Act of 1972, with their emphasis on mobile
industry etc., were insufficiently 'tailored' to   the area's
distinctive problems (WCSP, 1974).   To be successful policy efforts
would need   to look more closely at specific regional issues such as
entrepreneurship, innovation, indigenous resources, technology and
labour markets etc., and be able to adopt a longer term view of
development than was possible under the existing government administration.
These proposals rapidly became transformed into the broader notion of
an all Scotland Development Corporation which culminated in the setting
up of the Scottish Development Agency (SDA) in 1975.

Around the period of the early Seventies the successful image
of the Industrial Authority for Ireland (IDA) - an autonomous agency
more akin to a treasury than a development agency (see Duffy, 1980) -
had already led many to conclude that a similar type of institutional
arrangement, capable of providing a "one-door" approach to inward
investment and a coordination of development activities, was needed for
Scotland.   The IDA was, therefore, to have a significant influence
on the eventual organisation of the SDA.

It has been argued   that the creation of a development
agency to cover the whole of Scotland owed more to the existence of a
strong political will within the Labour Party towards devolution for
Scotland and Wales than to any other influence.   This is supported by

the fact that agencies were created for both Scotland and Wales, whilst
areas such as the North of England with similarly severe problems were
denied analogous treatment (McCallum, 1979).   This was reinforced by
the Government's commitment to greater regional assistance which
became embodied in its (1975) Industrial Strategy, with its moves
towards a more integrated planning discipline involving tripartite
government, labour and management concencus of which the NEB, SDA
and WDA proposals were an integral part.

6.2   The Scottish Development Agency

The creation of the Scottish Development Agency under the SDA (1975)
Act did not meet with universal approval.   Needless to say the
Conservatives referred to it as little more than a clandestine attempt
to extend state ownership in Scotland. While the Scottish National
Party (SNP) saw it initially as a token effort by the Labour Government
to prevent their threatened loss of votes north of the border.   Yet
despite this opposition the SDA was generally welcomed as an active
attempt by government to assist and improve the economic future of
Scotland and its people.

From the outset the SDA was given a broad remit which extended
over the whole of Scotland[2] and which included as its major objectives -
the furthering of economic development; the provision, maintenance or
safeguarding of employment;   the promotion of industrial efficiency and
international competitiveness; and the improvement of the environment
particularly in the context of industrial dereliction and the improvement
of urban and industrial surroundings (SDA Act, 1975).   In order to
achieve these objects a broad range of functions were specified for the
Agency. These included:

-    The ability to acquire, hold and dispose of
     securities;

-    To form corporate bodies or partnerships;

---

[2] By agreement with the Highlands and Islands Development Board, most of the
Agency's functions are performed by that Board within the HIDB area.
Exceptions include land renewal, and where specific arrangements have been
made for implementation by the SDA or by the SDA jointly with the HIDB.

- To make loans, give guarantees or give grants;

- To act as an agent;

- To acquire, and dispose of, manage and develop land and premises;

- To make land and premises available for use by other persons;

- To reclaim land;

- To provide advisory services and to promote publicity relating to the functions of the agency.

The SDA was also to become responsible for the administration of selective financial assistance under Section 7 of the Industry Act 1972, i.e. to have a direct responsibility for industry in Scotland. However, these powers have been retained within the SEPD at the Scottish Office.

In carrying out these functions certain criteria of conformity were handed to the Agency from the Secretary of State. For example, the granting of loans and the making of investments were framed in the following terms:

"The Agency is to charge a rate of interest not less than that paid by commercial firms of the highest standard when raising finance."

(SDA Guidelines, 1976, para. 19)

and

"(The SDA) must, as well as other factors, always have regard to the profitability of the enterprise."

(SDA Guidelines, 1976, para. 16)

It is clear, therefore, that right from the beginning the statutory position of the Secretary of State in relation to the Agency was a strong one. Although the specific day to day arrangements were delegated,

government guidelines inevitably imposed severe constraints on
the Agency's independence of operation.   This political control was
    also exercised by the Secretary of State through his power of
nomination or approval for senior Agency appointments.

In order to carry out the purposes assigned to it the SDA was
to receive via its sponsoring department SEPD substantial funding,
with an initial sum agreed of £200 million over a period of five
years. with the possibility of. a further £100 million subject to
Parliamentary permission (Robertson, 1977).   These limits have been
successively increased to the present .(1981) figure of around £800
million.   Yet despite this apparently large amount of money. there
remains some controversy regarding just how much of it can genuinely
be regarded as new, with estimates varying from as little as 30% up
to almost 80%[3].

Part of the argument regarding SDA funding derives from the
fact that at its inception the Agency absorbed into its organisation
three bodies already existing and seen to be operating adequately
within Scotland i.e. the Scottish Industrial Estates Corporation (SIEC)
which had the function of factory building and maintenance,but not
factory siting; the Small Industries Council for Rural Areas in
Scotland (SICRAS); and some time later the Derelict Land Unit at the
Scottish Office.   There was in fact a high degree of continuity between
these pre-existing organisations and their incorporation within the SDA
(see later).   This partly reflected the rationale that many of the
economic and social problems of Scotland could be adequately dealt with
by an expansion of these pre-existing functions.   From this the SIEC
and the Derelict Land Unit became included in the SDA's Environment
Directorate, whilst SICRAS was transferred to the Industry Directorate
to form the Small Business Division.   These absorbed 'functional'
activities were to account for a substantial degree of the SDA's
operations (see later).

---

[3]On the basis of various interviews.

The introduction of some new activities and powers within the SDA's organisation to complement its inherited activities was particularly important if the Agency was to represent any real change in government strategy away from a <u>reactive</u> role, where programmes were drawn up by private enterprise and local authorities and submitted to government for support (i.e. an allocative process - see Chapter 3), to an <u>innovative</u> role where:

> "As a powerful instrument ..... the Agency will
> have the responsibility and resources to play
> a strong entrepreneurial role in identifying and
> promoting industrial modernisation, growth and
> development."

> (Consultative Document, 1975, p.2)

These "innovative" aspects of the SDA's operations were embodied in the Strategic Planning Department, and the Factory Policy Division within the Industry Directorate. The Strategic Planning Department as the "policy" planning section of the SDA was of crucial importance. Its function was to evolve overall plans for investment which would involve the SDA in actively seeking out new programmes rather than waiting to act solely on the basis of applications by firms. The role of the Factory Policy Division in preparing overall strategies for factory building was rather less ambitious yet equally important in terms of the SDA's objectives.

It was this combination of   allocative (i.e. the inherited) and innovative functions within a single organisation which made the SDA a novel and distinctive institution of regional development.

6.3   <u>The Innovative Elements</u>

<u>Industrial Investment</u>

It is through its industrial investment function that much of the SDA's long-term aim of regenerating Scottish industry will ultimately depend. As the former Chief Executive, Lewis Robertson put it:

"The function which is potentially the most
creative and possibly the most contentious is
that of industrial investment.   It is useful,
therefore, to consider this task first and at
greatest length though we must remember that it
takes place against a continuing background of
other activity."

(Robertson, 1977, p.23)

In terms of industrial investment the SDA was given a broad and
flexible range of powers allowing it to give guarantees, make loans
and acquire share capital in companies.   In order to do this the
Agency was required to draw its finance from the National Loan Fund,
and for equity purchases from public dividend capital.   This is
important as the capital requires to be serviced i.e. it cannot be
given away.   As a result, the Agency was obliged to operate its
investment function according commercial criteria.   This was
reinforced by operational Guidelines laid down by the Secretary of
State which specified that the Agency must show a minimum rate of return
and must always have regard for the profitability of its investment
i.e. it must be able to show the prospect of a commercially acceptable
level of profit within a reasonable period of time,   anything less
than a pre-tax return of 20 per cent would require "additional
justification" (SDA Guidelines, 1976).   This clearly ruled any
earlier notions that the Agency would be able to support unprofitable
enterprises (Glasgow Herald, 8 March 1975).   In short the SDA was
compelled to conduct its investment business on a commercial basis.

This emphasis on profitable firms necessarily limited the extent
to which the Agency was able to invest, as profitable firms were able
to secure finance elsewhere.   This problem was partly overcome by the
SDA aiding those enterprises which found it difficult to be considered
by the private institutions.   This inevitably meant that it was obliged
to invest in areas carrying a certain amount of risk.

This notion of profitability also illustrates the potentially conflicting rationalities within the SDA in particular with its role as job provider.   A.s long as the Agency was investing in new manufacturing enterprises it was creating jobs and thereby fulfilling its employment remit.   However, where the SDA invested in an existing company which required re-organisation or which formed part of some sectoral restructuring there was often no option of maintaining or safeguarding employment,but would instead have to shed labour[4].

Evaluation

For a variety of reasons the evaluation of investment programmes is not easy.   However, some crude assessment of the SDA's investment function is provided in figure 6.2   where its industrial investment levels are compared with those of the WDA and with the other main areas of SDA activity.   On the basis of these figures (see Table 6.2) there appears to be little evidence to suggest that either the SDA or the WDA have implemented or pursued a particularly aggressive investment programme.   For example in 1979-80 a considerably larger proportion of SDA expenditure was directed towards its inherited activities; with factory provision and land renewal accounting for £38.5 million and £26 million respectively; rather than towards industrial investment which accounted for only £6.5 million (SDA, 1980).   This relatively small proportion of funding, despite the fundamental importance afforded investment within the SDA itself, may be a reflection of the constraints imposed on its operations by government - in particular profitability.   The fact that up to January 1981 only ten SDA funded firms (out of a total of over 500) had gone into receivership, at a cost of around £7 million (Glasgow Herald, 23 January 1981), gives further indication of the SDA's cautious use of its investment powers.

There are signs that the SDA's emphasis with regard to industrial investment is changing.   This is due in part   to the new investment guidelines (1980), which call for a greater involvement of private sector finance and also encourage the Agency to dispose of its

---

[4]Under the revised SEPD Guidelines, 1980, the SDA is no longer obliged to maintain or safeguard employment although ceteris paribus preference should be given to projects employing more rather than less labour.

TABLE 6.2

AGENCY & PER CAPITA EXPENDITURE 1976-80

Fiscal	Industrial Investment				Land Reclamation SDA %	Factories and Estates SDA %
	SDA	%	WDA	%		
1976-77	0.66	17	0.07	2	7	76
1977-78	1.90	20	2.69	26	27	53
1978-79	1.37	11	2.21	14	31	58
1979-80	1.49	12	1.34	7	55	38

Source: Annual Reports (after P Cooke, 1980)

65

investments at the earliest opportunity (SDA, 1980). But perhaps of greatest importance is the SDA's own attempts to move away from a cautious reactive mode of operation towards establishing a new and more positive role.

The creation of a new Industry Services Division is an attempt on the part of the SDA to provide a direct assistance to help improve the management efficiency of Scottish Industry. The increasing emphasis on technologically based companies through the establishment of a New Ventures Unit (NVU) reflects the increasing importance attached to these sectors by the Agency.

These moves are supported by the activities of the Planning and Projects Directorate (formerly the Strategic Planning Department) which has undertaken a variety of studies in an attempt to seek out new ideas and potential opportunities in Scotland. A major illustration of this was the SDA commissioned study of the Scottish electronics industry (SDA, 1979).

It is this ability of the SDA to take the initiative which is its most important aspect (yet remains perhaps its least developed). Regional policy in Britain has hitherto been restricted to the assistance of projects formulated by industry itself.

This brief assessment of the SDA's role in industrial investment to date has shown many of the limitations and inherent problems the development agency idea carries for such organisations, in particular just how to act dynamically within the limits of what government considers acceptable.

6.4   The Allocative Elements

One of the main features of the SDA idea was the logic of incorporating within a single authority a variety of functions for industrial regeneration and environmental improvement (and later urban renewal) and to provide a strategic approach towards social and economic regeneration in Scotland.

In practice, however, the SDA's ability to adopt a comprehensive approach to regional development in Scotland has been severely constrained by its external dependencies and the need to generate political support for its own actions. Note for example the lack of disturbance in the work of the pre-existing organisations, the SIEC, the Derelict Land Unit and SICRAS within the SDA in order to reduce to a minimum potential opposition. This not only involves the accountability of the SDA to the 'centre', but often creates a complex process of interactions at other levels which can have serious implications for the achievement of agency goals and project implementation (Aitkenhead, 1979). Some brief examples are outlined below.

Land Renewal

It was the limitations of local authorities to make much progress in reclaiming derelict land in Glasgow which saw the incorporation of an environmental improvement function within the SDA. Yet despite this move improvement schemes, although funded by the SDA, remain essentially those of the local authorities through which the schemes are implemented. As a result the successful operation of the Land Renewal Unit depends heavily on the goodwill of the Scottish Office and the cooperation of the many local authorities and public bodies (Thompson, 1980) and there is a clear reluctance to jeopardise this support by the SDA insisting on the implementation of its own schemes.

Factory Schemes

As with land renewal the Agency's operations with regard to factory schemes have been largely 'reactive'. This has meant that the siting of SDA factories has been determined as much by political pressures from government, constituency MP's and local authorities as by objective economic criteria. Although through its Factory Policy Division and the Planning and Projects Directorate (formerly the Strategic Planning Department) the SDA claims to be moving away from this reactive role it still depends heavily on the support of local and central authorities to ensure that projects are implemented, and that a long term political commitment to the Agency's existence is sustained.

6.5   The SDA as Coordinator

As well as its inherited functions and its investment and
strategic planning roles, the SDA was also allocated the responsibility
of coordinator in two main areas of activity - investment promotion,
and in the Glasgow Eastern Area Renewal Scheme.   More recently through
the creation of Task Forces at Cambusland, Glengarnock and Clydebank
the SDA has established for itself a new and more creative role as a
coordinating agency.

Investment Promotion

It had long been argued that the large number of promotional
bodies operating in Scotland, such as the New Towns, Regional and
District Authorities, SEPD, HIDB, etc., was not only wasteful of
resources but was damaging to the overall promotional effort.
Furthermore, the success of the IDA in   attracting overseas
investment seemed convincing evidence of the effectiveness of the
'one-door' approach.   As a result, in parallel with its investment
function the SDA was given the responsibility (taking over from the
Scottish Council (Development and Industry)) for coordinating the various
promotional activities in Scotland.

In its capacity as coordinator the SDA has, however, operated
with only limited success (House of Commons, 1980).   It
is inevitable in a system where the officers of a regional authority
simultaneou sly try to meet the requirements of the SDA and local
politicians that some internal contradictions will emerge.   These
clashes of interest may occur at a variety of other levels, in particular
between the region and the nation - with the SDA actively promoting
Scottish locations whilst at the same time the Department of Industry is
concerned to ensure that all British regions receive equal treatment
(i.e. it adopts an allocative purview).

Within this system of diffused authority at the national, regional
and sub-regional levels (not to mention the EEC) it is hardly surprising
that the SDA has failed to provide an overall coordination of activity.
In this the SDA is further constrained by the fact that half of the

financial package to incoming firms in Scotland lies outside its formal control, being the responsibility of the Scottish Economic Planning Department. In this respect the government, through SEPD, is able to exercise control over those developments it views as either politically or economically undesirable.

Glasgow Eastern Area Renewal

As in the case of industrial promotion the GEAR scheme serves to highlight some of the constraints which the SDA as both a regional development and 'coordinating' agency has had to face.

Apart from its Scotland wide powers discussed earlier, the SDA was given the role of project coordinator in the Glasgow Eastern Area Renewal project which was to involve the activities of a large number of public agencies, including the Regional and District Authorities and the Scottish Office etc., in tackling the problems of 'deprivation' in the area. In order to bring these bodies together a Governing Committee made up of representatives of the various authorities was established. The role of the SDA in this was to provide the strategic overview.

However, it became apparent right from the start that the SDA's ability to coordinate the policies and programmes of the various agencies was limited. The SDA was given no formal authority over their actions and it was clear that there was little willingness on their part to surrender any degree of autonomy (Aitkenhead, 1979).

There were also problems in generating the necessary commitment to the scheme, which after all was only a proportion of the total area of interest within each organisation and had to be continually weighed against other priorities. This was also evident within the SDA, where the inclusion of the GEAR scheme within its remit presented something of a conflict in policy objectives with on the one hand the Agency being committed 'to aiding' unfavourable locations in the east-end, whilst on the other being required to secure the most profitable return on its investments.

69

The lack of success of the GEAR scheme must be attributed
in large part to its inadequate orgnisational design, and the reluctance
of the various agencies to concede any degree of autonomy to the
strategic role of the SDA.   As a result, the SDA has been unable
to secure a proper fulfilment of its role in GEAR.

Task Forces

With the frustration and failure of GEAR still evident
(Mowat, 1980) the establishment of area-based Task Forces within the
SDA represented an important initiative.   Unlike the GEAR project
which was handed to the Agency after only six months of operation, the
Task Force idea emerged from within the Agency itself as a response
to the severe problems of specific areas such as Glengarnock, hit by
steel closures and Clydebank.

The essential feature of the Task Force approach was that it
represented a joint venture, involving the integrated efforts of the
SDA, local authority and the private sector (for example BSC and in
Glengarnock).   Within this the responsibility for policy and
coordination was allocated to the SDA, thereby it was argued
providing a quicker process of decision making and project implementation.
In order to avoid some of the weaknesses experienced in GEAR, it was
felt necessary to give the Task Force a presence in the area concerned
and provide it with sufficient autonomy to resist external interference
on its actions.   Within the SDA itself the overall policy making body
of the Task Forces is the Special Development Division which also
serves to coordinate the various other Agency functions in these areas.

Unlike GEAR the SDA Task Forces have operated with some degree
of success through the promotion of new ventures and management services,
etc.   Similarly, they have not experienced the same levels of opposition
as GEAR, this is due in part   to their 'non-permanent' nature with the
Task Force dissolving once specified thresholds and targets are achieved.
But perhaps of most importance is the fact that Task Forces represent
an attempt by the Agency to evolve new activities in response to new
sets of problems.

6.6   Conclusions

From the evidence it would appear that the Scottish Development Agency represents less of an innovation than might seem at first sight.   True, it embodied the logic of incorporating within a single authority the variety of functions necessary to promote regional development (though it was given no direct power in relation to the provision of infrastructure).   Yet its ability to utilise these functions in an integrated and creative way has been limited.

A significant proportion of the SDA's activity was absorbed from pre-existing organisations such as the Scottish Industrial Estates Corporation and the Derelict Land Unit at the Scottish Office. Yet the essentially 'allocative' manner by which these functions were previously discharged (as part of the formal government machine) has scarcely changed.   This has meant that much of the SDA's energies have been devoted to providing what is essentially a service.   This is not what the development agency idea is about.

The only really new elements of the SDA were its industrial investment and its strategic planning functions.   By incorporating these new activities within an institutional arrangement outside the existing machinery of government (with its bureaucratic constraints and day to day scrutiny) a more innovative approach towards tackling the severe and distinctive problems of Scotland would be possible.   Yet, in its exercise of these new powers the SDA has, despite all its apparent 'advantages', been unable to escape the allocative pressures of government.

Given its fundamental lack of operational freedom and the present economic climate it is difficult to see how the SDA will be able to generate the actions, drive and imagination necessary to do itself out of business and thereby successfully fulfil its role as a development agency for Scotland.

CONCLUSIONS

If the problems of the region are to be confronted some new form of institution capable of transcending the sectional interests of local authorities and the functionally canalised concerns of central government departments is necessary. In chapter 1 some of the institutional formulae for achieving this were suggested. However, of those which have been established in Britain the majority have been afforded a limited capability, with the real power for public action remaining concentrated in the organs of central and local government. The major exception to this condition of institutional impotency at the region has been the ad hoc regional development agencies such as the Highlands and Islands Development Board and the Scottish Development Agency.

Implicit in the creation of these new agencies was a recognition of the need to move away from the day to day political and bureaucratic constraints of existing authorities, which have evolved primarily to deliver a service rather than as planning and development agencies. It can be argued that even if new sets of powers and finance were given to the existing institutions, (as suggested by the Wheatley Commission (1974), which called for a greater strategic and economic planning role for the local authorities (Mowat, 1980)), they could not carry out the task as well as special purpose regional development agencies. Therefore, in order to overcome the limitations of the traditional system of administration, the new agencies would not only require a significant and wide range of powers and a budget to help give expression to them, but also sufficient freedom and autonomy in the initiation of their functions.

These features of the development agency model ensures that it is an institutional formula to which regional planners are favourably disposed. It is also a device which in recent years has gained a fair

degree of political acceptance (Alden and Morgan, 1974).   Yet
despite this it is an arrangement which on the evidence available
from practice has fallen well short of theoretical expectations,
and which has failed to significantly affect the course of the
regional problem.   This may be explained in part by three main
sets of reasons — the problems inherent in the development agency
concept;   the way in which it has been applied in Britain;   and
the environment within which the development agencies have to work.

Some Conceptual Problems .

It has been argued that the creation of regional development
agencies represents an attempt to introduce at the level of the
region a new and more powerful form of planning i.e. innovative
planning (see chapter 3). Although this carries for development
agencies a number of advantages in terms of their ability to come
to grips with serious problems and conditions of crisis at the
region, it also creates for them a number of problems which are
inherent in this style of planning.

The fundamental requirement of innovative planning for
institutional autonomy and independence means that it represents
a potentially undemocratic solution to the problems it is designed
to confront.   This may create for the regional development agency
serious problems concerning its relationship with the people it is
designed to serve who may feel they have little or no say in its
operation, and with government who may wish to act as a check on,
and thereby come into conflict with the agency.   As a result, the
regional development agency is an institutional device which if fully
applied can never satisfy those who wish to see direct accountability
at every level of government.

Another problem which follows on from the previous point is
that the innovative agency may establish a commitment to a particular
course of action which becomes ingrained in its organisation and
given the administrative autonomy of the agency is therefore preserved from challenge.
In this way the development agency may lose its contact with and
sensitivity to the initial problem it was set up to confront.

73

Although innovative planning and its embodiment in the development agency idea may appear to represent a radical change in government administration, it may act as a substitute for, and thereby serve to delay, more fundamental reforms within the administrative framework. In other words, the problem may lie in the poor structure and performance of the main established institutions and that new institutions may simply serve to cover up this fundamental weakness.

Problems Emerging from Practice

In their application within Britain, regional development agencies have been severely constrained by their need to work with and through existing bodies in their environment. For example, the Scottish Development Agency in the fulfilment of its land renewal function must operate with and secure the support of local authorities upon whom it relies for the submission and implementation of schemes. As a result, the SDA becomes restricted to pursuing those projects which have the acceptance of the local authorities. This may incline the planning process towards the development of actions emerging out of consensus and bargaining, which may serve to constrain the agency's fulfilment of its role as a regional development agency.

Similarly, development agencies have been used to supplement rather than completely replace other central government functions and activities in their areas. This, together with their demands for operational independence, may pose severe relational problems. This point is illustrated by the activities of both the Scottish Development Agency and the Scottish Economic Planning Department with regard to inward investment in Scotland. Although the SDA may find the investor and bring them in the negotiation of the financial package remains largely the concern of SEPD - a government department within the Scottish Office. This kind of dependence on other agencies, each with their own operational procedures and criteria for judging schemes etc., imposes severe constraints on the SDA exploiting its own flexibility as an innovative agent of development.

In practice, therefore, it has proved difficult for regional development agencies to provide the necessary element of coordination between schemes at the strategic level of the region, and to create among the various agencies involved with regional development a commitment to their operations. . Thus there is the tendency for development agencies to operate in those areas where external dependancies and interference is minimised at the expense of tackling the fundamental problems.

Within the agencies themselves there is the problem of how to fulfil the miscellany of broadly stated objectives, some parts of which may prove to be contradictory. For example, at its inception the purposes of the SDA included the safeguarding of employment as well as the promotion of industrial efficiency and international competitiveness (SDA Act, 1975). These potentially conflicting purposes have since been resolved through revised operational Guidelines (SEPD, 1980) which state that industrial efficiency should prevail in the long term interest of building up a soundly based industrial structure. Nevertheless, a number of other contradictions remain embodied within the Agency's organisation. This is an inevitable problem facing multi-purpose agencies.

Perhaps the major constraint on the operations of regional development agencies in Britain results from their creation in a form which demands a high degree of accountability to central government. In particular, they are dependent on central government for their funding. In this way government is able to apply a wide degree of control over the agencies expenditure and on the exercise of their functions. For example, the rigid requirement of profitability imposed upon SDA investments (SEPD, 1980) limits the extent to which it is able to act as an agent of regional development rather than as a merchant bank. As the former Chief Executive of the SDA, Lewis Robertson, notes:

> "There is no development agency in the world which
> doesn't proceed on the basis of aiding a considerable
> number of projects, some of which will fail. It has to
> be accepted that a proportion of failures is what a
> development agency is all about."

> (Glasgow Herald, 23 January, 1981)

This illustrates the fundamental problem facing the development agency in Britain of how to act dynamically and yet do so within the limits of what government considers acceptable.

A variety of ways of overcoming this dependence on central government have been proposed for the Scottish agencies i.e. the HIDB and the SDA, including the use of North Sea oil revenues to finance their operations and the 'earmarking' of funds like the Cassa per il Mezzogiorno in Italy.   There are some good arguments in favour of this apart from the nationalist arguments of reducing Scotland's dependence on England.   It could ensure, for example, the channelling of the product of a free resource i.e. North Sea oil, into productive investment rather than defense or wherever else the government might wish to divert the proceeds. This principle has been followed up in other countries such as Chile, where the product of its copper taxation is channelled into the Corporation de Fomento de la Produccion (CORFO) a development bank, and in Kuwait where a good deal of its oil revenue is directed into finance agencies and banks.

However, it would appear that the Treasury has a pathological aversion to this kind of earmarking, where it is contended that once the precedent has been set whisky drinkers will start insisting that all excise duty be spent solely on pubs, and motorists will demand that all motor taxation goes towards roads etc.   Furthermore, it would appear unlikely that central government would wish to surrender to regional development agencies any real degree of control over areas of policy concerned with regional development, such as the directing of industrial, commercial and infrastructure investments, which are arguably among "the most powerful tools available to governments in their efforts to control, regulate or transform urban society." (McKay and Cox, 1979, p. 20).   It may be feared by governments that these powerful institutions might put regional considerations ahead of national priorities.   This is because development agencies have tended to identify with regional interests and have built up a political following among certain sections of the population.   Only political criteria are able to resolve this complex issue.

Broader Considerations

It has been argued that development agencies in Britain carry with them problems inherent in their organisation as well as a number of problems particular to each. In addition to this the adverse conditions within which they have been set to work imposes severe restrictions on their operation. In particular, the effects of rapid national economic change and the world recession on vulnerable regions such as Scotland (regions being 'open economies') have served to undermine most of the actions taken by development agencies. To this end the solutions to regional problems may lie beyond the scope of regional institutions no matter how powerful they may be.

The long standing failure of attempts to reverse the trends of regional decline may/owe more to our inability to facilitate control over the complex dynamics of urban and regional processes, than to our failure to fully implement particular institutional and methodological solutions.

Final Comments

The significance of the development agency idea lies in the fact that many problems may develop in a national space which fail to fit the established institutional structure of society. In such cases new institutions may be required in order to adequately confront these problems. Despite this the regional development agency is an institutional device which suffers certain disadvantages, in particular its potentially undemocratic nature and its often tentative relationship with the people it is designed to serve and with other agencies in its environment. Given these problems there is a clear need to determine when it is an appropriate institutional solution.

The development agency should only be resorted to where there is a marked discrepancy between an area's actual and potential level of development, and where its sphere of operation can be clearly separated from those of established agencies (Alden and Morgan, 1974). This may point the need toward more specialised agencies with powers skewed accordingly. It has also been suggested that the development agency

77

idea is only likely to be implemented anyway where it touches deeply felt regional or national sentiments (Grieve, 1973). This has implications for the possible extension of the development agency idea to areas such as the north-east of England (see Guardian, 6 December, 1980). Economic arguments alone may be insufficient grounds for such an agency. In those areas where it has been resorted to it may be necessary to accept some of its weaknesses as the inevitable price to be paid for the solutions to the problems which it confronts.

There is a need for more academic, professional and popular discussion on the alternative means of institutionalising regional decision making. If institution building is to progress then it should have a clear consideration for the objectives of the exercise in terms of defining ends rather than just institutional means. No amount of institution building and re-building can substitute for policy. Good administration will depend on good policy formulation and close links between the two. Unless the debate derives from such a perspective it is likely to become bogged down in hollow discussion about structures.

(approx. 26,000 words)

BIBLIOGRAPHY

ADAMS, G. (1976) "The Highland Dilemma" New Society 26.2.76
Vol. 35, No. 699.

AITKENHEAD, D. (1979) "The Management of Public Agencies in an
Inter-Organisational Context"
Unpublished M. Phil, thesis, Department of Town and Regional
Planning, University of Glasgow.

ALDEN, J. and MORGAN, R. (1974) "Regional Planning : A Comprehensive View"
Leonard Hill.

ALLAN, M. (1974) "A Future for Regional Planning?" Built Environment
Vol. 3, No. 9.

ALLEN, K. and MACLELLAN, M.C. (1970) "Regional Problems and Policies in
Italy and France"   University of Glasgow Social and Economic
Studies No. 9.   Allen and Unwin.

ALLEN, K.J. and STEVENSON, A.A. (1974) "An Introduction to the Italian Economy"
Glasgow Social and Economic Research Studies 1.   Martin Robertson.

BARON, P. (1973) "The Political Economy of Growth" London : Pelican.

BROWN, G. (ed.) (1975) "The Red Paper on Scotland"   E.U.S.P.B. Edinburgh.

BRYDEN, J. and HANLON, G. (1976) "Agrarian Change in the Scottish Highlands"
London : Martin Robertson.

BRYDEN, J. (1979) "Core Periphery Problems : the Scottish Case" in
Seers, D. et al (eds.) Underdeveloped Europe : Studies in Core
Periphery Relations.   Harvester Press.

CARTER, I. (1975) "A Socialist Strategy for the Highlands" Brown, G. (ed.)
The Red Paper on Scotland E.U.S.P.B.

CHADWICK, G. (1971) "A Systems View of Planning" Oxford : Pergamon.

COOKE, P. (1980) "Discretionary Intervention and the Welsh Development
Agency" Area. Vol. 12, No. 4.

DAVIDOFF, P. (1965) "Advocacy and Pluralism in Planning"   Journal of
the American Institute of Planners, Vol. 31, No. 4.

DIAMOND, D.R., SPENCE, N.A., BRINDLE, D. and WARREN-PIPER, J. (1980) "Regional Policy and Regional Development in Scotland" Background Report and Main Report. London School of Economics and Political Science.

DONNISON, D.V. (1974) "Regional Politics and Regional Government" in Sant, H. (eds.) (1974) op. cit.

DONNISON, D.V. (1974) "The Economics and Politics of the Regions" in Gillingwater, D. and Hart, D.A. (eds.) (1978) op. cit.

EVERSLEY, D. (1974) "Four Outdated Assumptions" Built Environment Vol. 3, No. 9.

FALUDI, A. (1973) "A Reader in Planning Theory" Pergamon Press.

FALUDI, A. (1973) "Planning Theory" Pergamon Press.

FIRN, J.R. and MACLENNAN, D. (1979) "Devolution : The Changing Political Economy of Regional Policy" in Maclellan, D. and Parr, J.B. (eds.) (1979) Regional Policy : Past Experiences and New Directions.

FRIEDMANN, J. (1966) "Planning as Innovation" Journal of the American Institute of Planners. July 1966.

FRIEDMANN, J. (1967) "A Conceptual Model for the Analysis of Planning Behaviour" Administrative Science Quarterly September. Vol. 12, No. 2.

FRIEDMANN, J. (1972) "Implementation and Regional Planning" in Gillingwater D. and Hart, D.A. (eds.) (1978) pp. 154-174.

FRIEDMANN, J. (1973) "Retracking America : A Theory of Transactive Planning" New York : Anchor Press.

FRIEDMANN, J. (1973) "Urbanization, Planning and National Development" Sage Publications.

FRIEDMANN, J. (1976) "Innovation, Flexible Response and Social Learning : A Problem of Meta-Planning" Centre for Environmental Studies. Internal paper : London.

FRIEDMANN, J. and WEAVER, C. (1979) "Territory and Function : The Evolution of Regional Planning" Edward Arnold.

GARBETT-EDWARDS, D.P., POWELL, B., HOWELL, E., BROADY, MOND, RYAN, A. (1979)
"New Agencies in Wales" Regional Studies Association. Discussion
Paper 12.

GASKIN, M. (1974)"Centre and Region in Regional Policy" in Sant, M. (ed.)
(1974) op. cit.

GEDDES, M. (1979) "Uneven Development and the Scottish Highlands"
Urban and Regional Studies, Working Paper 17. University of Sussex.

GILBERT, A. (ed.) (1976) "Development Planning and Spati al Structure"
John Wiley and Sons.

GILLINGWATER, G. (1975) "Regional Planning and Social Change" Saxon House.

GILLINGWATER, D. and HART, D.A. (ed.) (1978) "The Regional Planning Process"
Saxon House.

GLASSON, J. (1974) "An Introduction to Regional Planning : Concepts,
Theory and Practice" London : Hutchinson.

GRIEVE, R. (1973) "Scotland : Highland Experience of Regional Government"
Town and Country Planning. March, Vol. 41, No. 3.

GRIEVE, R. (1980) "In Retrospect : 40 Years of Development and Achievement"
The Planner May 1980.

HADDOW, D. (1979) "Appointed and Ad Hoc Agencies in the Field of the
Scottish Office" in Drucker, H.M. and Drucker, N.L. (eds.)
The Scottish Government Yearbook 1979. Edinburgh : Paul Harris.

HALL, P.G. (1970) "Theory and Practice of Regional Planning"
Pemberton Books

HALL, P.G. (1975) "Urban and Regional Planning" Pelican.

HALL, P.G. (ed.) (1980) "A Radical Agenda for London" Fabian Tract 469
Fabian Society.

HAMBLETON, R. (1979) "Towards Theories of Public Learning" in Pollit et. al. (ed.)
Public Policy in Theory and Practice. Hodder and Stoughton.

HANSON, A.H. (1965) "Parliament and Public Ownership" Routledge and Kegan
Paul.

HANSON, A.H. and WALLES, M. (1975) "Governing Britain : A Guidebook
to Political Institutions" Fontana.

HAYWARD, J.E.S. and WATSON, M.H. (eds.) (1975) "Planning Politics
and Public Policy" Cambridge University Press chs. 21, 22.

HIGHLANDS AND ISLANDS DEVELOPMENT BOARD (1967) "First Report" Inverness,
HIDB.

HIGHLANDS AND ISLANDS DEVELOPMENT BOARD (1974) "Ninth Report" Inverness,
HIDB.

HIGHLANDS AND ISLANDS DEVELOPMENT BOARD (1979) "Fourteenth Report"
Inverness, HIDB.

HIGHLANDS AND ISLANDS DEVELOPMENT BOARD (1979a) "The Highlands and
Islands : A Contemporary Account" Mimeo.

HIRSCHMANN, A. (1963) "The Strategy of Economic Development"
Yale University Press.

H.M.S.O. (1940) "Royal Commission on the Distribution of the Industrial
Population" The Barlow Report cmnd. 6153.

H.M.S.O. (1961) "Inquiry into the Scottish Economy 1960-61" Scottish
Council (Development and Industry) The Toothill Report.

H.M.S.O. (1963) "Central Scotland : A Programme for Development and
Growth" Scottish Development Department cmnd. 2188.

H.M.S.O. (1965) "The National Plan" Department of Economic Affairs
cmnd. 2764.

H.M.S.O. (1966) "The Scottish Economy 1965-1970 : A Plan for Expansion"
Scottish Office cmnd. 2864.

H.M.S.O. (1970) "Economic Planning in Scotland" Report and Proceedings
House of Commons. Select Committee on Scottish Affairs. Session
1969-70.

H.M.S.O. (1975) "Scottish Development Agency Act 1975" Chapter 69.

H.M.S.O. (1980) "Inward Investment" Vol. 2. House of Commons,
Committee on Scottish Affairs, Second Report.

HOGWOOD, B.W. (1979) "The Tartan Fringe : Quangos and Other Assorted
Animals in Britain" Studies in Public Policy. No. 34. University
of Strathclyde.

HOOD, C. (1968) "Keeping the Centre Small : Explanations of Agency Type"
Political Studies Vol. 26, pp. 30-46.

HUGHES, J.T. (1974) "Economic Planning" in Bruton, M.L. (ed.) (1974)
The Spirit and Purpose of Planning. London : Hutchinson.

JORDAN, G. (1976) "Hiving Off and Departmental Agencies" Public
Administration Bulletin, No. 21, August.

KELLAS, J.G. (1975) "The Scottish Political System" Second Ed. Cambridge
University Press.

KELLAS, J.G. (1977) "Decentralisation and Devolution : Policy Making
in Education and Regional Development in Scotland" Paper for
E.C.P.R. Berlin.

KING, R. (1975) "Italy" in Clout, H.D. (ed.) Regional Development in
Western Europe. Wiley.

KLAASSEN, L.H. (1965) "Area Economic and Social Redevelopment : Guidelines
for Programmes" Paris O.E.C.D.

KUKLINSKI, A.R. (1970) "Regional Development, Regional Policies and
Regional Planning, Problems and Issues" Regional Studies, October
Vol. 4, No. 3.

LA PALOMBARA, J. (1966) "Italy : The Politics of Planning" Syracuse
University Press.

THE LABOUR PARTY : SCOTTISH COUNCIL (1973) "Scotland and the National
Enterprise Board"

LAW, C.H. (1980) "Regional Development Since World War I" Problems
in Modern Georgraphy Series. David and Charles.

LILIENTHAL, D.E. (1953) "T.V.A. - Democracy on the March" New York :
Harper and Brothers.

LOASBY, B.J. (1976) "Choice, Complexity and Ignorance" Cambridge
University Press.

MAASS, A. (1962) "System Design and the Political Process : A General
Statement" in Maass, A. et. al. Design of Water Resource Systems
Harvard Press.

MACGREGOR, B. (1979) "Regional Planning in a Remote Rural Area : the
Highlands and Islands Development Board" Town and Country Planning
Summer School, Report of Proceedings.

MACKAY, G.A. (1978) "A Study of the Economic Impact of the Invergordon Aluminium Smelter" H.I.D.B. Special Report 15.

MACKAYE, B. (1928) "The New Exploration : A Philosophy of Regional Planning" New York : Harcourt, Brace and Co.

MACLENNAN, D. and PARR, J.B. (eds.) (1979) "Regional Policy : Past Experiences and Future Directions" Glasgow Social and Economic Research Studies 6. Martin Robertson.

MAGNUSSON, M. (1968) "Highland Administration" in Thomson, D.C. and Grimble, I. (ed.) The Future of the Highlands. Routledge and Kegan Paul.

MANNERS, G., KEEBLE, D., RODGERS, B. and WARREN, K. (1980) "Regional Development in Britain" 2nd Edition. John Wiley and Sons.

MOORE, B. and RHODES, J. (1974) "Regional Policy and the Scottish Economy" Scottish Journal of Political Economy Vol. 21 pp. 215-35.

MOUNTJOY, A.B. (1973) "The Mezzogiorno" Oxford University Press.

MOWAT, D. (1980) "Task Forces : Evolution and Application" Unpublished Dissertation, Department of Town and Regional Planning, University of Glasgow.

MUNZER, M.E. (1969) "Valley of Vision : The T.V.A. Years" New York : A.A. Knapf.

McCALLUM, J.D. (1979) "The Development of British Regional Policy" in Maclennan, D. and Parr, J. (eds.) op. cit.

McCRONE, G. (1965) "The Highland Development Board" New Society No. 6. 2 December pp. 15-17.

McCRONE, G. (1976) "Regional Policy in Britain" London : George Allen and Unwin.

McGILL, J. (1976) "Industry, the State and the Individual" London : Blackie.

McGILL, J. (1977) "Enterprise in a Mixed Economy" Blackie.

McKAY, G.A. (1973) "Scotland" in Broady, M. (ed.) Marginal Regions : Essays on Social Planning. Bedford Square Press.

McKAY, D.H. and COX, A.W. (1979) "The Politics of Urban Change" Croom Helm.

NOVE, A. (1975) "Planning : What, How and Why" Fraser of Allander Institute Speculative Papers No. 1. University of Strathclyde.

O.E.C.D. (1973) "Issues of Regional Policies" Paris.

PAINTER, C. (1972) "The Repercussions of Administrative Innovation : The West Midlands Economic Planning Council" Public Administration Vol. 50 Winter 1972 pp. 467-84.

PATTERSON, J.H. (1976) "North America" Oxford : Oxford Press.

PETERSON, A.W. (1966) "Machinery for Economic Planning : Regional Economic Planning Councils and Boards. Public Administration. Spring 1966.

PIFER, A. (1975) "The Quasi-Non-Governmental Organisation" in Hague et. al. (1975) Public Policy and the Private Interests London : MacMillan.

POLLITT, G., LEWIS, L., NEGRO, J. and PATTER, J. (1979) "Public Policy in Theory and Practice" Open University Publication. Hodder and Straughten.

PRESSMAN, J.L. and WILDAVSKY, A.B. (1973) "Implementation" Berkeley : University of California Press.

ROBERTSON, L. (1977) "The Scottish Development Agency" in Drucker, H. (ed.) Scottish Government Year-book 1978. Edinburgh : Paul Harris.

RODGERS, W. (1971) "Regional Development Corporation Bill" House of Commons.

SANT, M. (ed.) (1974) "Regional Policy and Planning for Europe" Saxon House.

SANT, M. (1977) "Social Disparities and Regional Policy in Britain" in Kuklinski, A. (ed.) Social Issues in Regional Policy and Regional Planning. Mouton and Co.

SCOTTISH ECONOMIC PLANNING DEPARTMENT (1977) "Scottish Development Agency Industrial Investment Guidelines" SEPD Edinburgh.

SCOTTISH ECONOMIC PLANNING DEPARTMENT (1980) "Scottish Development Agency Industrial Investment Guidelines" SEPD Edinburgh.

SCOTTISH DEVELOPMENT AGENCY (1976) "First Report" Glasgow.

SCOTTISH DEVELOPMENT AGENCY (1977) "Scottish Development Agency Report 1977" Glasgow.

SCOTTISH DEVELOPMENT AGENCY (1977a) "Evidence to the Committee to Review the Funcioning of Financial Institutions (Wilson Committee)" Glasgow.

SCOTTISH DEVELOPMENT AGENCY (1979) "The Electronics Industry in Scotland : A Proposed Strategy" Glasgow

SCOTTISH DEVELOPMENT AGENCY (1980) "Report 1980" Glasgow.

SEERS, D., SCHAFFER, B. and KILJUNEN, M. (ed.) (1979) "Under-developed Europe : Studies in Core Periphery Relations" Institute of Development Studies. Harvester Press.

SELF, P. (1970) "Regional Administrative Machinery and Planning" Conference Proceedings. Regional Studies Association.

SELZNICK, P. (1966) "T.V.A. and the Grass Roots" New York : Harper.

SENIOR, D. (1974) "Structural Realities" Built Environment Vol. 3, No. 9.

SMITH, B.C. (1965) "Regionalism 2 : Its Nature and Purpose 1905-65" London : Acton Society Trust.

SMITH, R. (1975) "New Town and its Region : A Biography of East Kilbride" Report for Building Research Establishments. University of Glasgow.

STEPHEN, F. (1975) "The Scottish Development Agency" in Brown, G. (eds.) The Red Paper on Scotland. E.U.S.P.B.

THOMPSON, M.W. (1980) "Land Renewal, the Scottish Development Agency and a Programme of Treatment" Unpublished Dissertation. Dept. of Town and Regional Planning. University of Glasgow.

VANHOVE, N. and KLAASSEN, L.H. (1980) "Regional Policy : A European Approach" Saxon House

WALKER, D.F. (1980) "Planning Industrial Development" J. Wiley & Sons Ltd.

WATSON, M.M. (1970) "Regional Development and Administration in Italy" London : Longmans.

WATSON, M. (1978) "A Critique of Development from Above : The Lessons of French and Dutch Experience of Naturally Defined Regional Policy" Public Administration. Vol. 56 Winter pp. 457-481.

WEST CENTRAL SCOTLAND PLAN TEAM (1974) "The Regional Economy"
Supplementary Report 1 Glasgow : W.C.S.P.T.

WILLIAMS, A. (1973) "The Highlands and Islands Development Board
(1965-70)" Unpublished M. Litt. Thesis. University of Glasgow.

YOUNGSON, A.J. (1973) "After the Forty-five : The Economic Impact on
the Scottish Highlands" Edinburgh : University Press.

YUILL, D., ALLEN, K. and HULL, C. (eds.) (1980) "Regional Policy in
the European Community : The Rise of Regional Incentives"
London : Croom Helm.

ZETTER, J. (1974) "Devolving to the States" Built Environment 1974
Vol. 3, No. 4.