15 The Re-emergence of Community Economic Development in Britain: the European Dimension to Grassroots Involvement in Local Regeneration

The death of 'trickle-down' and the shift to 'bottom-up'

The focus of this chapter is on the way in which European Commission funding opportunities have helped to reshape attitudes to local and regional economic regeneration. In particular we examine the European Commission's efforts to ensure that a community economic development (CED) spending priority was inserted into Objective 2 Structural Funds programmes in Great Britain. At one level this can be seen as part of an ideological contest between the neoliberal approaches to regeneration held by the then Conservative-led UK government and the Commission's agenda for an approach which placed greater emphasis on the importance of direct interventions to combat social exclusion (see Lloyd and Meegan 1996). One product of this difference of views was that, while the Commission successfully introduced a spending priority in this area from 1994 onwards for those British regions eligible for Structural Funds, in practice it found that attempts at innovation were not emerging in the ways expected. This was due at least as much to the nature of the bureaucratic structures and local elites involved as to outright opposition by the government of the day. To some extent it was also linked to the fact that earlier attempts at this kind of approach had either been discredited or simply that their successes had leaked from the collective memory.

In England, though not in Scotland, approaches akin to CED had fallen far down the regeneration agenda during the 1980s 'high water' years of neoliberalism. The discourse of urban and regional development and the shape

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of the administrative system to support it was dominated by 'trickle-down' ideology and attempts to facilitate private sector investment. As the prime beneficiaries during earlier European programming periods, local development consortia— with their fixation on sites and premises, concert halls, tramways, sports venues, science parks and the like—exerted a virtual hegemony over the allocation of ERDF funds. This was entirely consistent with the mood of the times. While community activism was strong in the rhetoric of programme legitimation, it remained residual in terms of funding, although the advent of City Challenge and SRB in the early 1990s (see chapters 5, 8 and 13 especially) signalled the beginnings of a shift towards a more community-oriented regeneration approach.

It was in this policy terrain that the European Commission began to assert its own agendas for regional regeneration during the early 1990s. The timing was important. Inward investment and big infrastructure projects dominated the policy landscape but there was a growing unease that they were not working well in value for money terms. There was, at the same time, a welling up of local sentiment that something needed to be done beyond waiting passively for 'trickle-down' to arrive. In purely financial terms, the weight of European resources in the overall sum available for development policy in assisted English regions was small but exerted an influence far greater than its cash share, not least as UK central government funding on regional and urban regeneration was cut back.

Administratively, European Structural Funds are handed down from the Commission following the drawing up of an agreed regional strategy and a spending framework through the medium of a single programming document (SPD). Agreement is required between the Commission, the national government and key social partners, with the latter group involving a wide-ranging field of local authorities, private sector bodies, quangos such as Training and Enterprise Councils (TECs), trade unions and voluntary sector bodies. In practice, consultation between the national government and social partners in earlier periods was at best selective and the SPD was conceived more as a guide to financial accountability than a plan for regional development. The preparation of the SPD and subsequent negotiations with the Commission tended to be dominated by the regional offices of central government. The tone was, for the most part, an agenda of close scrutiny driven by scepticism to anything other than conventional, private-sector-oriented economic development measures. What appeared to be effectively a re-absorption of this new spend into agencies like TECs or those local authorities, colleges, universities and voluntary sector 'brand-names' more than willing to use it to compensate for their own shrinking inputs from government led to endless unresolved debates about real additonality. It also served to draw many of these public sector players into a significant dependency on European Structural Funds for the maintenance of key internal programmes. This led, in turn, to powerful private sector criticism that, as the regional 'wealth creators', they were ill served by what they saw as a 'grabbing' public sector conspiracy which kept them out — an interesting paradox when the government agenda was to privilege the private sector role as the engine of redevelopment.

Given this background, the Commission's attempts to negotiate a new 'bottom-up' spending axis relating to CED in the regional strategies for European funding was nothing if not controversial. In previous rounds of regional programmes, spending had tended to be across fairly conventional categories, such as transport links, land reclamation and preparation for industrial use, and small-firm support. Later programmes tended to broaden, emphasising technology transfer initiatives, labour market support programmes and tourism and development. In effect, however, all were distinctly 'top-down'. To a considerable extent local government and central government were both happy to see programme spending dominated by large-scale projects, such as improving public transport and building industrial estates, which supported their existing work programmes in these areas. Notions of genuine 'bottom-up' CED programmes met with so much active resistance — after all who could really disagree with it as a policy direction — more a view that it could be moulded to a policy direction that existing spending patterns by the major partners to be retained. This would, in effect, subvert the intentions of the Commission for a genuine grassroots initiative.

Rediscovering the benefits of mobilising local communities as actors in economic regeneration through the development of CED measures in English regional programmes under the Structural Funds dramatically forced the pace of change in thinking about new approaches to local and regional development. Consequently, in many areas regional partners are nowadays having to grapple with new concepts of community empowerment and community building. This involves a search for new ways in which to work with community groups. This process — of re-establishing the community roots of local regeneration and of winning the hearts and minds of the various actors involved — is the intriguing story which we can begin to analyse here. We start with a brief introduction to some key theoretical issues, recognising that earlier chapters in this book have already begun to establish much of the theoretical background. Following on from this, we begin to look at how the attempts to revive CED have mapped on to different parts of the UK, focusing on just three regions, the North West, North East, and Yorkshire and Humberside. We have interviewed many individuals among all the protagonists for different views and large numbers of key stakeholders through a variety of research contracts during the last five years. In reporting these interviews we have sought to anonymise respondents and to capture the flavour of a debate which continues to take place though under very different circumstances where the government of the day declares its full support both for a direct attack on social exclusion and for local and 'bottom-up' approaches.
NEW PLAYERS, COMPETING DISCOURSES AND STRUGGLES FOR LEGITIMACY

Central to much of the recent history of regional and local regeneration in England has been the nature of the shifting alliances within the emerging urban and regional governance structures, notably the insertion of private sector and public–private quango (e.g. TECs) leaders into all manner of partnerships, including EU Structural Fund arrangements (Lloyd and Meegan 1996). Also in flux have been definitions of what regeneration problems are and what should be regarded as the most suitable tools for addressing these problems. It is possible in this context to see various policy approaches, such as CED and private-sector-led regeneration, as competing with each other for legitimacy.

During the 1980s the dominant approach favoured the neoliberal obsession of the government of the day. The agenda was strictly one of fostering entrepreneurialism and making factor and product markets work more efficiently. Outside this framework intervention was declared to be second order and pejoratively labelled ‘social and soft’ as opposed to ‘economic and hard’. State support for ‘fame duck’ industries was effectively withdrawn and provision for the downside effects of this was itself drawn into a competitive bid and challenge process, and targeted spatially and sectorally. Funding for development was, therefore, restricted to a more narrowly circumscribed economic agenda over social, environmental and housing interests. Physical development in housing, service sector office, retail and leisure development led the way. Stimulating private investment to return to the major cities was the key plank of policy and it was the revival of consumption and its multiplier effects that was to be the engine of regeneration.

More widely, assumptions were made that a passive system of welfare benefits created a ‘dependency culture’ and that this, in turn, promoted the breakdown of communities and the further economic downward movement of individuals. The policy emphasis was on bringing about regeneration through an agenda of wealth creation, with the further assumption that this would lead to benefits ‘trickling down’ to those most in need. In urban programmes a marked shift emerged away from direct social interventions by public bodies in favour of local economic development initiatives through competitive bidding and ‘challenge’ competitions. Welfare policies tended to focus on forcing ‘responsibilities’ on to the unemployed. These involved compulsory take up of training schemes but, as there was little attention to overcoming structural barriers, in most cases this simply amounted to training for its own sake through often ineffective state-funded schemes. This links to what Jessop (1994) terms the Schumpeterian workfare state, with its emphasis on a ‘hollowing out’ of the nation state, linked to a search for local supply-side solutions to regeneration problems. In the 1980s version of workism, local leaders seeking to win in bidding for central government funding and attracting inward investment

found that with neoliberalism effectively the only game in town, the only options were to play or lose out.

The election of a Labour government in May 1997 saw the emergence of a less ideologically driven and more experimental approach. In regeneration terms this appears to involve a commitment to a greater emphasis on ‘restructuring for community’ and there is a recognition that previous policies had supported widening income disparities and allowed poverty to grow at the macro scale. There is also a clear view of the damage at the micro scale in the deprived neighbourhoods and localities (Social Exclusion Unit 1998).

The emergent New Deal initiative in all its forms represents an attempt to graft a concern with the damaging effects of social exclusion on to a largely unchanged economic platform of neoliberalism. The only acknowledged route to social inclusion is through a paid job and the key way to gain access to work is to raise one’s ‘biddability’ as a worker by becoming more employable.

This is an attempt to redefine regeneration as again combining social (inclusion) and economic (enhancing competitiveness) priorities. It is entirely consistent with European Union objectives for achieving dynamic growth with social cohesion. Alternatively, to its critics, the New Deal form of workism strays little from an older government agenda that it is a duty on the unemployed to make themselves employable and that the only obligation for employers is to be competitive in a market context. While there is an attempt to address environmental priorities within the emergent policy nexus, as yet it is too early to see how economic, social and environmental priorities are to be traded off against each other.

Although we have set them out historically, it is important not to see the two main ideological strands of the past twenty years as a simple and chronological sequence; rather they represent dynamically evolving options, which compete with each other for legitimacy, particularly in transition periods. All the key players, not least local partnerships, seek to develop and ally themselves with approaches which are most likely to serve their needs while keying in with the policy objectives of national and European funding bodies. However, pursuing the European line in the past proved a difficult balancing act since it is possible to regard British Conservative governments as having been engaged in ideological warfare with the European Commission over regeneration policy, particularly in the early 1990s (Lloyd and Meegan 1996).

In effect, the emergence of the CED spending priority in European regional programmes mapped itself directly onto this fault-line between the British government of the time and the European Commission. The story of the insertion of CED from 1994 onwards involves a complex tale of resistance and hesitation of those in England charged with producing European regional programmes, followed by a process of subtle subversion and capture of the CED agenda. Significantly, rather than confronting the differences in ideological position head on it was through the micro-politics of project selection, monitoring and evaluation that innovative forms of CED were undermined in favour
of conventional regeneration programmes which facilitated the status quo of funding capture by the usual beneficiaries. Progress was also impeded by bureaucratic blockages, including slow responses to small projects without major backers. In the first period of active intervention, innovative approaches to CED appeared to be being thwarted, and it was this which led to our being asked to work for the European Commission to help find out how things could be improved for later funding programmes (see Lloyd et al. 1996). Much of what follows draws on our experience on this research project and also on our earlier role as advisors to the Commission for six regional programmes submitted for approval in 1992-94, a period when much of the formative discussions took place over the nature of European funded approaches to community economic development.

EUROPEAN REGIONAL STRATEGIES AND COMMUNITY ECONOMIC DEVELOPMENT

From the outside it appears as if from the early 1990s, the European Commission entered into a period of fundamental reflection about how best to achieve its goals of regional restructuring with social cohesion, in particular whether more community-based initiatives were preferable to the large-scale infrastructure developments which had previously been funded. The disadvantage of large infrastructure projects was that they appeared to be 'leaky' in terms of retaining local benefits. For deprived areas there is a need not only to create jobs but also to keep money circulating locally and to build up the locally controlled asset base (Chanen 1996). Intimations of this trend in thinking can be found in the development of community initiative programmes such as RECHAR (conversion of former coalfield areas), LEADER for rural areas and URBAN, which began to experiment with a more bottom-up approach to regional reconversion. For the major programmes in UK regions affected by industrial decline, the first indication of the proposed change of direction came with the adoption of a measure for 'Pathways to Integration' in the plan for Merseyside. This was the first attempt by the Commission itself to prioritise a CED approach in regional plans (although it had long been adopted as a locally determined priority in the West of Scotland Objective 2 programme). One of the key ingredients of the Merseyside 'Pathways' approach was the adoption of spatial targeting as a means to channel resources to communities of intense deprivation. The aim was to re-assert linkages between socially excluded people living in such areas and the mainstream economy. The particular significance of the Merseyside plan was that it was the first to be negotiated in that particular funding round. It was also the first time that an English region had obtained Objective 1 funding (signifying a high level of problems and triggering a much higher funding level than for remaining areas covered by Objective 2 status). Given this precedent-setting role, the negotiations between Europe and the UK central government over the Merseyside plan were unusually intensive and protracted.

In due course, some form of CED spending priority axis was inserted into most British Objective 2 SPDs following negotiations with the Commission. This came after the original UK government submissions had been forwarded in the nationally prescribed traditional form — effectively 'downloaded' from the central departments. The documents tended towards a general blandness and a uniformity around measures which matched UK central government departmental interests, such as SME support, technology transfer, and training. They tended to favour the co-financing of existing UK schemes and closely mirrored the activities for which national Public Expenditure Survey (PES) cover had already been assigned by the relevant central departments. In the mood of the times there was a reluctance to buy into new (especially European) ideas, and the prevailing ethos was that the Structural Funds were there to be 'drawn down, spent and accounted for' and nothing else. This centrally dominated 'anti-plan' approach continued despite a European Commission attempt in 1993 to fund the regional partners to produce their own regional strategies, prior to submitting their funding submissions. In practice, many of these plans turned out to be equally bland, as partners stayed close to the prevailing government line. Regional partners were no less anxious than the central departments to preserve previous patterns of grant distribution among themselves. The newly formed regional government offices naturally tended to select those parts of the strategies which their political masters could support. When consulted over these diluted proposals, after some occasional show of protest most regional partners adopted a 'pragmatic' position. Timescales were also important. Slippages of up to two years in Commission approval often forced social partners in dire need of support to nod things through in the hope of getting things under way.

The amounts allocated to CED varied from just under 10 per cent of the available Structural Funds in Eastern Scotland to 44.2 per cent in the case of Merseyside. However, the surface statistics are misleading. Some CED priorities are focused on what we might term genuine grassroots approaches (Measure 5.1 for Merseyside, for example, which takes a small share of the funds for the priority overall), while others apply to traditional non-CED (primarily generic training and business support) activities. For instance, the specific measures for Western Scotland are simply 'business development and sustainability' and 'human resources development'. Clearly, in practice these could be either used to support grassroots or top-down projects. Similarly, the CED measure for South Wales contains a measure for improving road links and public transport in the area, potentially fairly traditional infrastructure approaches to regional development which might readily have been classified under other measures within the strategy.

It is too easy to be cynical about the loose definitions of CED which appear to have been adopted in the various strategies, since they were developed rapidly and with little prior knowledge about how to activate projects of this nature. What does appear to have happened is that sufficient flexibility was left in the programmes to allow some genuine grassroots approaches to be fostered.
I accept that they [local government] have a role to play in these areas. Nobody’s saying they haven’t, but what they have got to understand is what their role is. It might not be what the traditional role is ... Typical northern civic kind of municipal engagement isn’t it, where ‘we are responsible, we’ll do it for you’ rather than with or on the side.

These underlying antipathetic attitudes towards local government by some government offices caused some consternation since some voluntary sector groups had traditionally worked closely with their local authorities, and more importantly relied on them either for matched funding or to cover any cash flow problems from delays in funding payments both in ERDF and ESF. For others, the uncertainty of gaining European funding led to a reinforced desire to align with local authorities to obtain funding security.

One of the clearest features of the review of progress produced for the European Commission (Lloyd et al. 1996) was that there was simply enormous variety in the way the CED priority was both viewed and implemented from place to place across the UK. For every example of resistance there was one of enthusiastic adoption — though the terms in which the enthusiasm was applied in practice saw very different models emerge. The local authorities varied in the extent to which they sought to absorb and dominate the CED agenda or to begin to think in terms of real partnership with local groups to which a degree of voice would be conceded. Most resorted energetically to programmes of capacity-building which might at some unspecified point in the future lead to ceding of some greater ‘programme bending’ to local partnership groups with local service delivery.

TECs remained both wary and unpopular in the context of CED until the new government began to signal its support for a move toward policies for social cohesion. The voluntary sector itself had a degree of difficulty in confronting the bottom-up agenda. The key ‘brand name’ charities, the NCVO and CSVs, continued to depend heavily on ESF Objective 3 — at this time largely unaffected by the move toward CED. Their roles in local areas did, however, give them an important prospect of benefiting from the move to more grassroots approaches and the best of them had a substantial role to play in local partnership bodies and as recognised beneficiary authorities. The impact of CED on the voluntary sector has yet to be fully researched — particularly as DGV of the Commission has rolled out its own version of community development for the Social Fund — but there is no doubt that a substantial process of institutional and organisational change has ensued.

Perhaps the most important issue facing administrators of the new CED priority in the ERDF programme was that of choosing which geographical areas would be eligible for CED funding, since it was intended that spending under the priority should be spatially targeted on areas most in need. In effect, one of the first tasks of those responsible for administering the new programmes was to decide upon eligible areas, a process which combined political
machinations as different areas sought to make sure that they did not lose out in this allocation, and (pseudo-)technical attempts to measure localised deprivation. In practice, each region was left to make its own decisions about how areas would be defined. For most English regions, this involved taking either some or all of the indicators used in the government's own index of local conditions. A reasonably widespread practice was simply to select the economic measures of deprivation, justified on the grounds that structural funds were about 'economic regeneration'. Alternatively, where other measures such as housing conditions were left in, this left some local authorities which had spent decades successfully improving their housing stock feeling that they had been relatively disadvantaged in the selection process.

Given the long-standing controversies over spatial targeting, in terms of its efficacy and equity in relation to non-targeted areas (Haughton 1990), perhaps we should not be too surprised to see such doubts arising in the case of CED priorities under the Structural Funds. Across Great Britain various statistically informed micro-political compromises were struck in a process which often took as long as a year to complete for the Objective 2 areas (Merseyside's target areas for Pathways was completed earlier by a similar means and with the same debates about the legitimacy of the choices). The benefits of the targeted approach are more readily visible when it comes to localised capacity-building in the most deprived places but the dangers begin to arise when that process fails to produce real results both in the perceived quality of life and in the effective re-connection of those targeted places to the economic and social mainstream. On these crucial issues for CED, the jury is still out and debates continue to rage locally about the extent to which it was given a fair chance to prove that local people could indeed mobilise themselves to make a real contribution to their own and their region's well-being or whether it was simply a deflection of time and resources from the 'mainstream' bodies and the local 'wealth creators' who would have made a better job of things if left alone. In this respect the history of the insertion of the priority with all of its false starts has a significant contribution to make.

DIFFERENT POINTS OF DEPARTURE: DIFFERENT APPROACHES: AN EXPERIMENT IN PROGRESS

In analysing progress in each region under the CED banner, it is important to emphasise the differing starting points both between regions and within regions. It is apparent that different regions adopted different approaches to this problem. In the North West, local authorities in the Objective 2 subregions set about installing capacity-building activities but with little immediate attention to the requirement to have local groups determine their own needs and agendas and to seek themselves to set the conditions for their own installation of capacity. In the North East, there was a specific measure to enable funding of similar community appraisals, which were intended as a precondition for funding bids. This created an element of frustration for some local bodies, eager to get on with making project bids, while others argued that existing strategies should be considered as sufficient. This has been accepted in the case of some of the areas with detailed reports, as in parts of Cleveland covered by anti-poverty strategies and most City Challenge areas; alternatively, some of the earlier Single Regeneration Budget strategies were held to have had little community consultation and therefore to be ineligible as strategies for CED funding purposes. One consequence of the unevenness which necessarily emerged from this attempt to impose a more rigorous process of community engagement at the strategic level as well as on individual projects, is that progress in attracting EU funding in Cleveland, with its existing local area strategies, had been faster than in some other parts of the region. This was not simply because they had the strategies in place, but because they had been developing the institutional fabric of strong community groups over a longer period of time, and these had been relatively well placed to respond to the funding opportunities afforded by the Structural Funds.

Inevitably, then, in the early days a large proportion of CED funds was drawn selectively into those areas best pre-prepared to submit large proposals. So within one subregion of the North East, it quickly became apparent to one community worker that:

there are clearly areas that are just as deserving as another area but have not been addressed for European funding ... the areas that are receiving it are the areas where there's some activity beginning, where communities are beginning to stir. Others are getting very little because there's very little, to be frank, going on there.

The lesson which comes from this experience is a simple one, yet one which is all to often neglected by policy-makers: communities are starting from different bases in terms of their internal coherence, vibrancy and ability to engage in regeneration initiatives. As one community worker expressed it: "it's recognising community economic development means different things in different places, it depends on where you start from". Not all communities will be able to generate groups able from the start to adopt a strong lead in regeneration: they need to grow in skills, experience, in their networks and also in their asset structures. As such, measures to assist CED need to be geared to whichever stage a community is at, and also to acknowledge that within each community there may be a mix of long-standing, strong groups, and newer, more fragile groups, each with different needs. In terms of EU funding, some areas required a greater focus on community capacity-building, a process which might involve bringing in development workers, providing training for potential board members of community groups as well as for workers, and efforts to build networks within the community, including workable accountability structures. The recommendations to the Commission set out in our 1996 report (Lloyd et al. 1996) attempted to provoke a recognition of this by suggesting that there was at least a Level 1 process of capacity-building to be intensively supported.
while some areas could begin at or progress to Level 2, where capacities were in place and what was needed was a more active role in developing and delivering locally constructed action plans with local people in a delivery role. What emerged on the ground was often, however, whatever amalgam of these levels the local micro-politics of a given place deemed a good fit to the circumstances of the time and place. Often there was clear evidence of a tendency to reinforce the pre-existing local players and elites at the expense of priming a route for the entry of new faces and places.

The fact that the CED programmes were part of a system based upon output related funding both by the Commission and the UK government meant that to a significant extent what emerged was a close function of the demands of the formal evaluation system. ‘Hard’ outputs on Treasury methodology rules meant that CED was an immediate disadvantage. Clearly the output measures for most CED actions will be largely ‘soft’ qualitative ones, immediately suspect within a system long geared to hard, quantifiable measures such as jobs created, training places provided and amounts of investment attracted. It is clear that the lack of acceptable output measures in the agreed programmes has been a significant deterrent in some cases to supporting capacity-building activities. Similarly, project outcomes tended to focus on short-term programme concerns rather than on the longer-term impacts which CED generally aspires towards achieving.

The short timescale of EU funding itself proved an obstacle to success in capacity-building. The phased nature of sustainable community economic development is such that short funding rounds, three years in the case of Objective 2 areas, do introduce a degree of uncertainty in the minds of local activists who see their work as evolving over the much longer term, and as a sequential, growing process, rather than a matter-of-fact quick production of a standard output, be it jobs or premises created or roads built.

Clearly, then, what CED means and what it requires to achieve the critical mass for take off will vary from area to area, requiring unforeseen flexibility in terms of instigating sustainable processes of community regeneration using European funding sources. What the past five years of European funding have given us, however, is an opportunity to establish what works, over what timescales, with what level of resources, and a first requirement is to have these findings loaded into an appropriate evaluation methodology to break us out of the banality of a distinction between so-called ‘hard’ and ‘soft’ measures.

BENDING THE POLICY PARADIGM: MAINSTREAMING CED

If the early days of implementing the new CED priorities were administratively and politically fraught, as the 1994–96 programme round came to an end, it became clear that a whole range of new supporters has emerged for such activities, from both within the existing fabric of institutional players, including programme secretariats, to community regeneration bodies which had previously found it difficult to access European Structural Funds for the kinds of work they engage in. The problems are not over: the learning curve remains steep and clearly mistakes will continue to be made. None the less, it appears that far from being a detached element of EU regional programmes for 1997–99, CED will play a much more central role. Perhaps the main achievement of the 1994–96 round of investments will in retrospect come to be seen as the emergent consensus that grassroots approaches to regional funding programmes are both necessary and effective. The dramatic nature of this shift in perspective should not be under-estimated.

Possibly the most important change which will be brought about by a re-emergent CED approach is the possibility for introducing the policy space for more radical, more innovative and perhaps even more controversial and risky approaches to regeneration, after a decade of policy conservatism. As the conventional approach has at best been only partially successful, this is an important challenge. At the moment, the CED initiative is not yet generating such projects, in part because of in-built conservatism and lack of experience on the part of programme secretariats.

How to cope creatively with innovation remains the key challenge for the immediate future facing those responsible for disbursing public funds for CED, perhaps involving closer monitoring and more regular staged assessments, given the risks involved. More than this, there is a strong link here between the risk-awareness of state actors at various levels, the stifling of innovation from the grassroots level and the tendency for the state to seek to co-opt community activism behind its own strategies. In other words, by guiding community development into and through its own funding mechanisms, the state is in effect frequently neutralising rather than fostering innovation. Where project selection becomes protracted and self-serving, it is almost a surprise that any successful initiatives emerge at all - this is particularly true of European funding, which can involve gatekeepers from local government, the emergent tier of regional governance, the national government, and finally the European Commission. Indeed, some of the most successful local community groups are clearly still sceptical of treating the European funding option as anything other than the icing on their funding cake, wary of being drawn into political games and drawn-out funding regimes which are seen to provide a series of punitive bureaucratic hoops to be jumped through, rather than a nurturing, long-term growth process. This said, it is very clear that community-based groups are beginning to recognise the importance of this European initiative, while the various gatekeepers are becoming increasingly sensitive to the need to reshape their administrative practices in order to meet the specific needs of smaller, grassroots organisations.

CONCLUSIONS

The re-emergence of ‘community’ in economic development remains at best a partial process in England. The true potential of a genuinely grassroots approach remains to be probed and charted, both as a means of fostering
genuine CED and as a part of a reformed arm of civil society linked into local democratic processes. At present, what we are witnessing in the case of EU-funded approaches is a useful series of experiments to re-engage disadvantaged communities with the processes of regeneration going on around them at both local and regional levels. In this early period of activity the processes themselves remain relatively conventional for the large part, though as confidence and experience grow there will be the potential for more radical innovations to emerge. In a regional grant regime which had come to be seen by many as almost inherently risk-averse and therefore relatively conventional in its activities, this is in itself a major advance.

But it is important not to get too carried away with notions of empowering communities to take over their own regeneration, allowing the state to withdraw further from economic development activities. There are limits to grassroots approaches which have yet to be fully articulated. For instance, if the new enthusiasm for community activism is captured by political agencies to reduce public sector funding it is unlikely to be sustainable as a social movement, since it would generate increasing numbers of 'grassroots' opponents (Fordham 1995; Nevin and Shiner 1993). In this sense, one of the most compelling tasks which lies ahead is to explore what the appropriate balance of approaches might be in different areas between bottom-up and more conventional, top-down state-led (but not dominated) approaches to regeneration. If CED simply facilitates the further abdication of the state from local regeneration responsibilities, have no doubt it will probably come to be judged in the long-term as a failure, such are the intractable problems faced by most marginalised communities and the global nature of many of the forces affecting them. In other words, it remains unclear whether the New Deal approach to well-being can deliver against its rhetoric of addressing simultaneously agendas for wealth creation, social exclusion and sustainable development. What is clear, however, is that there is an attempt already underway, and prefigured by the early 1990s debates on CED, to move forward in ways which are more inclusive of local communities than has been the practice in England for many years. As such we appear to be witnessing a major attempt to change the style of regeneration. Whether this will also lead to a change in the substance of regeneration remains to be seen.

What we can begin to see is that CED is largely about changing the processes of regeneration, not simply introducing different types of regeneration projects. While many of the initiatives established under EU-funded community economic development programmes are mainstream (see chapter 1), it is possible to see this as a good thing in its own right, and possibly as a necessary condition for introducing more radical forms of CED. This links to our earlier discussions of community capacity-building, in Level 1 and Level 2 areas, where we argued that it was not simply the case that areas would move on from a period of capacity-building to a new phase of implementation, rather that community capacity-building had to be an integral and ongoing aspect of