

The impact of factory closure on local communities and economies: the case of the MG Rover Longbridge closure in Birmingham.

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ABSTRACT

There is a considerable recent literature concerned with the impacts of factory closure. Much of this literature is based on closures in the 1980s and 1990s and on closures affecting heavy industry – coal, steel and shipbuilding. It also tends to focus on employment and labour market impacts assessed through the subsequent experience of workers made redundant following closures and, perhaps justifiably, to assume that the impacts are localized. Because of this much of the discussion of policy implications relates to the workers made redundant and to a very local economy. This paper refers to the closure of the MG Rover factory in Longbridge, Birmingham, UK. This closure attracted considerable media and policy interest. It was regarded as presenting a crisis for government and the local community. The paper responds to arguments in the research literature and explores the spatial and economic impact of the MG Rover closure in more detail. It complements other research which has focused on the experience of those made redundant in 2005 by referring to the loss of employment over a longer time period and identifying a wider impact spatially and socially. The paper draws upon different sources of evidence and concludes with a discussion of implications both for policy and research.

Keywords: closure, MG Rover, long-term social and spatial impacts, unemployment, community.

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1. INTRODUCTION

Plant closures were studied intensively in the 1970s and the 1980s. Pinch and Mason (1991) argued that these studies were generally derived from a restricted geographical base: they were mostly concerned with redundancies among manufacturing workers in older industrial regions. In order to redress this geographical bias, Pinch and Mason looked at two case studies in the South-East and showed that the impact of plant closure redundancies in terms of rates of pay, working conditions and level of job satisfaction differ in a more buoyant labour market.

More recent studies include Hinde (1994), Tomaney and al. (1997, 1999), Kirkham and Watts (1998), Shutt and al. (2003), Henderson and Shutt (2004) and Pike (2002, 2005). These studies have followed two major research and theoretical strands (Tomaney and al., 1999). The first looks at the plant closures themselves (origin, closure proposal, response) with some particular emphasis on multi-plant closures. The second looks at the aftermath of the closures and their impact on the local economy and/or labour market. Because these two strands are rarely combined in the literature Tomaney et al. (1999) and Pike (2005) called for a more holistic perspective on closure. However a more holistic view would also need to address a further issue which few of the existing studies engage with - the extent of the spatial and longer term impacts of closure.

Existing studies of factory closure usually have a strong focus on the workers made redundant and on their work trajectories but neglect the spatial or neighbourhood impact and the effect on other workers and households living in the same areas as the redundant workers. Hinde's (1994) insightful study of the labour market experiences of redundant workers over a 29 month period in Sunderland following the end of shipbuilding in 1989 looked at placement rates, migration, job quality issues but only considered the local economic environment as a factor affecting chances of reemployment. His "*paper raises issues for policy makers concerning those factors associated with travel-to-work distances including migration option and the paucity of local employment.*" (Hinde, 1994, p. 713).

Tomaney et al. (1997; 1999) studied the case of Swan Hunter in Tyneside. Again, their focus was on the shipbuilding industry and the work trajectory of redundant workers. Their main findings were the following:

"Despite pronounced industrial decline, Wallsend remained, at the time of the closure, a shipbuilding town. This factor played a critical role in shaping the post-redundancy experience of the workforce. Although designers found their skills in demand, new jobs were typically available in other regions of the UK or abroad. For those with more traditional industrial skills there was less propensity to move, but also limited chances of finding work in either the traditional or newer industries in the locality. Those that found work generally found the terms and conditions of employment were poorer than at Swan Hunter. There was a general shift from permanent to temporary forms of employment and a concomitant reduction in average earnings. The local economy suffered from the negative multipliers generated by irregular and insecure work and reduced income." (Tomaney and al., 1997, p. 410)

Shutt et al. (2003) and Henderson and Shutt (2004) adopted a wider perspective when looking at the Selby coalfield closure in Yorkshire and Humber in 2002. Their papers look at the causal factors behind the closure, the regional impact and the regeneration needs arising as well as the holistic approach adopted in the policy response. This more holistic approach was taken into consideration because “*past regeneration experience suggests that socially related problems occur 18 months to two years after mining ceasing.*” (Henderson and Shutt, 2004, p. 34). Their analysis of the regional impact was however limited and did not provide a detailed account of the spatial and long term impact of closure. Their findings demonstrate a rapid and coordinated response from the Task Force put in place. “*However, inevitably the focus has been on short-term responses linked to the immediate ‘needs’ of the miners. As with previous regeneration, much will depend on how longer-term opportunities develop to shift the economy of the affected areas and how the communities involved responded.*” (Henderson and Shutt, 2004, p. 36)

Finally, Pike (2005), referring to the closure of an R&D company in the North East in 1998, called for “building a Geographical Political Economy of Closure”, looking more broadly at the “social process of production that unfolds over time, across space and in place referring to path dependence process. His paper, however, does not detail the spatial and long term impact.

Building on Pinch and Mason (1991) and the recent call for a more holistic approach to plant closure, this paper explores the spatial and economic impact of the MG Rover closure at Longbridge over time from 1998 to 2007. The failure of MG Rover in Longbridge represents the largest corporate closure (loss of 6,000 jobs) in Britain since that of British Steel at Shotton in 1980. It is one of a number of major closures in the automotive sector occurring in Britain in recent years: Ford in Dagenham (1,100 jobs) and Vauxhall in Luton (1,900) in 2002, Jaguar in Coventry (2,200 jobs) in 2004, and most recently (2007) Peugeot in Ryton, Coventry (2,300 jobs). This paper adds a more recent example of factory closure and refers to a different industry and region than much of the existing literature. The data used also enable analysis of the geography of the impact of closure and questions the implicit or, at times explicit, assumption that impacts are highly localized. The paper draws on new research which has included analysis of the places of residence of MG Rover workers, use of census data and local employment data as well as published material related to the closure.

Initially the paper reviews the nature of the evidence produced so far on the impact of the MG Rover closure. Section three sketches the data and methodology used to produce the revised evidence of the long term spatial and economic impact presented in sections 4 and 5. Section 6 concludes and discusses the policy implications of these findings.

2. THE LONG-TERM SPATIAL AND ECONOMIC IMPACTS OF THE MG ROVER CLOSURE – THE EVIDENCE SO FAR.

The MG Rover factory in Longbridge Birmingham closed in April 2005 with the immediate loss of some 5,900 jobs. Over 100 years of manufacturing at the old Austin works came to an abrupt end when MG Rover went into administration and its remaining assets were sold its assets to Nanjing Automobile Corporation (see Bailey et al in this issue). Only a skeleton staff remained working at Longbridge. The closure of the last British owned mass car producer aroused considerable media and political

anxiety not least because it occurred in the middle of the general election campaign taking place that year. The Prime Minister and Chancellor of the Exchequer were among those expressing concern at the closure and leading action to mitigate its impact. The closure of the MG Rover works in Birmingham conjured up an image of job loss, a sudden increase in unemployment and an immediate shock impact on households and local communities. The policy responses were high profile and centred on actions by government and its agencies and partners to help MG Rover workers to find new jobs. In particular a new Rover Task Force was set up with a focus on Longbridge and Northfield wards and with a wider strategic remit to achieve recovery of the local economy mainly through actions directed at workers and suppliers. An earlier Task Force had been set up in 2000 (Bailey, 2003).

Given the large number of redundancies and the iconic symbol that MG Rover represented for the UK automotive industry, various reports have presented a short term evaluation of the direct policy response following the closure and of its impact on workers (RC 2005a and 2005b, RTF 2005 and 2006, NAO, 2006, Amicus, 2006; Armstrong, 2006; House of Commons, 2006 and 2007). These are valuable reports but are marked by a number of limitations, including: the fact that they have a short term focus on the situation immediately before closure and on the impacts since; they concentrate on the workers made redundant and their experience in finding employment as well as the impact on businesses in the supply chain linked to production at the Longbridge works; and they mostly consider the impact on the immediate locality – the Longbridge ward and adjacent wards within the city of Birmingham. Any evaluation of the impact of the closure of the Longbridge works should include these elements but a more detailed and comprehensive approach would go beyond this. In particular, it would need to: take account of the major job losses from Longbridge that had occurred in the period 1998 to 2005; to adopt an evidence based approach to spatial impact; and finally to consider data related to local employment and unemployment. Rather than focusing on redundant workers alone this would raise questions about displacement and wider employment effects. The remainder of this paper focuses on these issues.

In addressing the above issues, we use three major datasets to document the long term impact of the closure of MG Rover works at Longbridge. First, we use the payroll dataset of employees at MG Rover at two points in time (1998 and 2005) to analyse the extent of the spatial impact of the closure of MG Rover works. Both datasets provide postcodes for the home addresses of most of MG Rover's employees working at Longbridge at these two points in time. We have been able to map these data in detail. The 1998 dataset also comprises information on age, general type of occupation for each employee (executive, hourly workers, managerial staff, general staff and trainees). Second, in order to estimate the economic impact of the closure over the longer term, we analysed the monthly claimant count database for claimants of unemployment related benefits. These are currently the Jobseeker's Allowance (JSA) and National Insurance (NI) unemployment credits. Unemployment related benefit claimants do not exactly correspond to unemployment as defined by the International Labour Organization¹. For example, on the one hand claimant counts exclude unemployed people who do not claim or are not eligible for benefits, whilst on the other they include inactive claimants and some employed claimants. That is why the two measures of unemployment are not comparable. Usually the claimant count data is less accurate than other measures of unemployment (ONS, 2006).

However, claimant counts can be more reliable at sub-regional level than estimates of unemployment from the Labour Force Survey given the larger numbers involved. Claimant count data have been available at ward level since 1996. In addition, analysis of the claimant count is available in some detail. For example, analysis of claimants by age, duration of claim and occupation has been available since 2004. We use these data to estimate the long term economic impact of the closure of the MG Rover works. Finally, we complement these two datasets with data from the census 2001 and the Annual Business Inquiry 2005 at ward level.

3. LONG-TERM SPATIAL IMPACTS OF THE CLOSURE

There were 13,127 people working at MG Rover in 1998. This number had decreased to 5,858 in 2005. Table 1 presents the residential distribution of MG Rover employees in 1998 and 2005. This demonstrates the wide geographical distribution of MG Rover workers in the West Midlands both in 1998 and 2005, suggesting the extent of the regional impact both from the job losses during the period 1998-2005 and from the final closure in 2005." In 1998, the bulk of MG Rover employees lived along a South-West corridor running from the South of Birmingham and extending along the A38 to Bromsgrove, Redditch and Wychavon in the South and Dudley and Sandwell in the West. Around 22% of MG Rover employees lived in the South of Birmingham (the wards of Longbridge, Northfield, Kings Norton, Bartley Green and Weoley) in 1998; the majority of them in both Longbridge (9%) and Northfield (6%). There were also important pockets of employees in other parts of Birmingham where 45% of the workforce lived. There had been very little change in this by the time of the closure in 2005. The shrinkage in the number of employees may have been slightly more in North Birmingham and less outside the city but the continuity in the pattern is remarkable and there is the same spatial distribution around the South West corridor. There are two immediate implications from this. Firstly, while there is a 'local' concentration effect there is also a widely dispersed workforce and the spatial impact is sub-regional rather than local. Secondly by the time of the closure in 2005 all of the areas affected by that closure had already been affected by earlier job losses. The MG Rover closure could be seen as a final shock – following on from a period of long manufacturing decline which had already affected the labour market and other processes and would affect the capacity to adjust to the shock.

[INSERT TABLE 1]

To get a better idea of the relative importance of the impact of the closure on each neighborhood and locality, we compared the size of the MG Rover workforce with the number of 16 to 74 year old employed people in each area as the time of the Census in 2001. This is an imperfect comparison because the Census took place in between the two comparative dates but it gives an idea of the extent of the impact at ward level. In 1998, the MG Rover workforce represented 1.6% of Birmingham's employed workforce and 0.5% of the region's workforce. This figure rose to 3.6% in Bromsgrove. At ward level within Birmingham it represented 4% of the workforce in Weoley and 9.7% in Longbridge. These figures increase significantly if we only look at the workforce employed in manufacturing. MG Rover employees represented around 50% of the workforce employed in manufacturing in Longbridge, 40% in Northfield, 30% in Weoley and 20% in Kings Norton, Bartley Green and

Bromsgrove. These absolute and relative figures suggest that the closure has had a long term and sustained impact in a wide area in and around Birmingham.

Data on MG Rover employees can be disaggregated by types of job for 1998. Hourly workers (74%), general staff (14.8%) and management staff (8.8%) formed the three main categories of the MG Rover workforce. The majority of MG Rover's hourly workers mostly lived in Birmingham (50%), Dudley (15%) and Sandwell (10%). In contrast, executive staff were more dispersed with only 20% of them living in Birmingham, Dudley and Bromsgrove. More than half of the management staff also lived outside these three districts. The pattern for general staff lies between these two extremes and involves a more even distribution regionally: 40% of them lived in Birmingham, 17% in Bromsgrove, 9% in Dudley and 30% were dispersed across the rest of the West Midlands. This demonstrates that the impact of closure on local labour markets is uneven.

One could assume that the concentration effect has reduced over time. However, the concentration was never as large as could be anticipated. A survey of methods of travel by employees at Longbridge works and another factory at Castle Bromwich (to the north-east of Birmingham) showed that in 1937 only 10% were walking to work. Many more were travelling by train, bus or coach (33.5%), private car or motorcycle (16%) and bicycle (13.5%) (Smith, 1989). This already suggests a wide geographical spread of employees, even over 70 years ago. In 2001, around 60% of all commuters used a private vehicle to go to work in the South West of Birmingham; this was roughly equal to the City's average but was inferior to the regional average (68.1%). In Dudley and Bromsgrove, these figures rose to more than 70% of all commuters. The proximity of the Longbridge works to the motorway and major road networks around Birmingham and to the south probably made this effect much stronger than was the case with some other employers. It seems likely that compared with miners or steelworkers in other cities, car workers at Longbridge were widely scattered across the sub-region. They were not concentrated in particular neighbourhoods and because of their relatively high incomes they were in a mixture of positions in the housing market. While some were in the rented sector, the majority of skilled and better paid workers were owner occupiers and it is apparent that they had traded up and moved further away from original locations near to the factory.

These changes underlie the evidence that the concentrated neighbourhood impact of closure in 2005 was initially less than anticipated. Even if the local economy was sufficiently depressed and the employability of the workers was sufficiently low that they were unlikely to get other employment, the place effects would not be as strong as might initially have been expected.

4. LONG-TERM ECONOMIC IMPACTS OF THE CLOSURE.

One of the main conclusions from previous reports on the impact of MG Rover closure is that most of the 5,300 workers from MG MG Rover and its suppliers (63%) that had registered for Job Seekers Allowance (JSA) in 2005 were back in work in February 2006 (RTF, 2006); this percentage had reached 70% later on in 2006 (House of Commons, 2006/2007). However, there has been some concern regarding the remaining unemployed workers as well as the ones that did not register for JSA. As seen above, the spatial impact of the run-down of MG Rover from 1998 to 2005 has

been absorbed by a wide South West area around the Longbridge factory. Birmingham, Bromsgrove and Dudley provided the place of residence for 68.2% of the workforce in 2005. In Birmingham, around a third of workers were located in Longbridge and Northfield. This section will explore what the economic impact of the closure has been in these areas in more detail.

Key statistics for selected areas

Figures from the Census 2001, from the Annual Population Survey and from the Annual Business Inquiry showed that Longbridge, Northfield, Bromsgrove, Dudley and Birmingham display different economic and social characteristics and are different types of neighborhoods. On one side, Longbridge displays the profile of a 'working class' neighborhood whereas on the other side Bromsgrove looks like a 'middle class' town. Dudley and Northfield are somewhere in the middle of these two profiles. Longbridge and Birmingham as a whole have slightly lower levels of employment compared with Northfield, Dudley and Bromsgrove. When compared with the City of Birmingham as a whole and the national average, occupations in Longbridge are biased toward elementary occupations, skilled trades, process plant and machine operatives as well as personal services. In contrast a higher proportion of Bromsgrove residents work in managerial and professional occupations than applies nationally. The Northfield labour force is characterized by higher level of workers in administrative and secretarial occupations, skilled trades and process plant and machine operatives. Finally, Dudley displays a mixed pattern, with a higher proportion of its labour force in managerial occupations as well as skilled trades and as process plant and machine operatives. In terms of economic activities, Longbridge again displays a different profile compared with the other areas. An important amount of its economic activities are in the manufacturing sector (38.1%) compared with the City average (12.4%). Consequently, the level of service activities is lower. In addition service employment is mostly concentrated in public administration, education and health. Dudley retains a strong manufacturing sector (16.4% of all economic activities) whereas Northfield and Bromsgrove have around 90% of their economic activities in the service sectors.

Mobility varies across the five areas. A higher proportion of residents from Dudley, Longbridge and Northfield travelled more than 5 km to go to work compared with Birmingham as a whole and with Bromsgrove. However, more people travelled by public transportation (reflecting the City average) in Longbridge and Northfield than in the two adjacent districts of Dudley and Bromsgrove.

Finally, using the 2004 Indices of Deprivation (DCLG, 2004), Birmingham was ranked 15th most deprived out of the 354 Local Authorities in England, although in the West Midlands it was the most deprived Local Authority area (just ahead of Sandwell which was ranked 16th). By comparison, Dudley was ranked 109th and Bromsgrove 293rd. Although most of the most deprived areas in Birmingham were located around the City Centre, Longbridge - and to a lesser extent Northfield - also contained such areas.

In summary, the various areas that had significant numbers of residents who lost their jobs at the MG Rover works had significantly different social profiles. There were unequal impacts on an uneven surface. Following from this, our analysis aims to

explore differences that emerge from the interrogation of employment data. Because of the nature of these data we regard this part of the analysis as raising questions rather than providing definitive findings.

Long term unemployment in the areas

Although there had been the loss of some 10,000 jobs at MG Rover between 1998 and 2005, these areas had seen a declining rate of unemployment over the previous 15 years (Figure 1). They seem to have successfully absorbed the increased labour supply associated with MG Rover 's decline over that period.

[INSERT FIGURE 1]

The closure of MG Rover marks a clear break in that trend with an important increase in the numbers of jobs seekers allowance claimants in most areas in May 2005 (Figures 1 and 2). There is a clear increase of the number of JSA claimants from April to May in all our 5 areas compared with the national average. For example, JSA claimants as a proportion of the working age resident population increased from 4.4% to 7% in Longbridge; from 3.6% to 5.7% in Northfield; and from 1.6% to 2.8% in Bromsgrove (Figure 2). However, this rate subsequently decreased in these 3 areas until November 2005. It then started increasing again, this time associated with an increase nationally. These two blows to the economy have meant that JSA claimant rates had not fallen back to their 2005 levels by April 2007, two years after the closure of MG Rover (Figure 2). It seems that the macro-level national increase in the levels of unemployment was detrimental to the chances of MG Rover employees finding new jobs. This effect is more important in Longbridge and Northfield than in Bromsgrove. The impact seems to have been less important in Dudley where the rate of JSA Claimants as a proportion of the working age resident population only increased slightly (from 2.9% to 3.2%) in the period April to May 2005; although the fact that it only started decreasing in October 2006 suggests that it was more persistent.

[INSERT FIGURE 2]

These variations can be linked with the usual occupation of claimants in each area over that period (Figures 3 to 6). After a sharp increase in the levels of JSA Claimant for most of the types of occupation from April to May 2005, the numbers of claimants in managerial and professional occupations, skilled trades and process, plant and machine operatives rapidly decreased towards their initial levels in Longbridge, Northfield and Bromsgrove (Figures 3, 4 and 5). Although the number of claimants in these occupations increased again in later 2005 in line with the national increase, they were almost back to their original levels by April 2007. In contrast, the levels of claimants in sales and customer service, administrative and secretarial and elementary occupations did not decrease significantly and/or increased or remained constant over the period. This pattern is slightly different in Northfield where the number of claimants in administrative and secretarial occupations decreased over the period (Figure 4). Again in Dudley trends were slightly different with an increase in most occupational groups of claimants and a tendency to remain constant afterwards (Figure 6). One of the findings of previous reports on the work trajectories of ex-MG Rover workers is that 50% of them find work where they were earning a lot less than

at MG Rover (Armstrong, 2006). We also know that some of them changed occupations with their new job (RTF, 2006; House of Common, 2007). We can suppose that some ex-MG Rover workers may have had a competitive advantage over other unemployed workers in these occupations, creating some difficulties for non-MG Rover workers in finding work.

[INSERT FIGURES 3 TO 6]

Figure 7 presents data for people who have been JSA claimants for over 12 months for our 5 areas and Great Britain. We can see that these rates decreased sharply in April to July 2005. This is explained by the increase in new claimants in each area due to the MG Rover closure. However, instead of going back to their levels of 2005 a year after the closure, we observed a sharp increase in the proportion of over 12 months JSA claimants in all areas. For example, from April 2005 to April 2007, these proportions increased from 16.6% to 25.8% in Longbridge; from 17.2% to 24% in Northfield; from 10.3% to 16.3% in Bromsgrove; and from and from 16.2% to 24.7% in Dudley. This seems to reflect the difficulty that an important proportion of claimants experienced in finding employment over that period – partly reflecting a rising proportion of long term claimants nationally. However, the increasing difference between the areas referred to above can not be explained by this and appears strange in view of the record of former MG Rover employees obtaining work.

[INSERT FIGURE 7]

In conclusion, our data suggest that even though a majority of MG Rover workers were back in work a year after the MG Rover closure, the activity in the labour market of our five impact areas was not back to normal in April 2007, some two years after the closure. This is due in part by a national decrease in employment in late 2005. However, our data also suggest a long term unemployment trend for residents in areas where former MG Rover workers live. It seems likely that some of these are former MG Rover workers but that there may also be a displacement of less qualified workers in each area and an increase in long term unemployment experienced by other workers due to the impact of more qualified MG Rover workers entering the labour market. Finally, we observed spatial variations in our findings with Dudley showing more persistent rising levels of unemployment over the longer term.

5. CONCLUSIONS AND POLICY IMPLICATIONS

This paper has provided a detailed discussion of new data related to a major factory closure. This is a closure taking place at a later stage than those discussed in much of the literature. This is also a closure related to the motor industry and to a factory located on the edge of a city and particularly well served by main roads and motorways. Our findings suggest that the spatial impact of the MG Rover closure has been much wider that could have been expected 20 or more years ago. In effect, the development of longer distance commuting and the restructuring of the housing market over recent years has meant that the impact of the MG Rover closure has been relocated and dispersed compared with what it would have been in the past. The social pattern will not have changed with the impact being experienced most severely by lower paid workers with less employability and by older workers who will find it more difficult to obtain jobs in the future.

The conclusions from this are that we should be very cautious about dramatising a very localised neighbourhood effect of a major factory closure. In a period of relative prosperity and in a period where workforces are relatively dispersed, associated with travel to work by motor car, the impacts will not be as concentrated as in the past. However, we should not swing to the opposite extreme and imply that there is no neighbourhood effect. The evidence points to a wider zone experiencing a relatively concentrated impact. This indicates a dispersal of the economic impact of the closure compared with the past and some other closures, but does not deny that a spatial concentration remains. In addition, two years after the closure, even though most MG Rover workers are recorded as having found new jobs within a year of the closure, levels of long term unemployment are not still back to their initial levels.

These findings suggest that there are 'second wave' effects from factory closures not picked up by methodologies that focus on short term impacts or that are wholly focused on tracking individual redundant workers. Whether ex-MG Rover workers stay in their new jobs or whether their availability for work affects the employment of others is difficult to identify. However, recent interviews with local policy makers in Longbridge and Northfield alluded to a number of ex-MG Rover workers remaining in long term unemployment due to difficulties over re-entering the labour market, or being in and out of employment because the job they found was unsatisfactory, as well as to ex-workers facing significant mental health problems. It is also evident that other members of the household from the ex-MG Rover workers have in some cases made major changes in their work and living patterns. This includes partners who previously did not work but now do and children whose decisions about education and work have been affected. These interviews also indicated increased difficulties in finding new employment among people who were already unemployed because of the competition generated by the arrival on the market of ex-MG Rover workers. The pattern of impact is also not easy to read off directly from the workforce as this does not include those working in service and other sectors which are affected by the spending power of MG Rover workers. All these elements suggest that there are broader economic impacts on local communities than those accounted in many studies on closure. Future research concerned with spatial as well as other impacts of factory closure should explore these issues as well as the relationship between place of residence and the location of the factory that has closed.

As well as having implications for research designed to inform policy these findings have direct implications for policy. These include the need for a broader agenda of coordination and regeneration to counterbalance the aftermath of closure in the longer term. Richard Burden, Member of the Parliament for the Northfield area expressed this concern in the House of Commons report on the closure of MG MG Rover (2007, p. Ev12, Q.47):

“(...) there is also a long term problem in that area and there are people who are out of work in that area or who have got skills problems in that area or who did not work for MG MG Rover. The family links mean that we need to have a much broader perspective about trying to raise skill levels, aspiration levels and provide help in that part of Birmingham, and I would say north Worcestershire as well, not simply to those who were MG MG Rover workers, even though they will be a key part of that.”

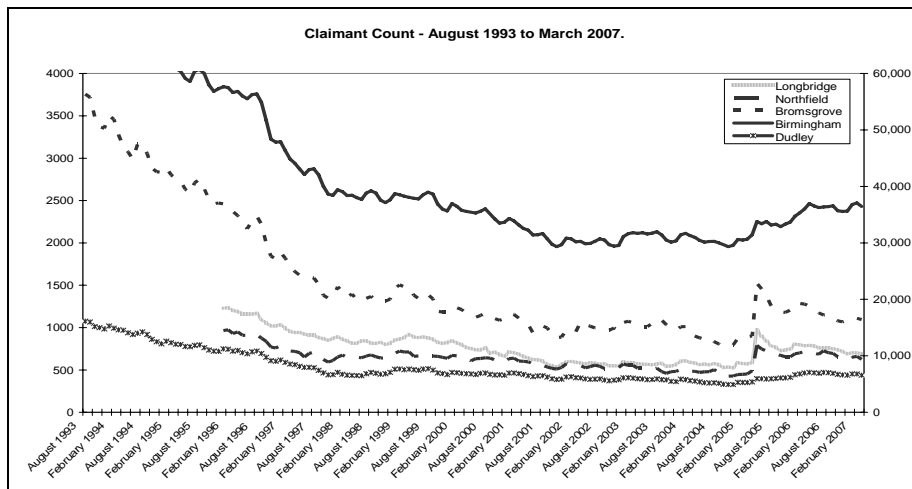
Regeneration has usually been included in the remit of task forces addressing the consequences of closures in other parts of England (Pike, 2005; Shelby and al, 2002). In 2000, the first MG Rover Task Force had a regeneration focus, which was subsequently taken forward by Advantage West Midlands in its new regional development strategy (RTF, 2005; Bailey 2003)ⁱⁱ. However, most of these programmes have been targeted primarily at ex-MG Rover workers. Our results suggest that the impact of the closure may have had a broader impact on less qualified workers in the affected local communities and beyond Longbridge and Northfield. Targeting programmes specifically at redundant workers may reinforce this effect.

Table 1: Place of Residence of Rover Employees in 1998 and 2005.

| | 1998 | | 2005 | | Var. 2005-1998 |
|---------------------------------------|---------------|--------------------------|--------------|--------------------------|----------------|
| | Employees | % of all Rover employees | Employees | % of all Rover employees | |
| Birmingham | 5,977 | 45.5% | 2,545 | 43.4% | -2.1% |
| <i>Longbridge</i> | 1188 | 9.1% | 532 | 9.1% | 0.0% |
| <i>Northfield</i> | 731 | 5.6% | 328 | 5.6% | 0.0% |
| <i>Rest of South West Birmingham*</i> | 1037 | 7.9% | 418 | 7.1% | -0.8% |
| Bromsgrove | 1,556 | 11.9% | 687 | 11.7% | -0.1% |
| Dudley | 1,667 | 12.7% | 766 | 13.1% | 0.4% |
| Sandwell | 937 | 7.1% | 424 | 7.2% | 0.1% |
| Other local authorities - WM | 2,474 | 18.8% | 1,268 | 21.6% | 2.8% |
| Not allocated West Midlands | 52 | 0.4% | NA | NA | NA |
| Total West Midlands | 12,663 | 96.5% | 5,690 | 97.1% | 0.7% |
| Rest of UK | 144 | 1.1% | 145 | 2.5% | 1.4% |
| Outside UK | NA | NA | 5 | 0.1% | NA |
| Not allocated | 320 | 2.4% | 18 | 0.3% | -2.1% |
| Total | 13,127 | 100.0% | 5,858 | 100.0% | 0.0% |

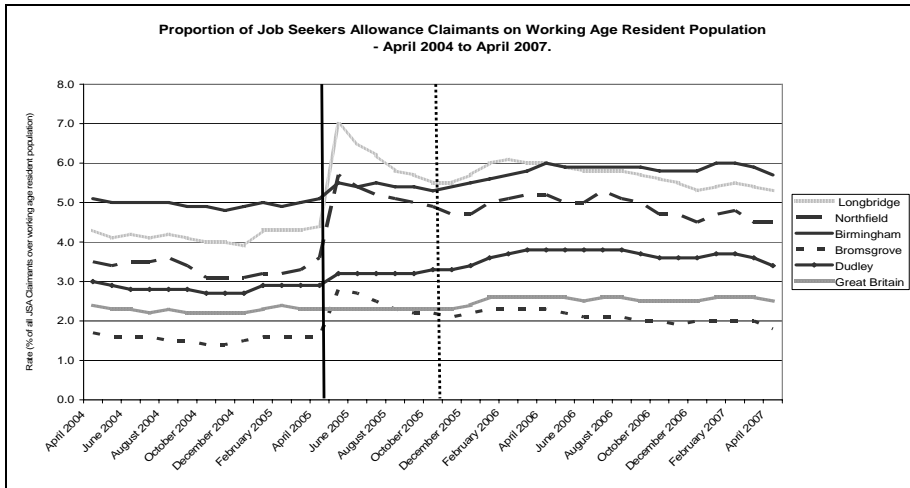
Note: * Includes Bartley Green, Weoley and Kings Norton.

Source: Calculated from MG Rover database.

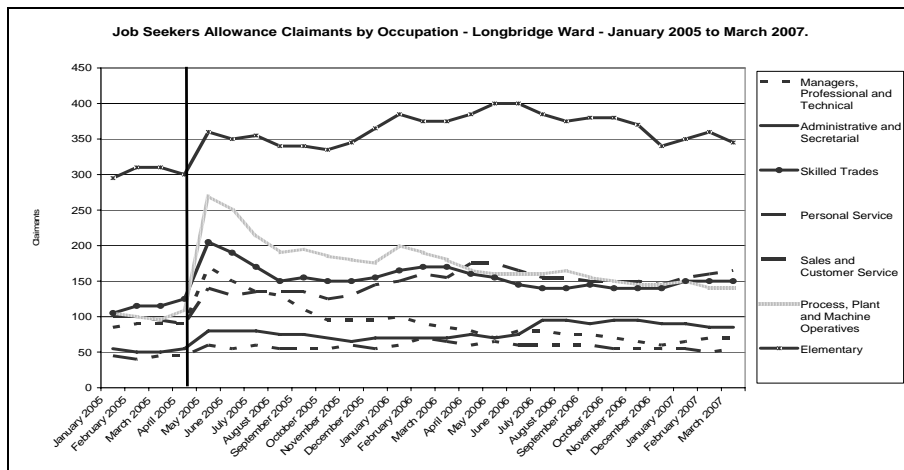


Source: ONS – Claimant Count.

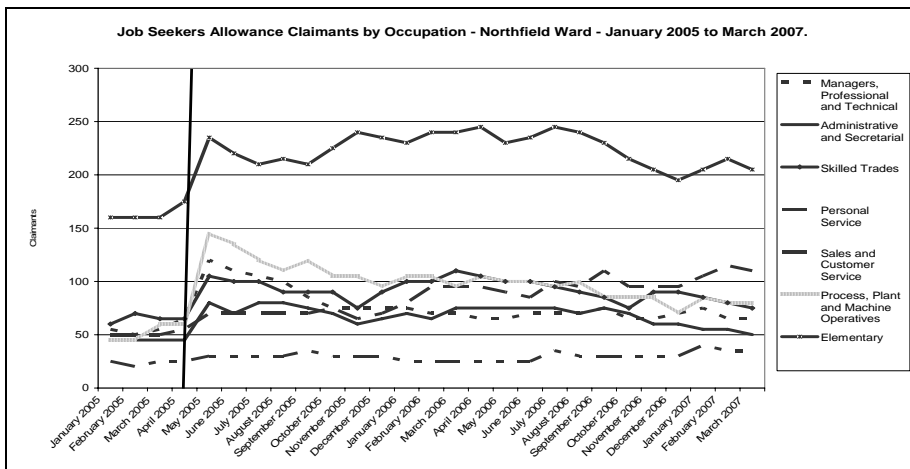
Figure 1



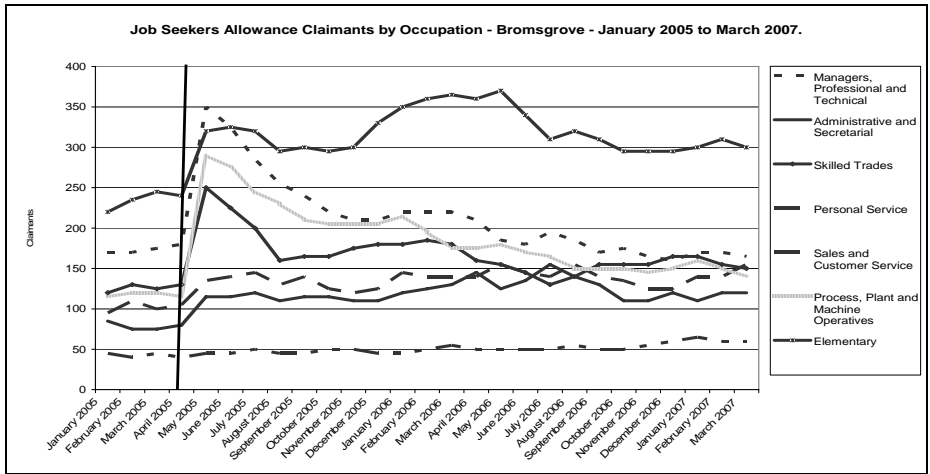
Source: ONS claimant count with rates and proportions.
Figure 2



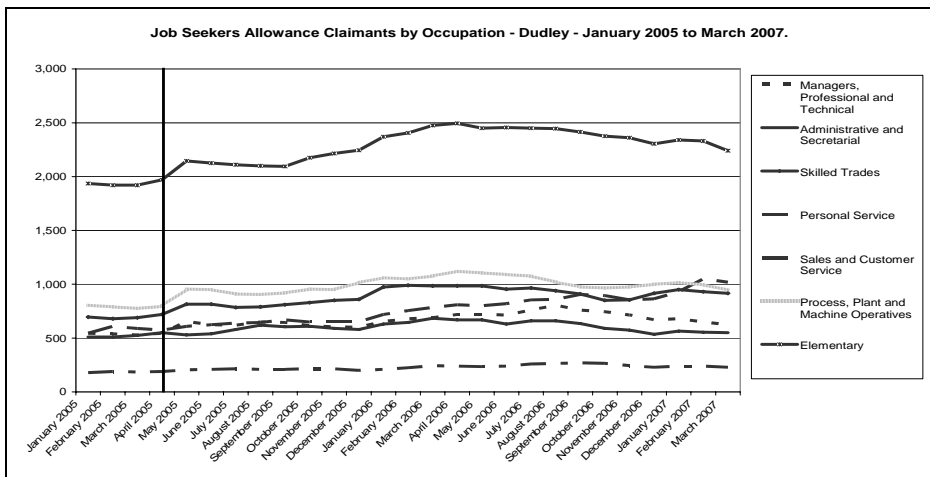
Source: ONS-Claimant Count by Occupation.
Figure 3



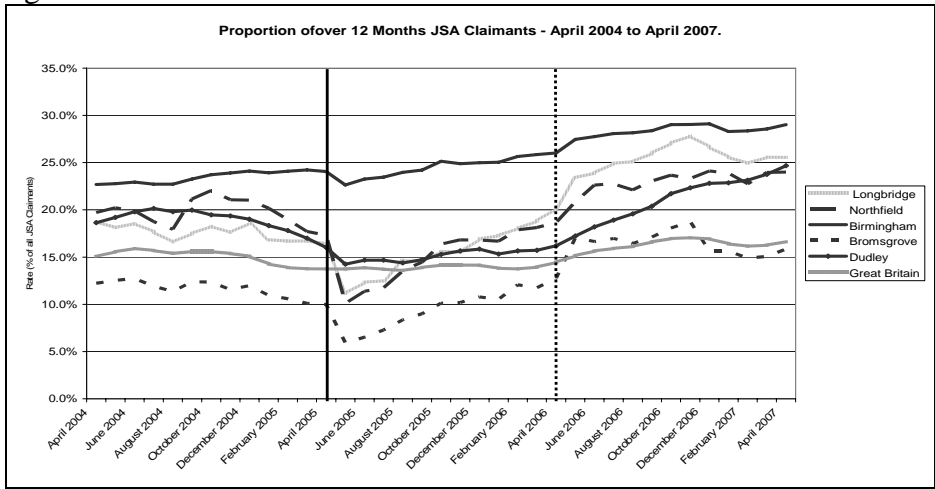
Source: ONS-Claimant Count by Occupation.
Figure 4



Source: ONS-Claimant Count by Occupation.
Figure 5



Source: ONS-Claimant Count by Occupation.
Figure 6



Source: ONS-Claimant Count by Age and Duration.
Figure 7

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ⁱ Under the Labour Force Survey, unemployed people are without a job, want a job, have actively sought work in the last 4 weeks and are available to start work in the next 2 weeks, or out of work, have found a job and are waiting to start it in the next 2 weeks (ONS, 2006).

ⁱⁱ The key component of this was the development of the Central Technology Belt and within this, a science park at Longbridge. But there was no further regeneration strategy developed following closure in 2005 until Birmingham and Bromsgrove sought to strengthen the regeneration focus in October 2006 when they presented a plan to redevelop some of the vacant parts of the Longbridge site to create mixed developments (Longbridge Action Plan, 2006). In addition, some long term unemployment strategies were put in place in Longbridge and Northfield in the later stages of the MG Rover Task Force 2005. These were designed to deal with suspected long term and community unemployment (RTF 2006; House of Commons, 2007).