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The ‘escalator region’ hypothesis and the regional cities of England: a research agenda

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The ‘escalator region’ hypothesis and the regional cities of England: a research agenda

- Introduction and SERC context
- The ‘escalator region’ (ER) hypothesis
- Testing the ER hypothesis
- Results of ER studies from 1992 onwards
- Focus on the ‘stepping off’ stage
- Lessons from reviewing the ER evidence
- Towards a research agenda

Context 1

- This ‘research agenda’ forms part of SERC’s 2d project on ‘skills, migration and urban labour markets’ (with Mike Coombes, Steve Gibbons, Ian Gordon and Pat Rice)
- Human capital (HC = education, skills & experience) is key to determining earnings, employment & life chances (Blundell et al 2005, DfES 2006)
- Variation between places in quality, abundance & growth of HC affect the performance of both their knowledge-based & service economies (Sassen 2001, Florida 2002)
- Also, places’ economic performance affects the growth of their HC through local (re)production, attraction & retention of workers (Fielding 1992, Gordon 2002, Gibbons & Telhaj 2006, Champion & Coombes 2007)

Context 2

The 2d project investigates the mechanisms of place-varying processes, with 2 primary aims:

- to see how far spatial disparities in HC arise from migration as opposed to local reproduction
- to see how local HC affects HC reproduction, individual productivity and other labour market outcomes

Three main 2d strands, looking at:

i) how HC reproduction varies within family and schools, and links to spatial disparities in education and training

ii) how places differ in their opportunities for career progression, comparing the labour market trajectories of locals & in-migrants (the 'escalator' effect)

iii) how local HC influences productivity and wages through external (place-based) effects

The ‘escalator region’ (ER) hypothesis

The three ‘conditions’ (or stages) of the ‘escalator region’ (ER) hypothesis (from Fielding, 1992):

- *Stage 1*: ER attracts many young people with promotion potential at the start of their working lives – ‘stepping on the escalator’;
- ***Stage 2*: ER provides the context where these in-migrants achieve accelerated upward social mobility – ‘being taken up by the escalator’;**
- *Stage 3*: ER loses through out-migration a significant proportion of those gaining from this upward social mobility – ‘stepping off the escalator’.

Testing the ER hypothesis 1

- Stages 1 and 3 can be (only) partially tested with cross-sectional data sets like the 2001 Census, e.g. by age and skill level (from Champion & Coombes 2007)
- And the Census allows a wider spatial analysis, so we now examine this (limited) evidence not only for London (and its city region which is a close approximation of Fielding's ER) but also for other 'regional cities'

The 27 cities

27 large cities = Primary Urban Areas *in grey*

27 city regions: the rest of the city regions *in white*

rest of Britain = the other 16 city regions *in pale blue*

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Net within-UK migration rate, 2000-01, by age, for 27 city regions and grouped by population size

Source: Calculated from 2001 Census SMS Table MG101

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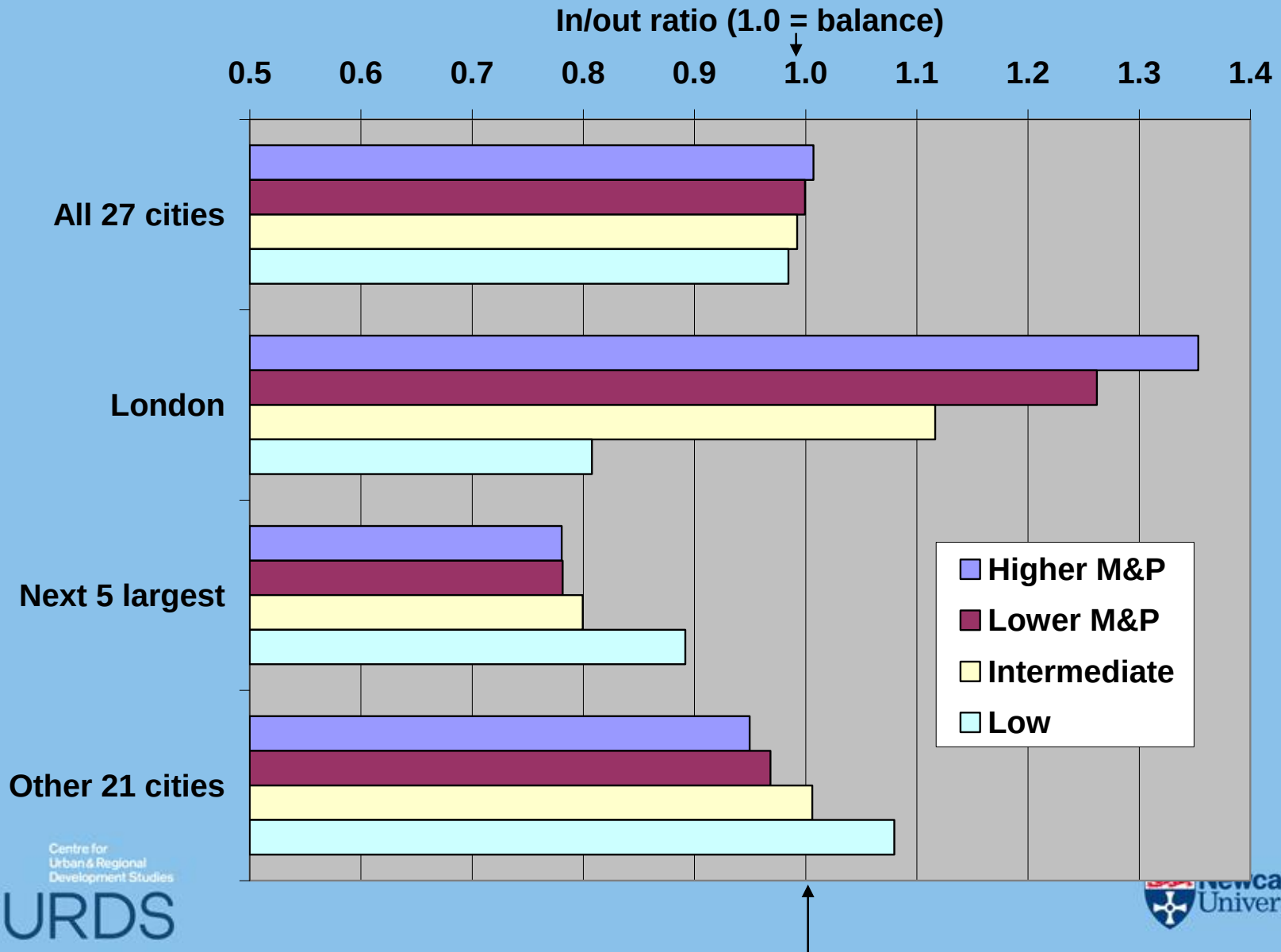
Within-UK migration, 2000-01, of Moving Group Reference Persons (MGRPs) classified by skill level at the Census, for 27 city regions in aggregate

Source: Calculated from 2001 Census SMS Table MG109

NS-SeC of MGRPs at the Census	Inflows	Outflows	In/out ratio
All occupationally classified MGRPs	449,132	450,836	0.996
Higher Managerial and Professional	102,398	101,670	1.007
Lower Managerial and Professional	153,710	153,796	0.999
Intermediate	84,376	85,015	0.992
Low	108,648	110,355	0.985

In/out ratios for classified MGRPs, 2000-01, by skill level, for 27 city regions and grouped by population size

Source: Calculated from 2001 Census SMS Table MG109



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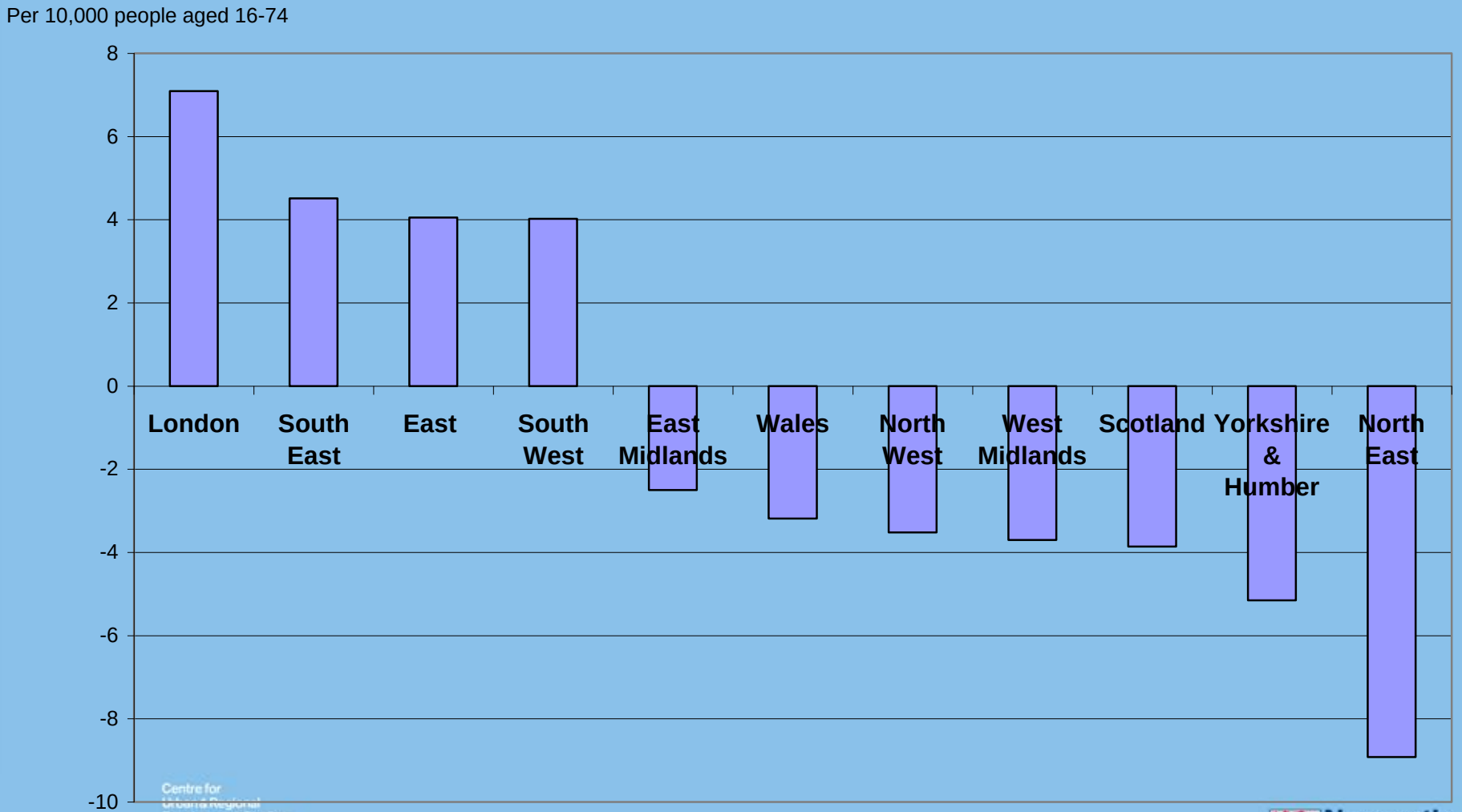
Net within-UK migration of people in Higher Managerial and Professional occupations by government office region and country of Great Britain, 2000-2001

Source: Champion (2005), Figure 6.18, from 2001 census special tabulation



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Testing the ER hypothesis 2

- Stages 1 and 3 can be (only) partially tested with cross-sectional data sets like the 2001 Census, e.g. by age and skill level (from Champion & Coombes 2007)
- BUT there are some problems in interpreting this data, e.g. people are classified by their characteristics on census day (so the Higher M&P migrants will include students graduating in the past year)
- AND measuring place & individual effects requires data tracking people's labour market position over time, e.g. ONS Longitudinal Study (Fielding), BHPS (Gordon)
- This is particularly crucial for testing the ER model's Stage 2: 'being taken up by the escalator'
- 2 illustrations from Fielding (1992):

Transitions 1971-1981 for non-migrants, by region: the South East as an 'escalator region' (nation=1.00)

Source: Fielding (1992), p.10, data from Figures 2-5

Standard Region	In educ 71 Manager 81	In educ 71 Prof'nal 81	Wk Class 71 Manager 81	Wk Class 71 Prof'nal 81
North	0.60	0.88	0.73	0.87
North West	0.83	0.93	0.90	0.95
Yorks/Humb	0.67	0.86	0.88	0.78
East Mids	0.87	0.79	0.82	0.83
West Mids	0.80	0.91	0.87	0.80
Wales	0.56	0.99	0.72	**1.05**
East Anglia	0.76	0.75	0.90	0.76
South West	0.89	0.86	0.90	**1.10**
South East	**1.45**	**1.19**	**1.29**	**1.21**

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Entry rate to 'service class' (Managerial & Professional) by 1981 for those not in it in 1971

Source: Fielding (1992), p.6, data from Table 3

Status in 1971	England & Wales		South East only	
	Total	Inter-regional migrants only	Total	In-migrants only
In labour market	11.4	23.1	13.5	28.2
Low-level white collar	18.8	31.7	19.7	35.8
In education	18.3	45.7	19.0	50.5
Ditto + owner-occupied	24.0	49.0	25.3	54.2
Ditto + male	24.2	50.5	25.8	57.5

Results of Fielding's (1992) test: summary 1

- Clearly, 'Southeasterners' achieve stronger/faster occupational mobility than the 'indigenous' elsewhere, and migrants entering the SE more than the 'locals'
- Fielding (1992, Table 5) also looks at people leaving the South East 1971-81 and finds highest odds (compared to all inter-regional migrants) for moving into retirement and self-employment ('*petite bourgeoisie*')
- This supports the Stage 3 element of the ER hypothesis: 'ER loses through out-migration a significant proportion of those gaining from this upward social mobility – "stepping off the escalator".' Fielding's interpretation:

  - 'These out-migrants would be in the middle to later stages of their working lives, or at or near to retirement.'

  - 'They would migrate partly to 'cash in' the assets gained during their social promotion in the ER.'

Results of Fielding's (1992) test: summary 2

Fielding also calculated the net effect of the inter-regional migration 1971-81 on the SE's population (grossed-up estimates allowing for changes in status):

- SE lost 275k people in all, but only 23k economically active people (more leavers were inactive after move)
- SE made net gain of 57k of 'service class', but reduction in 'petite bourgeoisie', other white collar and blue collar
- Also a 15k increase in unemployed, possibly reflecting rise in social polarisation (though also 1981 recession)

But also 3 qualifications about ER mentioned by Fielding:

i) Not all in-migrants move upward, some 'bump down'

ii) ER net migration contributed only 1/5 the level of SE's home-grown increase in service class 1971-81

iii) No account of international migration (even re Scotland)

‘Escalator’ studies since 1992

By Fielding himself:

- updating to the 1981-91 intercensal period
- comparing experiences of males and females
- more on ‘regional social accounts’
- exploring the experience of international immigrants

By other UK researchers:

- more on male/female differences
- exploring the possibility of migrant selectivity
- separating out economic-position changes at the time of the move from subsequent changes in new region
- looking at how far ‘stepping off’ involves the return of the in-migrants as opposed to the departure of ‘SE-ers’
- taking a city-region rather than macro-region approach

Selected findings of these post-1992 studies

- SE continued to meet the 3 ER conditions 1981-91 (Fielding and Halford, 1999)
- Faster upward mobility of female in-migrants to SE than male (Fielding and Halford 1993, Bruegel 1999 2000)
- 82% Scots in London had moved there for their first job, with about half the rest 'moving up' at the time of moving (Findlay et al 2006, based on special survey)
- People move to London for more than economic reasons (Conradson & Latham 2005, on New Zealanders there)
- Re 'stepping-off', non-ER regions make big net gains of middle-aged, middle-class & self-employed from SE (Fielding and Halford 1993, Fielding 2007)
- But many of these are 'downshifting', reducing benefit for destinations like Cornwall (Williams & Champion 1998)
- Return migration is quite common, but often quite quick (Devine et al 2003, Champion 2004, Findlay et al 2007)

3 questions relating to return migration

- What proportion of people moving to the SE early in their lives leave it again later in their lives?

  A SIGNIFICANT PROPORTION – as hypothesised by the ER model.

- How much later in their lives did these people move out of the SE: only around pensionable age, or a lot sooner?

  AMONG THOSE STEPPING OFF BY 2001, A LOT SOONER – not really expected from the ER model

- Is there any significant difference in 'social class' change between the into-ER migrants who have 'stepped off the escalator' by 2001 and those who haven't?

  REMARKABLY FEW DIFFERENCES – especially considering the relatively short time that most of those 'stepping off' ('returners' to REW) spent in the ER

- Some evidence ….

Evidence on return migration 1

What % of the 3,136 LS members aged 1-35 in 1966 who moved to the SE in 1966-71 are back in Rest of England & Wales (REW) by 2001 (when aged 36-70), and how quickly?

Period	In REW at start of period	From REW to SE	From SE to REW	In REW at end of period	In SE at end of period	
						%
1966-1971	3136	3136	n/a	0	3136	100.0
1971-1981	0	n/a	1098	1098	2038	65.0
1981-1991	1098	*104	**287	1281	1855	59.2
1991-2001	1281	61	195	1415	1721	54.9

Note:
* includes 8 'whereabouts-unknown in 1991 but in SE in 2001' – assume these moved to SE 1981-91;
** excludes 31 'whereabouts-unknown in 1991 but in REW in 2001' – assume these moved to REW in 1991-2001. If assume the exact opposite, then 1312 in REW in 1991 (not 1281). Real situation is in range 1281-1312.

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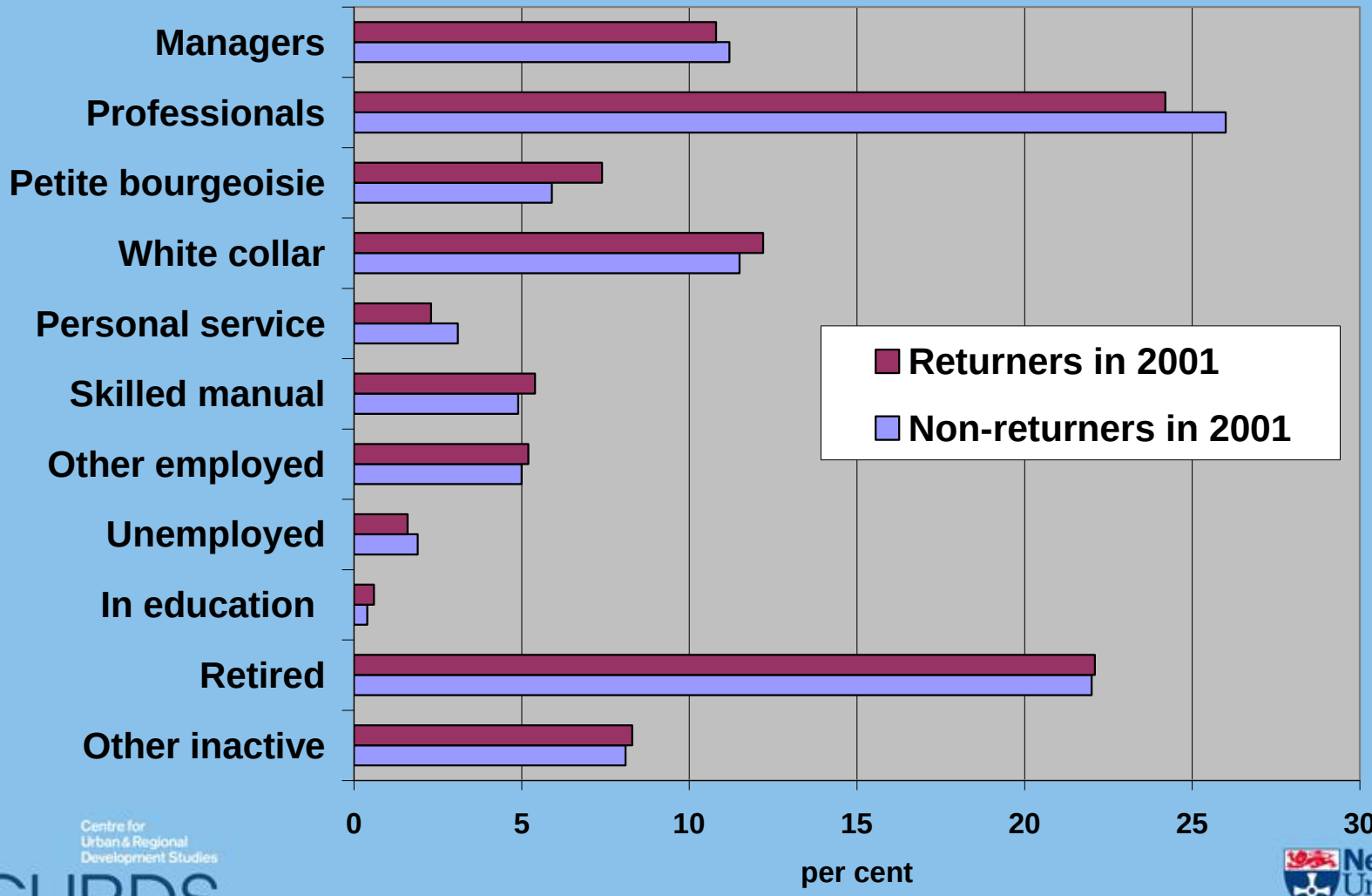
Evidence on return migration 2

How different in their 2001 ‘social class’ composition were those who had returned to REW from those remaining in SE?



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Lessons from this review of ER hypothesis

- ER is now an established concept, though still issues to be explored further and no formal test yet of the SE escalator operating as strongly in 1991-2001 as before
- The value of a longitudinal perspective and of the ONS LS as data source has been demonstrated by many studies, though surveys can provide additional insights
- The evidence on the SE as ER also relates to the situation facing the 'non-ER' regions and their cities, e.g.

  - the migration of their high-quality human capital to ER

  - the quick 'return' of nearly half of this to non-ER regions

  - the non-ER's net gains of older, middle-class workers

So, how far do regional cities also act as 'escalators'?

Towards a research agenda 1: place

Testing for regional cities as ‘escalator regions’ means seeing how far each satisfies Fielding’s 3 ‘conditions’:

Stage 2 is crucial: how strongly does each city perform as an advancer of its indigenous population?

Re Stage 1: how strongly does each city attract to it ‘young people with promotion potential’ and how well do these progress compared to the ‘locals’?

Re Stage 3: what proportion of those gaining from upward social mobility ‘step off the (city’s) escalator’?

Maybe Stage 3 is less crucial in policy terms (though this could partly be ‘fountain effects’ from city-led growth)

Raises question of ‘city’ area definitions: London would be the reference case (its city region is similar to SE)

Towards a research agenda 2: people

Parallel to (1) above is examination of life chances for individuals in different contexts (cities, positions at start of analysis period, 'local' or migrant)

Aim is to track age-based 'cohorts' over time, using 'triple biographies' approach relating their qualifications, labour market development and geographical mobility

Particular focus on young adult transitions over single decades, comparing 1971-81, 1981-91 and 1991-2001

But also study longer-term career development in one or both ways:

- monitor the same people from 1971 through to 2001

- create 'life chance tables' by stitching together the 1991-2001 experiences of successive age groups

Towards a research agenda 3: data

The above is set out in terms of using the linked census records of the **England & Wales LS**

This is an approx 1% sample of people in the censuses (selected on basis of having 1 of 4 birth dates in year)

Much larger sample than surveys, but even this may be too small for tests for individual cities, so some analyses may need to use aggregate of regional cities, cf. London

NES/ASHE is also a 1% sample with annual data that can be used to update beyond 2001 and to look at shorter-period transitions before 2001: potential to be checked

BHPS permits annual monitoring of members of ca 5,000 households from 1991: value for certain analyses already demonstrated by Gordon and others

In conclusion

- Research shows that upward social mobility is faster in London's region than other regions
- This helps to explain its strong pull of human capital from other cities & regions – but latter may benefit from the 'return migration' of older, more experienced people
- 2 main questions being tackled in this part of project 2d:

  - How far does the observed ER pattern result from 'placed-based' factors rather than selective migration?

  - How far are London's 'place-based' effects replicated in regional cities ('secondary agglomerations')?
- A major research challenge is to identify what constitutes a 'ladder' of personal achievement that also relates to the quality of human capital in a place