

A case study of:

- ❑ **Employment opportunities / employment structures change over time**
- ❑ **Employment opportunities are not evenly distributed in a country**
- ❑ **Physical landscape affects job opportunities**
- ❑ **Political decisions affect job opportunities in a region (government & EC incentives)**

Early 19th - 20th century

One of the main growth areas in the industrial revolution. Iron & steel industry developed due to:

1. Geological Coincidence of 3 main raw materials - coal, ironstone, limestone
2. Accessibility of these to surface - in valley floors
3. Access to coast for export links
4. Labour force being eased off the land from farming
5. Large supplies of coal and iron cut transport cost

On the eve of the First World War, South Wales was one of the richest industrial areas in the world.

20th century

Supplies of iron began to run out. Steel works closed but 3 larger "integrated works" were developed at Port Talbot, Cardiff & Newport on the coast. This was better as raw materials had become exhausted & the industry relied on imported iron & coal could be transported down the valleys. Old steel works at Merthyr Tydfil & Ebbw Vale were unprofitable & were closed down.

1970's - 1980's

Most mines had closed down. Low demand for Welsh coal, cheaper imports from e.g. Poland, Czech Republic, Australia. High unemployment in valleys due to their poor access to transport infrastructure.

1920 - employed 270,000 miners

1985 - employed 29,000 miners

1995 - employed 7,000 miners

1990's

Even talk of closing the integrated steelworks - falling demand, alternatives e.g. aluminium, cheaper foreign competition have reduced profitability.

Strategies to increase employment opportunities (WDA, Government, EC)

1. Established as a "DEVELOPMENT AREA" to give incentives to business to locate there. Grants of 15% of costs, 80% of training costs were paid by EC, rent free periods were given of 5 years, 100% tax allowances were given on machinery and 80% tax relief on buildings, loans were provided from the European Coal and Steel Community Fund, 50% grants for providing transport depots, access roads, railway sidings. Loans from the European Investment Bank were given and companies got preferential treatment in bidding for government contracts. Grants of up to £8,000 per job were given to help retrain workers, particularly in office and service skills. Grants of up to £2,000 were given to help workers move home to take up a new job.
2. "Advanced factories" were provided (ready built to company requirements) ----

3. Government funded the extension of the M5 motorway
4. Industrial Estates set up to help new businesses
5. Government set an example, moving government departments to South Wales - DVLC (Driver & Vehicle Licencing Corporation), Royal Mint, TVLA (TV Licensing Authority)
6. WDA advertised in newspapers, magazines, TV and radio to attract companies
7. Advertising stressed famous name companies which had successfully set up e.g. Sony, Revlon, Hoover, Ferranti, Ford, Wilkinson Sword, Alcan, Panasonic, Bosch, Hitachi. This was designed to encourage smaller investors to think that South Wales was a popular, successful and strong region.
8. Welsh Development Agency targeted tourism. Old mines e.g. Big Pit were opened up as tourist attractions, Cardiff docks were redeveloped, Cardiff airport has international status

Attractions of a South Wales Industrial Estate

Purpose built factories for sale or rent

Room for expansion

Built close to motorway network

Infrastructure provided

Car parking & access good

Landscaping provided

How successful have the strategies been ?

- Many new jobs created - but many are low skill "screwdriver jobs"
- Industries are footloose so may move elsewhere if grants packages are better e.g. abroad
- New businesses locate along M5 corridor - very little new work up in the valleys
- Few companies able to tap into skills of miners
- Jobs are often less well paid by comparison with the skills of miners
- Many pits derelict - blight on landscape - not all of them can cash in on tourism.
- Some companies may be attracted to European countries with lower wages in the long run, e.g. Japanese or Korean investors who are looking for a "foothold n Europe"