

Looking beyond growth: exploring the transformative potential of local economic development approaches

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Supporting inclusive economic growth in the West Midlands and across the UK



Background and scope of presentation

- Decades of traditional growth-oriented economic policies have failed to stem widening social inequalities and rising environmental harms
- Local policy makers are increasingly adopting 'alternative' approaches to economic development to balance growth with social and environmental justice to create more inclusive and sustainable city-regions – we focus on five 'alternative' approaches
- Findings from Workshops from July 2023 to February 2024 in Birmingham, Sheffield, Cardiff and Glasgow – which:
 - examined how alternative approaches are being understood, adopted and implemented
 - explored the factors that enabled or constrained the operationalisation of alternative approaches
 - identified what success looks like and how it can be measured

	Inclusive Growth (IG)	Wellbeing Economy (WE)	Doughnut Economics (DE)	Community Wealth Building (CWB)	Foundational Economy (FE)
Emergence	Late 2000s, increasingly gaining traction from c. 2015	Wellbeing economics since late 1980s, gathering pace from late 2000s	Pioneered by Kate Raworth 2012, expanded in her 2017 book	Mid-late 2000s in UK and US, with increasing traction since c. 2015	From 2013 (Manifesto for the Foundational Economy), increasing traction since COVID-19 pandemic
Leading Proponents	OECD International Monetary Fund (IMF) Centre for Progressive Policy (UK) Brookings Institution (US)	Wellbeing Economy Alliance (global) New Economics Foundation (UK) Carnegie UK	Kate Raworth and Doughnut Economics Action Lab (UK)	CLES (UK) Democracy Collaborative (US)	Foundational Economy Collective of researchers (a mainly European group)
Vision	An economic system which enables the greatest number and range of people to participate in economic activity and to benefit from economic growth	Economies which promote ecological sustainability, intergenerational equity, wellbeing and happiness , and a fair distribution and efficient use of resources	An ecologically safe and socially just space (the Doughnut) in which humanity can thrive	Local economies organised so that wealth is broadly held and generative of income, opportunity, dignity and well-being for local people (wealth for all)	Society strengthened by focus and investment on the infrastructures that make civilised everyday life possible
Urban Examples	West Midlands (UK) New York, Paris, Seoul, Athens	North of Tyne (UK), Santa Monica (US)	Amsterdam, Brussels, Melbourne	Preston (UK), North Ayrshire (UK), Barcelona, Cleveland (US)	Barcelona, Enfield (UK), Wales

How are alternative approaches being understood and adopted? (1)

- **Inclusive growth** has the most traction - least challenging to “existing system” and pro-growth agendas (it is “challenging to go against the status quo”)
- Other **concepts gaining prominence** – often in a ‘pick and mix’ approach
- **Community Wealth Building** is attractive because of its focus on practical action – and had strong traction particularly in Scotland (at local level) and Birmingham
- **Doughnut Economics** sometimes seen as a concept or diagnostic tool rather than a ‘toolkit’ but there are examples of implementation (e.g. Ladywood, Birmingham)
- **Foundational Economy** is less well understood in England – “I don’t see where the engine is” – but had influenced thinking to some extent; it is better understood in Wales (in particular) and Scotland
- **Wellbeing Economy** seen as a “broad church”; underpins approaches in Glasgow and Cardiff (specifically devolved administration views)

	Birmingham	Sheffield	Cardiff	Glasgow
Major city-region focus (*as stated strategically)	Inclusive growth	Inclusive growth	Inclusive growth	Inclusive growth
Plurality of approaches	Wider series of approaches in different contexts within the city-region – CWB, DE.	Circular economy and “regenerative economies” also mentioned, alongside FE and CWB (especially in Doncaster)	Wellbeing economy and FE at the national level; DE for the third sector	Wellbeing economy as a broad framing nationally, but FE, CWB and Doughnut also considered by local stakeholders
Governance	Combined Authority (CA) and LAs	Combined Authority and LAs	WG and UKG differences, city-regional partnership and LA	SG and UKG differences; city-regional partnership and LA
Related initiatives	Mayoral leadership	Fairness and Wellbeing Commission	Wellbeing legislation	CWB duty being considered by SG

Key points

- Inclusive growth seems to be the starting point (as strategy documents note)
- However, other approaches are capturing the imagination and vying for attention, increasingly

How are alternative approaches being understood and adopted? (2)

- ‘Pick and mix’ approach
- Approaches get “watered down”
- Different views on whether proliferation of approaches created confusion
- Buy-in to broader cross-cutting principles which feature across approaches is what matters
- Principles of different approaches are sometimes adopted (e.g. progressive procurement) without terminology – or activities are ‘ticked off’ as fitting with the aims of a particular approach when they were not informed by it
- Are key agendas like *tackling poverty* and *addressing racism* side-lined?
- Other approaches/ terminology include *sustainable development, circular economy, regenerative economy*
- No use or adoption by UK central government

What are the drivers to implementation?

Drivers

- Necessary **response to current challenges** - *“crisis management”*
- **Big events** (e.g. Covid-19 pandemic, hosting of 2022 Commonwealth Games in Birmingham) have **shown what can be achieved**
- **Partnership working** (academics, businesses, local government and VCSE sector) and the *“right communications”*
- Stable and consistent **leadership** from local government (Mayors and Chief Executives) and anchor institutions can *“shift the mindset”*
- **Devolved flexibilities** - funding and advocacy/support from Mayoral Combined Authorities
- **National agendas** promoting **long-term thinking** (e.g. Wellbeing of Future Generations in Wales)
- **Long-term plans** – e.g. 10-year NHS plans and Integrated Care Plan community development duty can provide opportunities to pursue agendas
- New **values of young people** – they are the future policy makers

What are the barriers to implementation?

Barriers

- **Economic orthodoxy** still ingrained
- **Appetite for risk is limited**; *“Nervousness”* about being too ambitious among senior leaders because of risk of failure
- *“Easy to say” – “difficult to do”*
- **Activity focuses on fire-fighting** rather than deliberative (or thought through) agendas
- **Limited levers** to effect change at sub-national level + **lack of central government support**
- **Lack of resource** and **capacity** of local institutions - *“world peace for £50K”*
- **Short-term** funding and electoral cycles (need for *“quick wins”*) militates against long-term strategic development – *“politicians often want something new”*
- **Tensions and siloed working** within local institutions hinders shared objectives and integrated working
- Potential **burden on businesses** can limit support for alternative agendas
- **Proliferation of new approaches** and **language** can be confusing and limit engagement

Challenges in defining and measuring success

- definition of success varies
 - varying attachments to growth
- (lack of) engagement of communities
 - short term issues may be more pressing
- measurement/methodological issues
 - lack of granular data and lagging indicators;
 - dealing with complex systems – keystone indicators
- capacity and resource
 - cost of monitoring;
 - need for quantitative and qualitative data

Final reflections (1)

- Alternative approaches are **gaining traction** as (often crisis-driven) responses to socio-spatial inequalities:
 - some early adopters and innovators – especially where leaders are supportive
 - driving cultural and institutional change
 - ...but degree of understanding and adoption varies within and across institutions and contexts
 - ...and plurality of approaches sometimes creates confusion
- **Fidelity to models is rare** with some exceptions (e.g. Ladywood):
 - **pragmatic ‘pick and mix’** or implicit approaches favoured
 - what matters is changing cultures and practice - “labels are not important”
 - ...but risk of becoming “Emperor’s new clothes” if diluted in implementation?

Final reflections (2)

- **Uneasy relationship** with traditional approaches:
 - little sense that growth is being deprioritised or fundamentally reconceived in economic strategies
- Approaches could be **enhanced and developed** through:
 - greater data sharing, knowledge exchange and collaboration
 - alignment and integration with long-term strategies e.g. 10 year NHS plans and Integrated Care Plan community development duty
 - greater support from UK central government

Next steps (an ongoing research- policy network)

- We are keen to keep the conversation going and we maintain active interests in this area.
 - **Glasgow-based webpage** - "ALTERNATIVE ECONOMIC DEVELOPMENT APPROACHES – RSE WORKSHOP SERIES" where we are posting workshop summaries (with notes from Glasgow and today to come) - <https://www.gla.ac.uk/schools/socialpolitical/research/urbanstudies/activities/projects/alternativeeconomicdevelopmentapproachesrseworkshopseries/>
 - We are currently developing a **research council bid**, for submission this year, to support further work on approach adoption and implementation; this, we hope, will help to provide wider international perspectives and will need to be closely wedded to policy and practice insights
 - We are keen to take opportunities to submit **responses to calls for evidence** (as appropriate). We would welcome any thoughts/feedback on this.
- On all three points, we would be eager **to stay in touch** with you all.