

Theorising inclusive growth as a Polanyian 'double movement'...(with some help from Erik Olin Wright)

Inclusive Growth in Cities conference, Manchester, 19.11.19

Richard Crisp (r.crisp@shu.ac.uk)

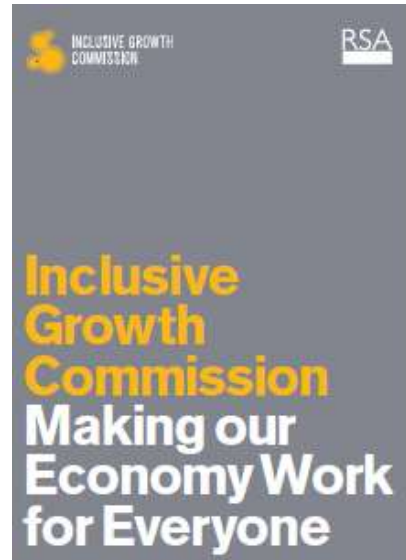
CRESR, Sheffield Hallam University

Outline

- Aim = theorise how inclusive growth has been conceived, operationalised and challenged by social actors as a mechanism for addressing the uneven outcomes of growth
- Conclusion = Some 'win-win' framings of inclusive growth fail to recognise the tensions of trying to secure distributional benefits by shaping market outcomes

|What do we mean by inclusive growth?

- *‘Enabling as many people as possible to contribute and benefit from growth’(RSA, 2017)*



Inclusive growth research

- **Major development projects: connecting people in poverty to jobs** (JRF, 2016):
 - Using planning and procurement to lever jobs and training opportunities
 - Delivery mechanisms (e.g. LLiC, shared apprenticeship programme, skills provision and employment support)
- **Overcoming deprivation and disconnection in UK cities** (JRF, 2016)
- **Tackling poverty through housing and planning policy** (JRF, 2017)
- **Embedding inclusive growth in the Sheffield City Region** (SCR, 2019)

Polanyi's theory of the double movement

- Hungarian economic historian concerned with analysing the deficiencies and consequences of the self-regulating market
- Creates notion of 'double movement' to explain dual process of :
 - Social forces seek to expand scope and influence of self-regulating markets...
 - ...with push back from 'counter movements' to insulate society from its destructive impacts
- Key dynamic of the Industrial Revolution: **'human society would have been annihilated but for protective counter-moves** which blunted the action of this self-destructive mechanism'. *The Great Transformation* (1944/2001), p79.
- Capitalism = 'uneasy and fluid hybrid' that that reflects the shifting balance of power between contending forces (Block, 2008).



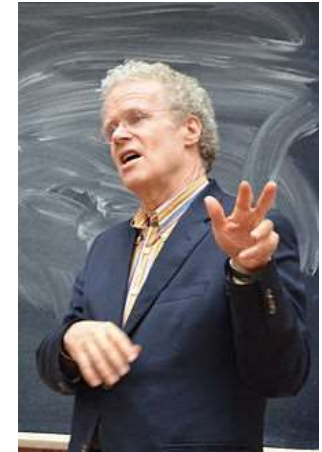
How can Polanyi help us understand inclusive growth?

- Concern with **the contradictions of the market** 'remarkably prescient in an era marked by compounding crises of deregulation and financialization, and by the accelerated commodification of natural and social worlds....
- ...and the value of the [double movement] concept lies in its ability to inform dialectical analysis, strategically centred on **those (social and institutional) reflexes** triggered by marketization and commodification' (Peck, 2013).
- Yet notion of counter movement lacks precision (Goodwin, 2018).

A theory of transformation can help

Erik Olin Wright (2010, 2019) identifies **three strategies of transformation**:

- **Ruptural**: Create a sharp break with existing institutions and structures ('Smash first, build second').
- **Interstitial**: Build new forms of social empowerment in the niches and margins of capitalist society outside the state.
- **Symbiotic**: Deepen institutional forms of popular social empowerment in ways that simultaneously solve 'real problems' faced by dominant classes and elites.
 - 'Contradictory character' – creates 'win-win' situations
 - Using the state to build social power



IG as symbiotic strategy: Shared problems and 'win-win' solutions

- Acknowledge **mutual harms** of existing economic model
 - poverty, worklessness and low pay as a drag on growth
- Need to couple 'growth with equity' (LA officer, Bradford)
- **Win-win solutions** – create jobs and training opportunities through development in ways that benefit employers:
 - Support recruitment and training needs
 - Address need for flexible labour
 - Raise profile and meet CSR objectives
 - Provide reliable low-cost local labour (and consumers!)

Win-win solutions as framing narrative – some eggs

- **Meeting training needs:**
 - “Actually it’s of benefit to the end user, it’s **not just about that awful local authority arm twisting** ...There’s some **very positive business benefit** in teaming up and saying...let’s recruit locally and take advantage...of training provision”. (LA Officer, Leeds)
- **Addressing need for flexible labour:**
 - “A proper apprenticeship is the best, where you’re employed by the employer and there’s a guaranteed job at the end of it...but **construction is an area where that doesn’t work [so] the shared apprenticeship scheme is the best way forward**”. (LA Officer, Wakefield)

Tensions in symbiotic strategies (1)

Willingness or capacity to secure jobs + training opportunities shaped by:

- **Market conditions** and ‘bottom line’ considerations:
 - “That **contractor has got to deliver something on time and on budget.** So it isn’t going to suddenly down tools ..to look around and employ hundreds of local people on unemployment benefits or universal credit...**we have to be very realistic about the level of specific jobs.**” (LA Officer, Leeds)
- **Mobility of capital** and perceived risk of losing investment:
 - “We’ve got one application currently for relocation of a firm onto a site in Kirklees...**we aren’t going to layer conditions on top cos we’re keen to retain that firm** and anything that gets in the way is likely to send them elsewhere...we want to retain them in the district cos of business rates.” (LA officer, Kirklees)

Tensions in symbiotic strategies (2)

- **Capacity within local authorities** to secure concessions:
 - “We’re not awash with resource, so at the moment people are extremely...stretched, **where’s the capacity to actually do that** is a question you might struggle with right now.” (CA officer, West Yorks)
- Pressures to deliver on **devolved funding and responsibilities**:
 - “The people that are taking the greatest risks are the contractors. And if they can’t deliver to the agreed contract they’re the ones that are out of pocket. And **we don’t want anything that’s going to jeopardise the fact that we’ve got freedom and flexibilities in Leeds City region** because we’ve lobbied. We’ve actually won the money and then we can’t deliver on it.” (LA officer, Calderdale)

| Final reflections

- Theory helps us to understand aspects of inclusive growth as a countermovement to address harms of current growth model.
- IG as a **‘weak’ state-led symbiotic strategy?**
- ‘Win-win’ framing fails to recognise the **tensions of trying to secure distributional benefits through shaping markets:**
 - “We need an appreciation of power imbalances” (Third sector stakeholder)
- ‘Weak’ symbiotic strategies could be strengthened through **building capacity of state** to recognise and address tensions.
- Need to think about **potential for interstitial strategies** as some areas have started to do with focus on inclusive economy.