

What kind of 'inclusive growth' and for whom?

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What kind of ‘inclusive growth’ and for whom?

- Introduction
- The ascendancy of ‘inclusive growth’
- Critiques
- Conclusions

Introduction

- Reflects increased concern about inequality and post-2008 crisis efforts of international institutions and state actors to reposition themselves
- New discourse as attempt at re-framing economic development across different geographical scales
- But limitations/incoherence risk undermining 'inclusive growth', prompting need for fresh approaches to 'inclusive economy'

The ascendancy of inclusive growth

- Inequality negative impact on economic growth (Cingano *et al.* 2014)
- Growth of in-work poverty (Lee *et al.* 2014)
- Political imperative to address the people and places 'left behind' and rise of economic populism (RSA Inclusive Growth Commission 2017)

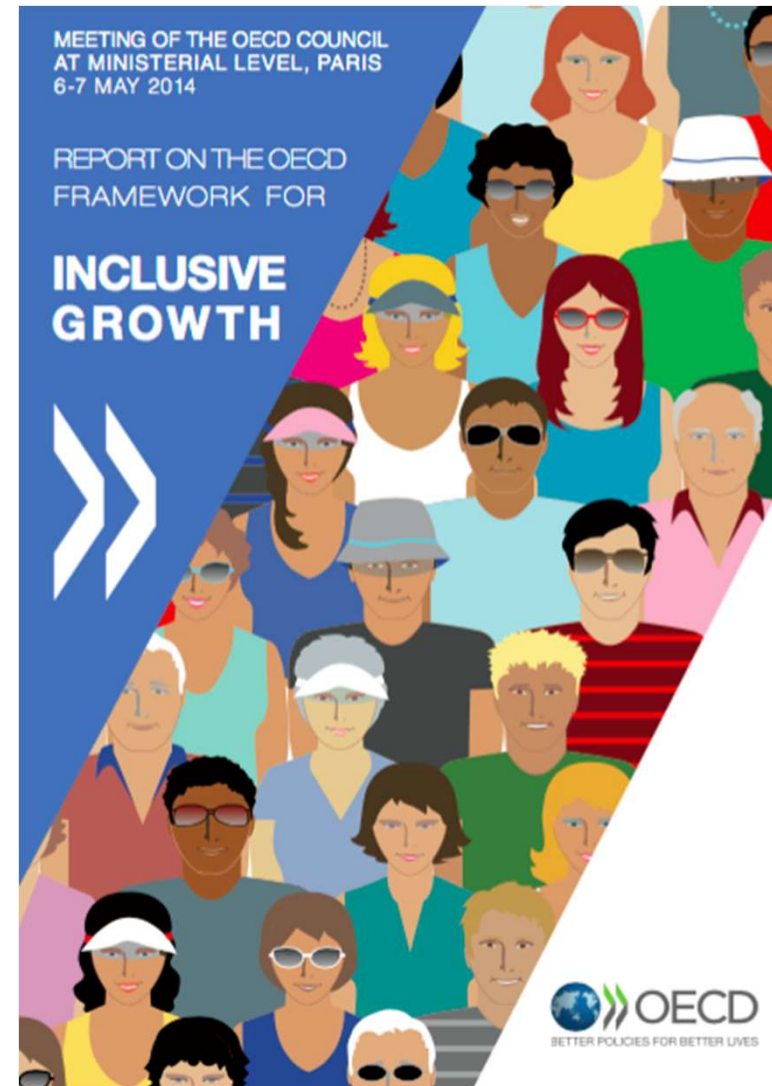
Critiques I – Aims and purpose

- Definitions – multiple, varying, unclear
- Multiple terms: ‘equitable’, ‘fair’, ‘good’, ‘inclusive’ and ‘just’...
- Unclear and varied purpose(s) – what is it for? What is it trying to achieve and for whom and where? Absolute or relative change?
- Fuzzy aims and objectives complicate measurement and evaluation

Source: Ranieri, R. and Ramos, R. A. (2013) Inclusive Growth: Building Up a Concept, Working Paper 104, International Policy Centre for Inclusive Growth: Brasilia; Rodríguez-Pose, A. and Wilkie, C. (2014) Conceptualizing Equitable Economic Growth in Urban Environments, Paper for the Cities Alliance, LSE: London; Birdsall, N., Torre, A. de la and Menezes, R. (2008) Fair Growth: Economic Policies for Latin America's Poor and Middle-income Majority, Center for Global Development and Inter-American Dialogue: Washington DC; PricewaterhouseCoopers and Demos (2013) Good Growth for Cities, PWC and Demos: London; Turok, I. (2011) “Inclusive Growth: Meaningful Goal or Mirage?” in A. Pike, A. Rodríguez-Pose and J. Tomaney (Eds.) Handbook of Local and Regional Development, Routledge: London, 74-86; Benner, C. and Pastor, M. (2012) Just Growth: Inclusion and Prosperity in America's Metropolitan Regions, Routledge: London. Glaeser, E. (2013) “A happy tale of two cities”, New York Daily News, 13 October

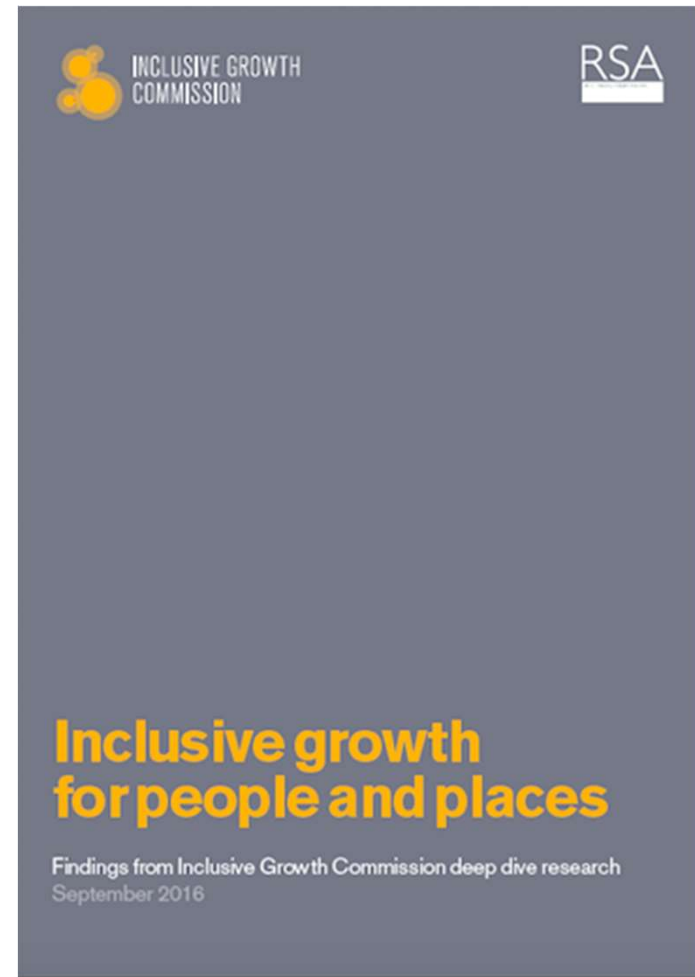
Definitions of ‘inclusive growth’ I

“economic growth is important but not sufficient to generate sustained improvements in welfare, unless the dividends of growth are shared fairly among individuals and social groups” (OECD 2014)



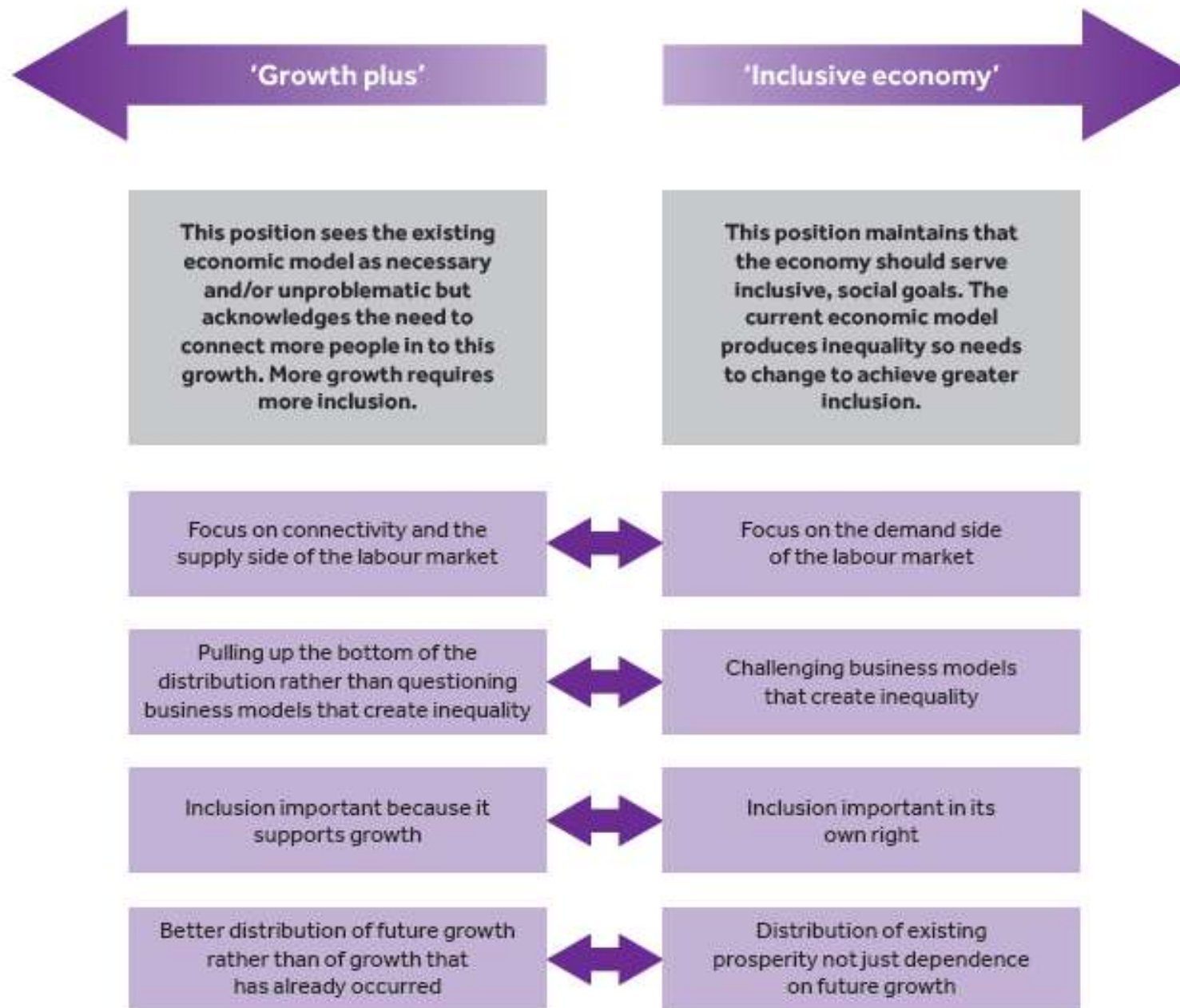
Definitions of ‘inclusive growth’ II

“Inclusive growth refers to broad-based growth that enables the widest range of people and places to contribute to economic success, and to benefit from it too. Its purpose is to achieve more prosperity alongside greater equity in opportunities and outcomes” (RSA Inclusive Growth Commission 2017)



Critiques II – Conceptual and theoretical basis

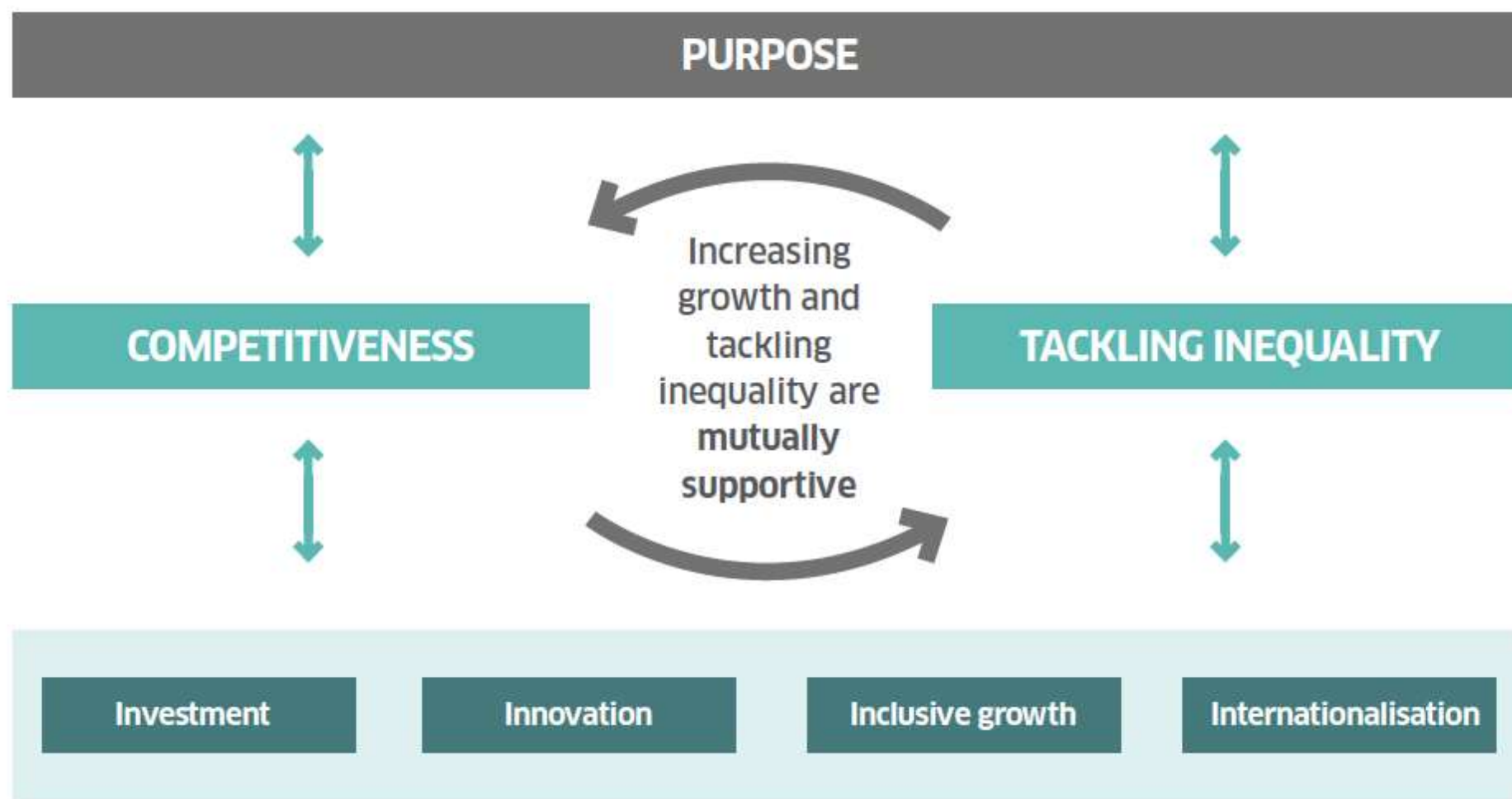
- What's the underlying theory of economy?
- Relating social (people) and/or spatial (place) distribution
- Reformist sticking plaster for age-old problem of inequality in capitalism?
- Latest dilution of social justice agendas...after 'social exclusion', 'pro-poor growth'...



Critiques III – Translation into policy

- Bolt-on to underlying conventional economic growth model ('Growth plus') irrespective of limitations
- Over-emphasis on connection and/or spill-over from high-end knowledge-based and tradeable sectors
- Some recent recognition of long-tail of low productivity, low value added and low wage service sectors
- Reliance upon agency of key 'anchor' institutions (e.g. Living Wages in public sector)
- Excluded/'left-behind' objects > agents of policy

Figure E.1: Scotland's Economic Framework



West Midlands Combined Authority



Critiques IV – Geographies

- Varying approaches to tailoring inclusive growth to the contexts of particular places
- e.g. Presence in UK Local Industrial strategies ('people' and 'place' themes)
 - West of England, 1 of 4 key priorities
 - West Midlands, embed in IGU, Framework and Toolkit
 - Greater Manchester, 'Good Employment Charter' and foundational sectors.
 - Tees Valley, giving local people access to good quality jobs.



4. Conclusions

- ‘Inclusive growth’ as an imperfect but workable concept for pragmatic utilisation in efforts to bend the economy in more social directions
- (Re)inserting the social and spatial distribution of growth into the mainstream economic and political agenda
- Limitations / incoherence risk undermining ambitions for ‘inclusive growth’?
- Need for fresh approaches to ‘inclusive economy’

Alternatives and future agendas...paths to 'inclusive economies'?

FOUNDATIONAL ECONOMY



THE EVERYDAY ECONOMY

Rachel Reeves MP

Community Wealth Building



Source: <https://foundationaleconomy.com/>; <https://www.scribd.com/document/374425087/Rachel-Reeves-The-Everyday-Economy>; <https://cles.org.uk/community-wealth-building/what-is-community-wealth-building/>