

‘Levelling up’ and other grand political fantasies

By Dr Jacob Salder, Alliance Manchester Business School

January has arrived, and with it some blessed relief. As I get older, I become less and less enamoured by December’s festivities and more interested in their passing so we can move on to longer days and warmer conditions. Almost a fortnight since Winter Solstice, the gradual retreat of the darkness is already noticeable. In barely six weeks we will see some dramatic changes, as we both start and finish work during daylight and witness the first signs of Spring’s green shoots.

Such a message could be all too easily appropriated for more nefarious purposes in post-Brexit Britain. The daylight our emergence from the shadow of the EU, the green shoots the first signs of recovery with renewed sovereignty.

‘Levelling up’ has been the critical word bandied around by Johnson and his cronies. Even going back as far as 2016, this was one of the key messages used to win the referendum, addressing the needs of forgotten communities which have failed to benefit from decades of purported economic success.

These questions of uneven development and diverging economic progress between the regions of the UK – or more specifically the South (East) and everywhere else – have become a constant in modern political discourse. The decimation of industrial Britain and its spatially uneven replacement with a service-based economy has underpinned policies of successive governments, from the regional regeneration of New Labour, tied neatly into objectives of the EU’s structural funds, to rebalancing of the economy in Cameron’s coalition government and now the ‘levelling up’ agenda.

What is notable here is the limited impact any intervention during the preceding years has made. A recent review of UK regional productivity published by the Industrial Strategy Council^[i] illustrates the extent of the problem; of the 41 NUTS2^[ii] areas in the UK, only 11 show a level of productivity above the UK average. Of these, six are outside London but only three outside the south of England; two in Scotland and the remaining one in the North West. Whilst this

illustrates a long-run tendency separating specifically London from the rest of the UK, the reduction of this gap between the 1950's and 1970's has been all but undone in the following decades.

The issue here is regional equalisation and 'levelling up' is a complex problem requiring long-term solutions and interventions which successive governments have fundamentally failed to effectively address. Transformation of some major industrial cities cannot be denied, but the net beneficiaries here have tended to be professional and investment classes. As a result, certain cities have seen major economic rejuvenation run hand in hand with enduring chronic deprivation.

What has changed here however is the dynamics of the levelling up issue considering the 'revenge of the places that don't matter' [\[iii\]](#). Whilst previously aggregated within a north-south divide, the regional development agenda arguably sought to appropriate an increasingly popular 'city-first' approach, financialising and servicifying regional principal urban areas under presumptions an urban agglomeration effect would create spillovers to rectify enduring issues in secondary centres. This approach has had only limited success; whilst the agglomeration model serves larger conurbations – the 'global' and 'world' cities – particularly well, the effect in secondary centres is less pronounced.

I recall many years ago the great urbanist Sir Peter Hall raising questions about the failure of investment in Birmingham and Manchester to yield any noticeable benefits in Stoke. Despite, or perhaps through, both proximity and access benefits, it saw a brain drain as human capital was attracted to the larger cities through a mix of professional and lifestyle benefits, leaving Stoke in the development doldrums.

Fast-forward 15 years and places such as Stoke have become ground zero in the new political landscape of the UK, first as Brexit Central and later as the fallen Red Wall. This political repositioning has yet to manifest economically. And instead of inter-regional issues escalating on the agenda pitting London against the North, this tension manifests more prominently in an intra-regional capacity, as interests and representation at the regional metropolitan level are considered to take continued priority over our forsaken 'places that don't matter'.

Any commitment to levelling up and addressing enduring inter- and intra-regional unevenness can only be welcome. But as with the Brexit class of politicians, we see plenty of rhetoric but very little detail on how this will be achieved. In place, continued commitment to principles of free enterprise and deregulation are considered a panacea for problems historically embedded.

The challenges of levelling up have only been illustrated by the succession of failed interventions over the past 30 years. And these were based on a more coherent strategic response than that set out by a government which has single-handedly placed the greatest restrictions on British trade since Robert Walpole first took the *de facto* position 300 years ago. Making an impact on this issue is not beyond the realms of possibility. I would imagine however it will simply transpire a yet another grand political fantasy of this failed administration.

[i] <https://industrialstrategycouncil.org/uk-regional-productivity-differences-evidence-review>

[ii] Nomenclature Units of Territorial Statistics: Level 2 equates to clusters of counties or unitary authority areas

[iii] <https://voxeu.org/article/revenge-places-dont-matter>