

Will Levelling Up Really Work?

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In the last week or so, we've heard a great deal about 'Levelling Up'. This is a phrase which many believe, was coined in the run-up to the December 2019, 'Get Brexit Done' general election as a way to summarise the aspiration to create equality across the country, most particularly in areas of the country in which citizens had become disgruntled by their sense of being forgotten about (BBC, 2022).

As the recent history of this country demonstrates, politics has been dominated by the views of such people, conveniently described as the 'left behind', who lived in areas in which traditional manufacturing industries had declined since the early 1980s and in many instances simply disappeared. As would be expected, unemployment followed and provided a toxic environment of deprivation and a sense of hopelessness prevailed.

Such areas, frequently, though not exclusively, in the north of England, as well as coastal towns relying on fishing or seasonal holiday trade, have experienced the negative impact of a relative decline when compared to the more prosperous south-east and London. Growing disillusionment led to an increase in support for politicians willing to countenance policies explicitly intended to put the blame on the decline of deprived areas on immigration which, they claimed, was made possible by membership of the European Union (EU).

Decline in fortunes of citizens of areas of the country considering themselves 'left behind' led directly to the referendum in continued membership of the EU which, of course, allowed Boris Johnson to become leader and Prime Minister. As many have pointed out, Johnson has been willing to make outlandish promises to the electorate deliberately intended to engender support for his party.

Levelling up is exactly such a promise.

Jack Newman, writing in UK in a Changing Europe believes that contrary to the commonly held view that 'levelling up' is an example of PM Boris Johnson's belief in 'boosterism', it has a "surprisingly long" history (2021). As Newman explains, the expression to 'level up' first appeared in parliamentary records in the 19th century:

"It took particular prominence during the 1860s in a debate about the relative positions of the Anglican and Catholic churches in Ireland. In this debate, one member of the Lords made the useful observation that 'you must arrive at equality either by levelling down or by levelling up'."

Since then, levelling up has waxed and waned in usage. Rather than being used to examine religion, its significance by governments both Conservative and Labour has been entirely in relation to a range of issues concerned with inequality and the way that funding can address gaps.

Newman's examination of the history of use of the phrase levelling up points out it re-emerged when Theresa May became PM. May made plain her desire to improve prospects of all, especially those in marginalised communities. Her Education Secretary, Justine Greening, proposed a white paper, *Unlocking Talent, Fulfilling Potential*, in which the aspiration was to "address the opportunity gap among young people under the strap-line 'levelling up opportunity.'"

Brexit, most particularly May's inability to secure Parliamentary agreement for a withdrawal deal with the EU, resulted in her demise. In turn, she was replaced by Johnson whose willingness to

engage in populist politics and who has proved himself more than happy to use a phrase that conveniently summarised the aspiration of attempting to achieve greater equality. Hence Levelling UP became central to the December 2019 Conservative manifesto in which “levelling up every part of the UK” was promised through a number of initiatives:

- Investing in towns, cities, and rural and coastal areas
- Giving those areas more control of how investment is made
- Levelling up skills using apprenticeships and a £3bn National Skills Fund
- Making life much easier for farming and fishing industries
- Creating up to 10 freeports to help deprived communities.

What’s important to recognise is that the issue of regional inequality is nothing new. As Lord Michael Heseltine explains in his seminal report, *No stone unturned: in pursuit of growth*, the gap that’s opened between the north and ‘home counties’ including, of course, London, came about because taxes, initially collected as a temporary measure in December 1798 to fund the Napoleonic Wars, were controlled centrally by government (2012).

Whilst manufacturing prospered, jobs were plentiful and opportunity for advancement through benign mercantile oversight of investment, particularly education, enabled communities to enjoy the benefit of vibrant local economies. However, as Heseltine stresses, as power inevitably follows money London’s significance grew.

In good times, power being concentrated in London was not widely regarded as problematic. However, manufacturing’s decline exacerbated an imbalance that has led to the perception of citizens of being ruled by a faraway ‘elite’ who don’t fully understand their plight. This perception was weaponised and given an explicitly nationalistic edge by those within the Conservative Party who’d long resented what they saw as the needless membership of the EU.

Boris Johnson, for all the criticism that has been heaped upon him, instinctively recognised the importance of being seen addressing inequality. As Davenport and Zaranko in an Institute for Fiscal Studies document in 2020 wrote, inequality is now a characteristic of the UK:

“The UK is one of the most geographically unequal countries in the developed world; compared with 26 other developed countries, it ranks near the top of the league table on most measures of regional economic inequality. There are also substantial differences in earnings, wealth, health, educational attainment and social mobility across the country.”

Unfortunately, recognising there’s a problem is the easy bit. As all governments since the second world war, with varying degrees of enthusiasm, have attempted to address regional inequality (Margaret Thatcher was notoriously sceptical on governments intervening). Putting in place a systematic set of policies that will, like a well-engineered machine, simultaneously produce the sort of improvement that’s long been sought, remains the ‘Holy Grail’.

Arguably, is levelling up is to have any chance of success, the sums of money needed to achieve this objective are colossal. Enenkel (2021), in a blog for thinktank Centre for Cities contends that the magnitude of the task is comparable to the level of investment needed after the reunification of Germany following the fall of the ‘Berlin Wall’ in 1989.

Enenkel states that at least £71 billion was spent between 1990 and 2014, adding up to a total of £1.775 trillion. Compared to the £4.8 billion announced, largely already dedicated to a range of

projects, it's not hard to see why many remain unconvinced we're likely to see the sort of revolution envisaged by the PM and secretary for state with responsibility for Levelling Up, Housing and Communities, Michael Gove, in presenting 12 'Missions to Level Up the UK' contained in the White Paper Government, 2022).

If you've not had a chance to read the whole paper, the executive summary (HM Government, 2022) is worth consulting. What emerges is certainly big on ambition but, as would be expected, somewhat less clear as to how the missions will actually be achieved. As critics argue, the missions are written in such a way as to be vague and, of course, though 2030 is only eight years away, by the point they are judged it's assumed that the present members of government will be long gone.

Newman et al in a Conversation piece immediately following publication of the Levelling Up White Paper acknowledge the fact that the government are addressing their effort to the six 'capitals' which are physical, human, intangible, financial, social capital and institutional and which they believe are intended to be used in a highly integrated way to produce improvement (2022):

"The idea is to increase the UK's stock of these capitals and, crucially, to begin to close the gap between the best and worst performing areas by 2030."

Crucially, though, even though they believe the aims to be 'laudable', they consider the plan to be 'ultimately flawed' in four critical ways.

1. Problem 1: big problem, small solutions
2. Problem 2: where are the local strategies?
3. Problem 3: London is still in control
4. Problem 4: some plans will makes things worse

Their conclusion is that, as many have already stated in previous studies of how to address inequality between different parts of the UK, funding must be dedicated to the local areas which allows them freedom to do what they consider to be appropriate. This is exactly what Lord Heseltine recommended almost a decade ago.

Localism through politicians and business leaders, given their intimate knowledge, are far more likely to know what will work successfully than grandiose solutions conceived by politicians (and their special advisors) in Westminster. However, what seems apparent from what is contained in the Levelling Up white Paper is neatly summed up by Newman et al (ibid) in their conclusion that what's more likely is a 'scatter gun approach' simply intended for short-term political expedience:

"Small improvements will be made here and there that do not connect together into a virtuous cycle of transformational change. It's doubtful that this will make enough people feel that their local area has really improved – and it is on this feeling that the government's future electoral hopes hang."

There's an old expression about the road to hell being paved with good intentions.

Addressing the sort of inequality, poverty and sense of hopelessness felt by so many communities through 'Levelling Up' or whatever phrase is used by any government is undoubtedly an intention we should all support. Through doing this we would be likely to alleviate the many embedded social problems experienced in all parts of the UK, including London, which costs huge amounts of money in remedying.

Unfortunately, it has to be said, the amount of money dedicated to this objective suggests that, as opposed to what was achieved by Germany following reunification is not going to occur here in the UK. As such, failure will be experienced by those whose lives (as well as their children), will continue to be blighted by the injustice of lack of access to opportunity and prosperity that has made this very much a 'disunited kingdom'.

Worryingly, given the paucity of grown-up and intelligent debate we may have to wait a good while longer to develop a long-term solution to inequality that would be likely to require an increase in taxation thought to be electorally suicidal.

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