

Levelling up requires a more geographically focused, decentralised and better resourced approach

First published on the Campaign for Social Sciences's Levelling Up hub

<https://acss.org.uk/campaign-for-social-science/levelling-up-hub/>

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The levelling up white paper¹ (LUWP) provides a welcome and overdue statement of government intent to tackle deep-seated geographical inequalities in the UK, representing arguably the most important intervention in this area since Labour's Regional Development Agencies White Paper in 1997.² It recognises the scale of the regional problem in the form of wide and deep-rooted inequalities between areas at different spatial scales and sets out a series of ambitious cross-government missions to tackle them by 2030. But how likely are these missions to succeed, compared to previous efforts to address geographical inequalities in the UK? In attempting to answer this question, we consider the LUWP's diagnosis of the regional problem, as well as assessing its approach against recent work by economic geographers which sets out a number of policy principles for levelling up strategy.³

The LUWP provides a detailed analysis of geographical inequalities in chapter one, covering a range of dimensions and indicators. While this is the strongest part of the document, the evidence base that informs it is rather narrow, drawing principally on the 'new economic geography' (NEG) and urban economics which have been important influences on spatial economic policy in the UK over the past decade or so⁴, although social and institutional

theories are also incorporated. The NEG in particular is associated with city-centric policies emphasising the benefits of urban agglomeration in increasing overall productivity and innovation, arguing against efforts to spread economic growth to lagging regions.⁵ The rather abstract macro-level summary offered by the white paper does not engage with more in-depth research on the conditions of disadvantaged ‘left behind places’ (LBPs) which could have provided a richer and more nuanced understanding of the regional economies to be subject to levelling up.⁶

The influence of the NEG is particularly evident in the overall framing of regional disparities in the UK as the product of cumulative, self-reinforcing economic forces resulting in regional divergence (p.50). While this characterisation rings true in broad, historical terms, it is fundamentally at odds with the objective of redressing regional disparities. The question of whether and how policy can intervene to overcome these divergent economic forces is not addressed. While the LUWP rightly argues that targeted policies to boost local growth have proved successful in some notable instances, supporting growth in poorer regions will not necessarily lead to levelling up in the sense of reducing regional disparities if successful places also experience growth.⁷ Here, the LUWP lacks an explicit theory of change in terms of how its approach will alter the operation of the spatial economic forces generating regional divergence. The assumption seems to be that ambitious government missions, improved central and local government decision-making, local empowerment, better data and enhanced oversight and scrutiny can somehow overcome long-run divergence. This seems like magical thinking.

At the same time, the beneficiaries of levelling up policy are largely absent: the LBPs to be levelled up. As so often in regional policy frameworks, the model of cumulative economic growth presented is based on the experience of successful city-regions. This model is based on the framework of six capitals – physical, human, intangible, financial, social and

institutional – which are identified as the drivers of spatial disparities, fostering mutually reinforcing economies of agglomeration in successful places and self-reinforcing cycles of decay in declining places. LBPs are portrayed as multiply under-capitalised, lacking endowments of these capitals. Yet while levelling up means taking action to replenish the different capitals when they are weak or depleted, the LUWP provides little sense of how this can be done, particularly in terms of the scale and breadth (across the different capitals) of investment required to transform vicious circles into virtuous ones (p.xvi).

While reflecting the ambition and scope of the levelling up agenda, the range of missions and initiatives is also a potential source of weakness, risking incoherence and fragmentation. As the Institute for Government has pointed out, most of the missions are not clear or realistic.⁸ Some are poorly defined, while others are not ambitious enough or overly ambitious. Many of the missions articulate an aspiration of reducing the gap between the best performing and worst performing areas, although it remains rather unclear as to how this be achieved in most cases. Rather than setting out substantial new funding commitments (having been preceded by the three-year autumn Budget), the LUWP offers something of a hotpotch of existing and new policy proposals⁹, including SME access to finance, support for manufacturing, three new innovation accelerators, the designation of Education Investment Areas, Local Skills Improvement Plans, the identification of 20 places for ‘transformational’ regeneration and a new parks fund.¹⁰ These do not add up to a coherent policy programme, supported by the level of investment required to achieve the missions by 2030. The lack of new spending commitments in the LUWP has been widely criticised, reflecting a sense in which the economic policies set out do not match the ambition of the levelling up agenda and its analysis of regional inequalities.¹¹ While various levelling up funding pots exist –the Levelling Up Fund, Towns Fund, UK Shared Prosperity Fund and the creation of Freeports – these remain fragmented and divorced from the analysis and framework set out in the LUWP.

Judged against the levelling up principles set out by economic geographers, the LUWP falls short.¹² It is particularly deficient with respect to offering a radical decentralisation of the state.¹³ The LUWP offers a ‘new devolution framework’ for England, setting out three levels of the devolved powers on offer to local areas. This represents an extension of existing deal-based approach to devolution, with central government retaining control over the process.¹⁴ Indeed, in its broader pre-occupation with the role of central government, the LUWP does seem to assume that levelling up can be done ‘top-down’.¹⁵ An alternative approach would be to offer more meaningful levels of devolution to a wider range of places, start from the predicaments and needs of LBPs themselves, and provide binding new funding commitments to support more ambitious policies aimed at tackling economic inequalities.¹⁶ Supported by a coherent national framework, such an alternative approach would set out clearer priorities for LBPs, based on the identification of local assets and aspirations, aiming to support income and livelihoods, invest in social infrastructure and promote inclusive forms of innovation.¹⁷

Notes

¹ HM Government (2022) *Levelling up the United Kingdom*. HM Government, London.

<https://www.gov.uk/government/publications/levelling-up-the-united-kingdom>

² Department of the Environment, Transport and the Regions (1997) *Building Partnerships for Prosperity: Sustainable Growth, Competitiveness and Employment in the English Regions* Cm 3814. The Stationery Office, London.

³ Martin, R., Gardiner, B., Pike, A., Sunley, P. and Tyler, P. (2021) *Levelling up left behind places: the scale and nature of the policy challenge*. Regional Studies Association, Falmer, East Sussex.

<https://www.taylorfrancis.com/books/mono/10.4324/9781032244341/levelling-left-behind-places-ron-martin-ben-gardiner-andy-pike-peter-sunley-peter-tyler>;

Martin, R., Pike, A., Tyler, P. and Gardiner, B. (2016) Spatially rebalancing the UK economy: towards a new policy model? *Regional Studies* 50: 342-357. DOI: [10.1080/00343404.2015.1118450](https://doi.org/10.1080/00343404.2015.1118450)

⁴ Hildreth, Paul, and David Bailey. 2013. “The economics behind the move to ‘localism’ in England.” *Cambridge Journal of Regions, Economies and Societies* 6: 233–249.

<https://doi.org/10.1093/cjres/rst004>

⁵ Pike, A. (2018) The limits of city-centrism. We need to rethink how we approach urban and regional development. <https://blogs.lse.ac.uk/politicsandpolicy/the-limits-of-city-centrism/>

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- ⁶ Abreu, M., & Jones, C. (2021). The shadow of the Pithead: Understanding social and political attitudes in former coal mining communities in the UK. *Applied Geography*, 131 <https://doi.org/10.1016/j.apgeog.2021.102448>; Beatty, C. and Fothergill, S (2020) Recovery or stagnation? Britain's older industrial towns since the recession, *Regional Studies* 54: 1238-1249 DOI: [10.1080/00343404.2019.1699651](https://doi.org/10.1080/00343404.2019.1699651); Calafati, L., Ebrey, J., Froud, J., Haslam, C., Johal, S. and Williams, K. (2019) How an Ordinary Place Works. Understanding Morriston. Available online at: <https://foundationaleconomycom.files.wordpress.com/2019/05/morriston-report-v6-13-may-2019.pdf>.; Pike, A, MacKinnon, D, Coombes, M, Champion, T, Bradley, D, Cumbers, A, Robson, L and Wymer, C. 2016. *Unequal growth - tackling city decline*. Joseph Rowntree Foundation, York, <https://www.jrf.org.uk/report/uneven-growth-tackling-city-decline>
- ⁷ Morgan, K. (2002). The English question: Regional perspectives on the fractured nation. *Regional Studies* 36: 797–810. <https://doi.org/10.1080/0034340022000006114>
- ⁸ Shearer, E. (2022) Will the levelling up missions help reduce regional inequality? *IfG Insight March 2022*, Institute for Government, London. <https://www.instituteforgovernment.org.uk/sites/default/files/publications/levelling-up-missions.pdf>
- ⁹ Williams, J. (2022) For Boris Johnson it is a slogan – for others, it is life or death: the puzzle of levelling up. *Manchester Evening News*, 6 February. <https://www.manchestereveningnews.co.uk/news/greater-manchester-news/the-puzzle-of-levelling-up-22998423>
- ¹⁰ HM Government (2022), op. cit.
- ¹¹ Institute for Government (2022) Levelling up: the IfG view on the white paper. *IfG Insight March 2022*, Institute for Government, London. <https://www.instituteforgovernment.org.uk/sites/default/files/publications/levelling-up-white-paper-ifg-view.pdf>
- ¹² Martin, R et al. (2021) op. cit.
- ¹³ Martin et al Martin et al (2016) op. cit.; Martin et al (2022) op. cit.
- ¹⁴ O'Brien, P. and Pike, A. (2019) 'Deal or no deal?' Governing urban infrastructure funding and financing in the UK city deals. *Urban Studies* 56, 1448-1476 <https://doi.org/10.1177/0042098018757394> ; Sandford, M. (2017) Signing up to devolution: the prevalence of contract over governance in English devolution policy, *Regional & Federal Studies*, 27, 63-82 <https://doi.org/10.1080/13597566.2016.1254625>
- ¹⁵ Coyle, D. (2021) Levelling up can't be done top-down. Academy of Social Sciences, Levelling Up Hub, <https://acss.org.uk/levelling-up-cant-be-done-top-down/>
- ¹⁶ Institute for Government (2022) op. cit.
- ¹⁷ MacKinnon, D., Kempton, L., O'Brien, P., Ormerod, E., Pike, A., Tomaney, J. 2022. Reframing urban and regional 'development' for 'left behind places'. *Cambridge Journal of Regions, Economy and Society*, 15, 39–56 <https://doi.org/10.1093/cjres/rsab034>