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Inclusive and Sustainable Growth in Cities - Anne Green

Building Inclusive and Sustainable Economies Workshop, Newcastle, 9/3/23

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Scope of presentation

- The concept of inclusive growth
- Definitional issues
- Inclusive and sustainable growth in practice
- Equity of opportunities and/or outcomes
- Alternative approaches to inclusive economies and sustainable economies
- Reflections and questions



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What is inclusive growth? – some definitions

<i>Organisation</i>	<i>Interpretation</i>
European Commission – Europe 2020 Strategy	Emphasises empowering people through high levels of employment, skills development, investing in skills, modernising labour markets, training and social protection system and building social and territorial cohesion
OECD	Economic growth that creates opportunity for all segments of the population and distributes the dividends of increased prosperity, both in monetary and non-monetary terms, fairly across society
World Bank	Focuses on productive employment to generate new jobs and income (as opposed to redistribution) and foregrounds the role of productivity growth in raising wages
United Nations Development Programme	Conceptualises inclusive growth as an outcome and a process – implying participation in decision-making and sharing the benefits of growth



Inclusive growth – virtuous circle



- Inclusion is good for growth (raises productivity)
- The success of an economy needs to be judged in terms of its contribution to social goals

Interpretations (Lupton and Hughes, 2016)


IG – ‘Growth Plus’	Inclusive Economies
Better distribute the benefits of existing growth	Emphasis on change in business models and employer behaviour and developing good quality jobs

- Spreading prosperity from the current growth model *or* changing the growth model?
- In general - Inclusive Growth is about a “concern with the pace *and* pattern of growth” (Lee, 2019)
- What does it offer to places with no/ low growth?
- What does it say about environmental degradation?
- A ‘*fuzzy concept*’ with different meanings to different people



Inclusive economies (Benner and Pastor, 2016)

- Inclusive economies have five broad characteristics




EQUITABLE

- A** Upward mobility for all
- B** Reduction of inequality
- C** Equal access to public goods & ecosystem services




GROWING

- G** Increasing good job and work opportunity
- H** Improving material well-being
- I** Economic transformation for the betterment of all



STABLE

- M** Public and private confidence in the future and ability to predict outcome of economic decisions
- N** Members of society are able to invest in their future
- O** Economic resilience to shocks and stresses



PARTICIPATORY

- D** People are able to access and participate in markets as workers, consumers, and business owners
- E** Market transparency and information symmetry
- F** Widespread technology infrastructure for the betterment of all



SUSTAINABLE

- J** Social and economic well-being is increasingly sustained over time
- K** Greater investments in environmental health and reduced natural resource usage
- L** Decision-making processes incorporate long-term costs



Multiple definitions – even in the same area (IPPR Scotland)

Four key components of a *working definition of inclusive growth*:

- Recognising that a fairer economy is a stronger economy – growth needs to be designed to generate greater economic and social inclusion
- It must narrow inequalities through economic growth
- Inclusive growth must benefit people on lower incomes, and with less of a share in wealth
- Inclusive growth must be sustainable, embedded and within planetary boundaries



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Key issues regarding inclusive growth

- Being **clearer what growth is for** – shared prosperity, addressing societal inequalities, beyond GDP as an end in itself...
- Correcting **deep labour market inequities** – helping people get 'good' jobs, progress from low pay and supporting them to get there
- Taking **the 'balance' of growth seriously** – sectorally, spatially, and in terms of who gets to be part of it and who gets to benefit...
- Changing **the way progress is measured, and resources are allocated** – 'patient' capital and proactive investment in low-value areas/sectors
- Investing in the **social, physical and public service infrastructure** that underpins society and economy...



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Inclusive growth (WMCA - Spencer, 2022)

Inclusive Growth: "A more deliberate and socially purposeful model of growth, measured not only by how fast or aggressive it is; but also, by how well it is created and shared across the whole population and place, and by the social and environmental outcomes it realises for our people"



Framework

Climate Resilience	Reducing CO ₂
Affordable and Safe Places	Designing out homelessness
Connected Communities	Improving accessibility of resources and opportunities
Education and Learning	Increasing skills levels
Health and Wellbeing	Reducing health inequalities
Equality	Reducing employment inequalities
Inclusive Economy	Increasing household income
Power, Influence and Participation	Citizens feeling that they have influence and agency



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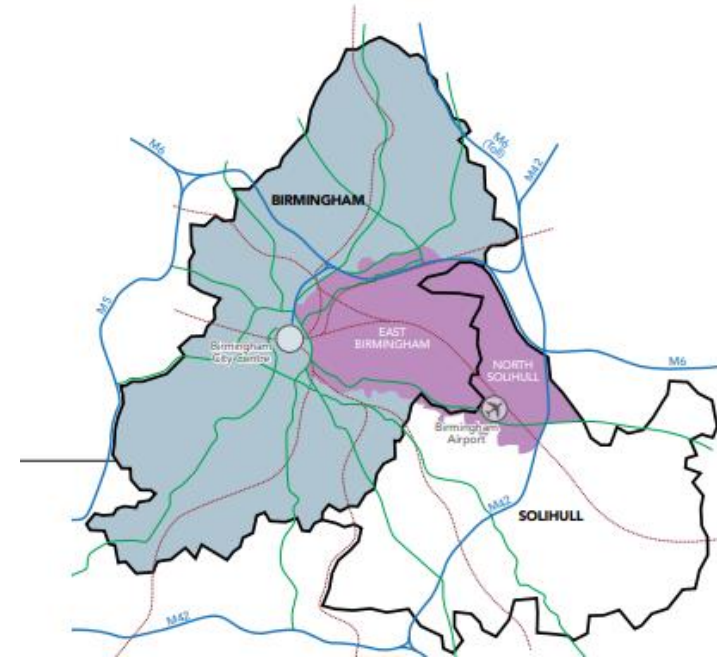
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East Birmingham Inclusive Growth Strategy

- East Birmingham and neighbouring North Solihull Inclusive Growth Corridor
- Partnership working approach – *“bringing together public sector organisations, businesses and the local community to deliver growth, to develop new approaches and better ways of working to ensure that this growth is inclusive”*
- **Vision:** The Council and its partners will make use of **the unique opportunities and potential** of East Birmingham to **create a clean, safe, prosperous and well-connected place where** citizens from all backgrounds have access to **excellent housing, education, healthcare, green spaces and employment opportunities**. Local communities will work together as part of the team to achieve their aspirations and will share a strong sense of ownership and pride in their area. The main **role of East Birmingham within the wider city region** will be as a desirable yet affordable residential area with excellent amenities which is particularly suitable for families with children, and as a centre for low carbon and sustainable industries.



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Inclusive growth, inclusive economies and demand-side priorities

- Aspiration and focus on **generating more and better jobs**

	Standard setting	Programmatic
Make bad jobs good	Minimum wages / Living wages	Career ladders programmes
Create more good jobs	Community benefit agreements / Tax incentives	Sectoral programmes / Business consortia

- **Demand-led skills programmes** - actively targeting growing, strategic sectors with the potential to create quality jobs with opportunities for advancement
- **Employer engagement and partnership focused on priority sectors** - connect employers to tackle information, co-ordination and innovation gaps
- **Devolution of more powers to sub-national authorities** to help in designing demand-side policies at a city level, matching them with supply-side measures, and adapting national programmes to tackle local needs



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Examples of inclusive growth / inclusive economy interventions

INTERVENTION	LOCAL	REGIONAL
Connecting people to economic activity	Investing in affordable housing	Strengthening transport infrastructure and services
Good work	Real Living Wage procurement (by local authorities)	Defining routes into training by marginalised groups
Education and labour market outcomes	Community benefit clauses in procurement	Investment in skills pipelines for under-served groups as part of city-region deals
Fairer systems of power	Supporting businesses to adopt new ownership models; enabling community land ownership	Promoting procurement through local suppliers



Equality of Opportunity versus Equality of Outcome

In the context of inclusive and sustainable growth:

- **Equality of opportunity** implies that it is not enough to have *sufficient* opportunities but that everyone has the *same* opportunities to make gains
 - often thought of as people being able to compete on equal terms
- **Equality of outcome** looks to ensure people who are disadvantaged are making gains
 - outcomes are influenced by a person's endowments and by acquired attributes (e.g. education)
 - outcomes are also shaped by the **opportunity structure** facing the individual – *objective* and *subjective* opportunity structures matter
- **Geographic equality** means that a spatially uniform (or equally accessible) distribution of resources is required to ensure that individuals are treated with equal respect and concern for their interests



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Economic development – alternative approaches: (1) Vision (2) Principles (Crisp, Waite et al., 2023)

Inclusive Growth	Wellbeing economy	Doughnut economics	Community Wealth Building	Foundational Economy
<p>An economic system which enables the greatest number/ range of people to participate in economic activity & to benefit from economic growth</p>	<p>Economies which promote ecological sustainability, inter-generational equity, wellbeing, happiness & a fair distribution & efficient use of resources</p>	<p>An ecologically safe & socially just space (the Doughnut) in which humanity can thrive</p>	<p>Local economies reorganised so that wealth is not extracted but is broadly held & generative of income, opportunity, dignity & wellbeing for local people</p>	<p>Society strengthened by focus & investment on the infrastructures that make civilised everyday life possible</p>
<p>Economic activity can be reshaped to deliver better outcomes ‘Softening the edges’ to allow a wider distribution of opportunities versus more fundamental rethink of models of ownership & economic organisation</p>	<p>A conception of what is good & to be valued beyond economic growth Sufficiency rather than limitless growth</p>	<p>Transformational shift towards realising SDGs without overshooting planetary boundaries as goal of economic policy Humans as dependent on the living world Economies to be distributive & regenerative by design</p>	<p>Progressive procurement of goods & services Fair employment & just labour markets Making financial power work for local places Socially productive use of land & assets Plural ownership of economy</p>	<p>Paradigm shift Emphasis on social consumption of essential goods & services Framing services and infrastructures which make everyday life possible & safe</p>



Issues arising

■ What's in a buzzword?

- 'doing' inclusive/sustainable growth-associated activities but not necessarily using that label
- labelling many activities as 'inclusive growth' that are not

■ Borrowing from a range of approaches -

- Inclusive Growth
- Inclusive Economies
- Community Wealth Building
- Doughnut Economics
- Foundational Economy
- Wellbeing Economy

■ Opportunity structures –

- identifying differential opportunities / disadvantages and looking to ameliorate them
- enhancing awareness of, and linking to, opportunities



Questions for discussion

1. Is it possible to achieve progressive change **within existing economic development models**?
OR
Do they need to be dismantled and **replaced by alternatives**?
2. What is the role for **pragmatism** in achieving inclusive and sustainable economies?
 - Is a **'pick and mix' approach** okay?
3. What is the **role for geography**?
 - What needs to be done at **what geographical scale(s)**?
 - Do we need **cross-place alliances**?

