Levelling up and inequalities

Van Der Zwet, Arno; Pautz, Hartwig

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Levelling up and inequalities: Lessons from the City Region Deals in Scotland

Professor Arno van der Zwet (University of the West of Scotland)

Arno.van-der-zwet@uws.ac.uk

Dr Hartwig Pautz (University of the West of Scotland)

Hartwig.Pautz@uws.ac.uk

The UK Government's “levelling up” agenda aims to address structural inequalities by framing them in terms of economic development needs for specific territories that are considered as “left behind”. Economic growth, expressed in terms of gross domestic product (GDP), is arguably the key objective of this agenda. However, this approach is likely to overlook the often stark differences in income, wealth, and opportunities within those territories. Elsewhere in the UK, for example in Scotland, economic development policy has taken the view that just focussing on GDP growth is too narrow, and that only ‘inclusive growth’ can address the disparities within a territory. Clearly, there is an inherent tension between a policy framework that focuses on territorial "levelling up" and one that seeks "inclusive growth." In other words, the solutions proposed to level up a whole city or region in comparison to others may not necessarily help the most disadvantaged in those places.

City Deals, introduced in England in 2012, can be seen as an early incarnation of the UK Government's levelling up agenda. In Scotland, these deals are called City Region Deals (CRDs) or Growth Deals and are arrangements between the UK Government, the Scottish Government, local authorities, and local stakeholders. Each deal is tailored towards a defined geographical area and provides funding for specific projects.

In our research report[i], "City Region and Growth Deals: Growing Equality for Scotland?," we focus on understanding if and how these deals have addressed inequalities in Scotland. Many of the lessons taken from the research apply to the levelling up agenda. Critically, we demonstrate that tensions between traditional economic growth and inclusive growth can be minimised by underpinning the policy agendas with principles such as openness, inclusiveness, and transparency in the design, project selection, and monitoring stages.

Inclusive design: Economic development versus inclusive growth

One of the key issues in relation to whether equality issues are represented in the deals is that of partnership and the influence of different stakeholders in the deal-making process. The research finds that the design process for the deals was ‘top-down’. Also, often existing public consultation mechanisms were used which were not always suitable for the deals.

There is an impression that what appeared to be a somewhat ‘secretive’ nature of the early – and crucial – deal design stage hampered the involvement of third sector stakeholders most concerned with equality, poverty, and inclusion issues. Interestingly, the private sector was generally better represented in the early design stage. One reason for not always or fully including third sector organisations may have been that they were seen as ‘costing (public) money’ but not as useful contributors to growth, however understood. Furthermore, time pressure and high levels of complexity were important barriers to including third sector organisations. Overall, our research showed that the deals have not always been conceived with poverty, exclusion and inequalities in mind, at least not in the initial, and crucial, phase of the deal-making process.

Where is 'inclusivity' considered?

The value of making sure that diverse voices are heard early in the deal-making process seems to have been recognised in the more recent deals. However, the extent to which this has led to a meaningful shift in terms of the type of projects and activities that are supported remains to be scrutinised.

Most of the heads of terms explicitly mention that concrete project included in draft deals were developed in consultation with a wide range of stakeholders including public, private and third sector organisations. However, it was noted that particularly in the early phases, it was groupings of local authorities rather than open forums that discussed the projects.

When considering inequalities issues specifically, it appears that those responsible for the deals found it more appropriate that these were assessed at the individual project level rather than for the deal as a whole.

The challenge of 'inclusivity monitoring'

The highly complex multi-level nature of the deals means that each level of government has its own information requirement linked to its own policy agenda and monitoring culture. There is, therefore, no uniform monitoring system for the deals. Admittedly, their bespoke nature would make it difficult to establish one. This, of course, means that the overall impact of the deals on equality and inclusion is difficult to determine. Moreover, deals are not obliged to use specific indicators, meaning that there is a potential for equality issues not to be monitored at all.

A related question is whether existing monitoring systems are sufficiently responsive to changing needs. For example, whenever new crises emerge policy agendas quickly change, and monitoring frameworks need to adapt. Furthermore, although there may be monitoring systems and indicators that can capture outcomes at the operational level – i.e. specific project outcomes – the challenge is to channel project level information into a monitoring vehicle.

Lessons for levelling-up

Our study offers some lessons for the levelling up agenda. First, a focus on equalities requires to be build in the design, implementation, and monitoring stage in order to take into account the degree of within-territory disparities. It seems that the Scottish Government's notion of inclusive growth has, in some cases, positively changed local practices of monitoring programmes for economic development, including CRDs and Growth Deals. Second, transparency and openness must me key features in these processes. The incorporation of third sector stakeholders is an important part of this.

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[i] For further information please see the UWS-Oxfam research report published as part of the UWS-Oxfam Partnership Collaborative Research Reports Series.
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