

Briefing paper on "Manchester's Economic Recovery Plan & Update", September 2020 New narrative, or the same old story?

by Climate Emergency Manchester and supporters, for the benefit of Councillors and citizens

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Introduction

On Thursday 3rd September 2020 the Economy Scrutiny Committee of Manchester Council will discuss (Item 6) a short paper <u>Manchester's Economic Recovery Plan & Update</u>, offering elected members an overview of the 'economic recovery narrative' for the City.

This Briefing Note argues that the paper, and likely the accompanying presentation to, do not offer a narrative appropriate for the current moment. Rather, they suggest an attempt to make the history of the early-to-mid 1990s repeat itself, with a focus on inward investment and city-centre growth.

The world has moved on, and new challenges lie ahead; not only Brexit, but also the enormous challenge of climate change. In the last two years Manchester as a city used one quarter of its entire carbon budget for the 21st century (Manchester Climate Change Agency Annual Report 2020, p.17). It is time for fresh thinking, and a more fundamental reset. Failure to do this will condemn the next generation of Manchester's leaders to mop up the mistakes of the current generation, as it tries to repeat old moves.

The signs are not good. Lockdown presented Manchester City Council with an opportunity to fundamentally challenge the dominance of the car, and to create some temporary-but-could-become-permanent infrastructure in support of active travel, both within the Council's boundaries but also across them. New habits and expectations could have been encouraged, which would make bigger and more difficult changes more achievable. The Council missed this opportunity, and cost itself credibility and trust with many members of the public who want a better world.

That story of missed opportunity, partly covered in CEM's recent <u>Cycles of Contention</u> report risks being repeated on a much larger scale, with greater toxicity, for economics.

A set of recommendations are made for councillors and for concerned citizens.

Disclaimers

We don't have all the answers. What we do have is a willingness to challenge the prevailing economic orthodoxy. The model that has served parts of Manchester well over the last 20-plus years is broken. Until we face that, and begin to act on it, nothing will shift. We are keen to have both public and off-the-record conversations with members of the Economy Scrutiny Committee and other councillors who accept the need for fundamental change.

Either through fate, luck or design, councillors today are tasked with the greatest challenge that has ever faced our species. Though this may be daunting it is also the chance to engage as many people that are willing to help as humanly possible, which will help share the burden. If you choose to take on this task alone then you will be responsible for the results. If, however, you choose to create a unified front then we will all have to accept the outcomes.

This may not feel like an easy decision and goes against, perhaps, all that you have been taught but Climate Breakdown is like nothing else we have ever known. Getting more people on board creates its own problems and we cannot be naive about this but the scientific consensus is that we need a WW2 level of engagement of society if we are to achieve full decarbonisation and the protection of our biodiversity. Therefore, whether to bring more people in shouldn't really be up for debate. The only real question is how to do it in a way that makes them effective, which is a conversation that needs to begin today



Comments on the paper

What this self-proclaimed "emerging economic narrative" is not

Unfortunately, it is not economics and it is not a narrative.

It is not "emerging"- it is a rehash of previous efforts by Manchester to differentiate itself from other cities.

It is not about economics but rather simply about inward investment.

It is not a narrative. A narrative includes more than one actor, and talks about challenge and conflict and debate.

What this document is

The document has the unfortunate style of a list of soothing mystical incantations, given numbered paragraphs. It is almost as if its authors (and some of its readers) have convinced themselves that repeating phrases such as "inclusive growth," "forward plan," and "transformational schemes" often enough will magically "build confidence" and "re-establish economic momentum".

Who is the audience?

The Economic Recovery Plan [ERP] that this narrative will feed into is clearly aimed at HMG (and specifically Treasury, ahead of the Autumn Spending Review) and investors:

"The audience for the ERP [Economic Recovery Plan will include government departments and national agencies but also business, development and investment communities, in order to drive confidence and investment."

It is interesting and sadly unsurprising that citizens of the city itself are not on the list.

Wider observations

When we encounter problems, we - quite understandably - compare them to previous problems. This saves us time, and has a reasonable chance of success. If the problem looks like an old one, then the tried and tested method for getting out of it is probably going to work again - why change a winning game?

But the world does change. In the 1980s Manchester faced the consequences of deindustrialisation, unemployment, a degraded environment and a sense that the city was in possible terminal decline. The story of how that narrative was changed has been told and retold, growing in the telling. The two bids to host the Olympics. The collaboration with Michael Heseltine. The speedy response to the IRA Arndale bomb atrocity in 1996, and the creation of an extremely business-friendly investment environment.

In 2020, Manchester faces new challenges. Some are immediate and obvious - the Brexit referendum has made Mancester's story of a "competitive city in Europe" that much harder to tell. The COVID-19 crisis and its aftermath are going to create enormous economic hardship, with consequent mental health and social crises. And we should not forget the stubbornly persistent problems of unemployment, health inequalities and poor air.

But the overriding new challenge is that Manchester needs a different way of thinking about prosperity, about building common wealth. The inward investment model is exhausted, and some of the principal sectors prioritised by the city for the capture of revenue (aviation, construction, office accommodation, for example) are now in serious trouble. How much more

is there to give away for derisory rents? Even if we believe that investment is captured locally or can "trickle down", new investment injections and the volume of transactions in the economy will both be hit hard so there will be little to capture and recirculate (Steady State Manchester, May 2020)

There are obvious sticking points. One is the track record of "success" over the last 30 years. A great deal of political credibility rests on this, and to change course now would seem like a repudiation. There are also several generations of civil service "common sense" on the way we do things.

But just because change is going to be hard - politically, emotionally, cognitively, economically, does not mean that change is not vital, that it is impossible.

The key questions facing younger councillors is this: do you really believe that "more of the same" is the answer to a changed world? Are you happy to spend the majority of your careers dealing with the messes caused, the problems swept under the carpet, by the decisions made now and in the coming months, by people wedded to a model that is clearly broken down? If so, do nothing. If not, start to ask more questions, and demand the additional time to do so.

Recommendations

General

Manchester City Council Executive should:

- Try to understand that what worked before won't work now. The challenges we face cannot be solved with further attracting of inward investment.
- Respect the scrutiny process, and engage with it properly rather than merely 'note' or waive through items that will shape the course of the city for decades
- Ensure that Manchester truly leads the way and is not a one trick pony. A leading city would meet this moment with a plan that is not merely old wine in new bottles

Manchester City Council backbenchers should:

- Realise that they are going to be left with the problems caused by strategic errors. What do councillors expect to inherit? If Manchester fails to take the right steps now, and chart a new course, then their entire political careers will be a very long, messy mopping up operation.
- Actively explore and discuss alternative models of economics and of building shared prosperity. If we don't start discussing different ways of doing things, how can we ever have those ways? For example, Newham Council (East London) is <u>dropping</u> <u>GDP as a measure of progress</u>. There is a reading list at the end of this document, with links to different ways of thinking.

- Realise that their vote for a Climate Emergency declaration in July 2019 compels
 different ways of thinking, and that the public is watching. Emergency declarations
 are not 'business as usual'.
- Conduct or commission an options appraisal of at least three alternative strategic models, and call for reports on alternative economic models to be discussed in Scrutiny and at Executive meetings. There are no shortage of organisations able to produce such reports - CLES, NEF, IPPR-North, as well as experts on the Foundational Economy.

Citizens - environmentalists, social justice campaigners should:

- Take inter-group coordination and collaboration seriously, the challenges we face cannot be split into isolated issues and need the skills and knowledge of multiple groups.
- Take lobbying of councillors (especially those who will be in charge soon) seriously and understand that it requires tact, compassion and stamina.
- Become skilful advocates of alternative economic models If we don't start discussing different ways of doing things, how can we ever have those ways?

Next steps



Sign CEM's petition for a seventh scrutiny committee

Attend CEM's online meeting, Tuesday 1st September 8pm

Join CEM's social media blitz, Monday 7th September

Organisations

<u>CEM</u> Climate Emergency Manchester is a non-partisan group campaigning for better policies around climate change, and better implementation of existing policy.

We have a petition for a seventh scrutiny committee which anyone who lives, works or studies in Manchester can sign. We need your help to get more signatures on this. Please download a sheet and get those you live with (if you live within the City Council's boundaries) to sign, then email us and we will come collect. Please invite us to participate in any online meetings at which we could talk (briefly) about the petition campaign. Please come out "sandwich boarding" with

us (we have a QR code, we're going to walk around various places with it on a big sandwich board. It's more fun than it sounds).

We also have a growing "Active Citizenship Toolkit", to help individuals and groups figure out what skills, knowledge and relationships they have and they need, and how to close the gap.

You can contact us on contact@climateemergencymanchester.net You can follow us on Twitter on @climateemergmcr

<u>Steady State Manchester</u> is the instigator and promoter of the alternative Viable Economy model for our city region, cited in a recent review as one of 5 leading alternative frameworks.

GM Labour for a Green New Deal is made up of Labour members that have decided to speak truth to power, regardless of the colour of the rosette, and support all progessive environmental figures and groups within GM. They are actively trying to change Labour's environmental policies from within the party structure, often writing on GM environmental events in GM

<u>Greater Manchester Housing Action</u> empowers and educate people across the city on housing issues, providing information and collectively developing the skills to bring about progressive change.

<u>ACORN</u> is a UK renters-union and anti-poverty organising group, with s strong Manchester presence.

<u>CLES</u> is a national organisation focusing on local economies, developing alternative models for progressive economics for people, planet and place. CLES advocates <u>community wealth</u> <u>building</u>, a people-centred approach to local economic development.

MCR GND Podcast have created a platform that promotes GM environmental campaigns, explores and develops policies around a GND, and is an open platform to discuss environmental politics.

References

CEM, 2020 <u>Cycles of Contention</u>. August Manchester Climate Change Agency, 2020, Annual Report Steady State Manchester, 2020 <u>Could the Covid-19 pandemic be a portal to a viable society and economy? May</u>

Suggested Reading

Steady State Manchester:

- Could the Covid-19 pandemic be a portal to a viable society and economy?
- <u>Job creation after Covid-19: the participatory economy</u>
- The Viable Economy and Society

CLES

- Owning the Future
- Rescue, Recover, Reform
- Community Wealth Building

The Foundational Economy

Covid-19 report

Bristol Report of the Director of Public Health: <u>Investing in Bristol's mental wealth</u>
<u>The theory and practice of Thrive-o-nomics</u>

Rutger Bregman, 2019. <u>Humankind: A Hopeful History</u> London: Bloomsbury.

Jason Hickel, 2020, Less is More: How Degrowth Will Save The World London: Penguin

James Meadway, <u>The Anti-Wartime Economy</u>.

Kate Raworth, 2017, <u>Doughnut Economics: Seven Ways to Think Like a 21st Century Economist</u> Cornerstone.