

Inclusive growth in Scottish city-regions

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Learning for Local Inclusive Growth Policies

Context for my research focus

- Intersection of:
 - The emergence of urban policy instruments (notably city-region and growth deals)
 - A 2015 Scottish Government (SG) strategy which placed a focus on inclusive growth
 - A wider debate, now long running, in urban and regional studies on the nature of development and growth (Pike et al., 2007; Donald and Gray, 2018)
- **Myself and colleagues have been interested in how local authorities are managing these instruments and negotiating these emerging agendas**

Inclusive Growth

- A concern for who participates in and benefits from growth processes (or a concern for the “pace and pattern” of growth (Lee, 2019))
- Antecedents in “pro-poor growth” (Benner and Pastor, 2016) and “inclusive development” (Pouw and Gupta, 2017)
- Many definitions from the ADB, OECD, IMF *inter alia*
 - For the SG – “growth that combines increased prosperity with greater equity; that creates opportunities for all; and distributes the dividends of increased prosperity fairly” (SG, 2015)
- Significant work developed on metrics (with various dashboards set out etc); but arguably less work on prioritisation frameworks or, simply, how you do it

IG's emergence in Scotland

- Economic Strategy (SG, 2015)
 - Placed inclusive growth as a central concern
 - But, at this point, more of a “buzzword” arguably (Lee, 2019)
 - No real guidance on what the term implied for local economic development policy
- Further articulations of IG attempted through:
 - Skills and Enterprise Review (2017) – folding IG into deal-making notably
 - Scottish Centre for Regional Inclusive Growth



Deal-making and IG

Table 2 – Overview of City Deals in Scotland

City core	Glasgow (1)	Inverness (2)	Aberdeen (3)	Edinburgh (4)	Stirling (5)	Perth and Dundee (6)
Name of deal	Glasgow City-region City Deal	Inverness and Highland City-region Deal	Aberdeen City Region Deal	Edinburgh and South East Scotland City Region Deal	Stirling & Clackmannanshire City Region Deal	Tay Cities Region Deal
Local authority partners	Glasgow City, Inverclyde, East Dunbartonshire, West Dunbartonshire, East Renfrewshire, North Lanarkshire, South Lanarkshire	Highland	Aberdeen City, Aberdeenshire	Edinburgh, East Lothian, Fife, Midlothian, Scottish Borders, West Lothian	Stirling and Clackmannanshire	Dundee, Angus, Fife and Perth and Kinross
Funding (maximum amounts)	£1.13 billion investment fund – £500 million each from the UK and Scottish governments, plus £130 million from local authorities. 20 year period.	“... the Scottish Government will commit up to £135 million. The United Kingdom Government will commit up to £53 million and the Highland Council and regional partners have committed up to £127 million over 10 years”.	“Over the next 10 years, both Governments are committed to jointly investing up to £250 million. Aberdeen City Council and Aberdeenshire Council and regional partners are committed to investing up to £44 million.”	£300 million each from the Scottish and UK governments. Additionally “regional partners will contribute up to a maximum of £730m” over a 15 year timeline.	£45.1 million each from the UK and Scottish governments (UK government capital contributions will spread over 15 years). “Regional partners will match this investment with up to £123.8 million”.	£150 million each from the Scottish and UK governments (over 10-15 years). <i>Discussion of a further £50 million from the Scottish Government; and calls for a like additional commitment from the UK Government.</i>
Notable initiatives (some subject to business case approval); not an exhaustive list	Infrastructure projects including: Canal and North Gateway; Clyde Waterfront and Renfrew Riverside; Glasgow airport investment area. In innovation, the City Deal supports MediCity and an Imaging Centre of Excellence.	Northern Innovation Hub; Science Skills Academy; assisted living; investment in Inverness Castle for tourism; housing; West Link transport; “land remediation to the east of the A9/A82 Longman junction”.	Oli and Gas Technology Centre; innovation hubs for the food and life sciences sectors; digital infrastructure fund; expansion of Aberdeen harbour.	Data driven innovation (DDI) research; Integrated Regional Employability and Skills (IRES) programme; A720 city bypass; IMPACT centre.	International Environment Centre; Aquaculture Hub; international visitor centre; digital hub; improved transport connections between Stirling and Alloa.	Skills and Employability Development Programme support; Tay biomedical cluster; International Barley Hub; Advanced Plant Growth Centre; Cyber Security Centre of Excellence; Forensic Science Research Centre; advanced plastic reprocessing facility.

- **Pre-2017 deals** – a case of retrofitting IG into existing deals to some degree (or post hoc explanations of fit)
- **Post 2017 deals** – IG was required, by SG, to be central to the deal

A view from regions in Scotland

- **Focus** – How have local policymakers in Scotland understood inclusive growth and what opportunities and barriers have they faced in implementing an inclusive growth approach?
- **Cases** – Glasgow, Edinburgh, Aberdeen, North Ayrshire. All exhibiting varied economic profiles and development paths
- **Interviews with key interlocutors** – 15 persons (including in national agencies) conducted 2020-2021



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The promises and pitfalls of operationalizing inclusive growth

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Contrasting tales

- Adopting inclusive growth
 - North Ayrshire – very quickly, and piloted the inclusive growth diagnostic with SG. Inclusive growth at the core of the Growth Deal.
 - Glasgow – bled into existing work such as community realisation programmes in the city-region deal (signed in 2014)
 - Edinburgh – IG seen as a logical follow on from existing “good growth” focus; inclusive growth framework based on five pillars developed for the city-region deal
 - Aberdeen – late to the idea and lightly detailed in the city-region deal; but the prospect of significant structural change in the local economy has led to engagement

Contrasting tales

- Working with SG guidance
 - For some authorities, guidance was seen to be insufficient. The SG compelled a focus on IG but gave few parameters by which to implement it.
 - For other authorities, the lack of guidance from SG gave latitude for them to define IG on their own terms.
 - A case of capacity –
 - If there was a lack of resources there was a tendency to demand the guidance from SG to a greater degree (you asked us to focus on this, tell us how etc).
 - For well resourced authorities, the fuzziness could be an advantage.
 - Also, the issue of centralisation in Scotland itself presents an important backcloth; local authorities, at present, have few autonomies by which to make decisions.

Contrasting tales

- Has the IG approach changed policy practice?
 - In some cases, reports of working across different silos (linkages that may not have otherwise happened) and some deals have emphasised inequalities related interventions (particularly employability)
 - In other cases it is a simple rebranding – continue doing what we are doing, but label it as inclusive growth
 - Movement on low hanging fruit - such as on skills policy and FDI conditions
 - Arguably harder policy questions, e.g. on infrastructure and innovation policy, not yet articulated (though work is underway through the SFT)

Time

- Has IG been given enough time?
 - The IG approach can be regarded as relatively new, even after 7 years, and there is at least a risk that the efforts made to grapple with IG are lost in the SG's apparent shift to wellbeing
 - Interviewees were wary of one approach, still bedding down, simply being replaced by another
 - One interviewee intimated that gauging change through IG required a substantial time-horizon –
 - “we have narratives, but we are not delivering on them yet ... that is just time ... it is a positive direction, but it is hard to do”.

Small issue of the constitution

- UKG and SG
 - Sub-national economic development has become an arena through which to slug out constitutional differences
 - Deals reflect the two administrations providing resources to local authorities
 - This has led to disputes on funding shares as well different world-views, arguably, on what the deals should achieve; this requires local authorities to play, as one interviewee remarked, to both “galleries”
 - Levelling up points to a further, more direct role of the UKG in sub-national economic development policy in Scotland. Ongoing debates about the Shared Prosperity Fund and the merits of Freeports add further colour
 - **In other words – the ongoing arm wrestle over the constitution acts as a key driver (in terms of form, focus and value) of subnational economic development policy in Scotland**

Considering what comes next

- There is now a suite of alternative economic development agendas being pursued in Scotland
 - SG seem to have moved from IG to wellbeing; without stating the difference in the latest economic strategy (NSET)
 - SG are also drafting Community Wealth Building legislation (consultation now out)
 - There has been an interest in the foundational economy in the Glasgow city-region (following WG's lead)
 - Yet, **we still fundamentally lack an understanding of what these different approaches may achieve (evaluation evidence is nascent at best), how they differ between each other, and why local policymakers turn to and deploy them** (Crisp et al., under review)
- Also, UKG notes six forms of capital in the Levelling Up white paper (parallels with early NZ LSF?) ... how does this align?

“Promise and frustration”

- **In conclusion:**

- The SG have tried to do something arguably quite novel, and may even be considered to be at the vanguard of policy thinking on IG along with the OECD etc
- But there are questions about how IG is being implemented, and indeed whether IG will simply be supplanted by what interviewees consider to be the next progressive fad
- There are policy changes that can be pointed to from IG, but arguably much economic development policy remains the same (but is called “inclusive growth”, “wellbeing” etc)
- It is hard to separate out the SG’s stance on IG and wellbeing from the desire to look different from UKG; constitutional politics is shot through economic development policy and appears to militate against policy coherence