

# The economy in question: five assertions, five challenges

Presentation to BWPI/ipeg seminar on  
What's next for the Manchester city  
region?

Prof. Alan Harding, ipeg

# 5 assertions

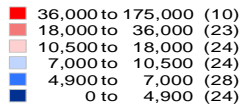
- We have just lived through a ‘Manchester miracle’ ....
- ... whose characteristics are well established and consistent with a ‘new agglomeration’ across the developed world..
- It has been uneven, geographically and socially, and the bust is exacerbating the divisions
- The public sector has played a crucial role in terms of funding, leadership and innovation
- The impending public sector crisis is therefore a challenge, but also an opportunity for the Manchester city region

# The Manchester Miracle

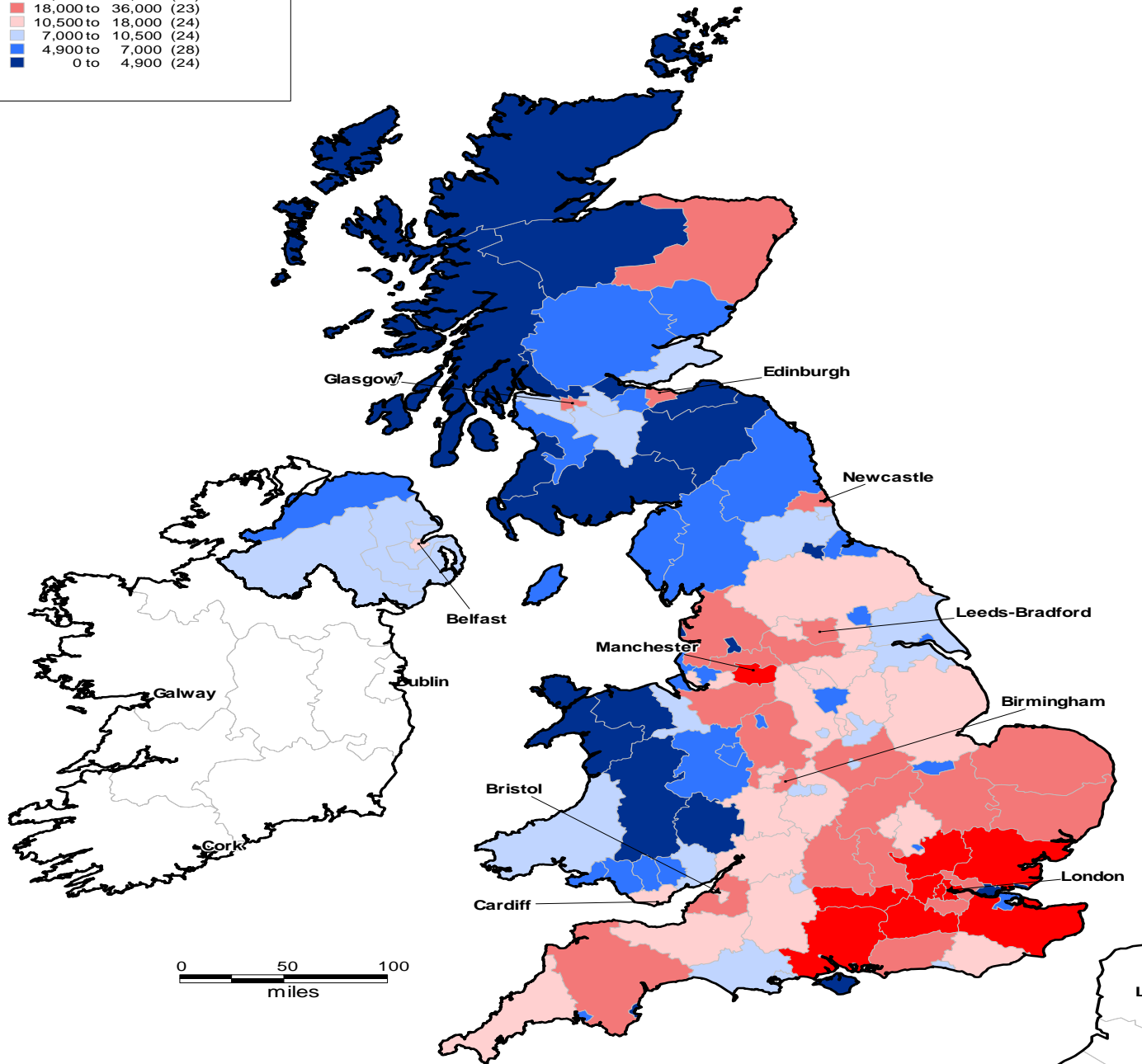
## Sector employment change in MCR, 1981-2006

	MCR North			MCR South		
	2006	81-06	% +/-	2006	81-06	% change
Manufacturing	<b>97.2</b>	<b>-123.9</b>	-56.0%	89.0	<b>-96.8</b>	-52.1%
Utilities	1.0	-8.2	-89.2%	3.1	-18.5	-85.5%
Construction	52.5	8.9	20.4%	65.3	2.9	4.6%
Transp/Comms	35.6	6.6	22.6%	78.3	18.1	30.0%
Education/Health	122.6	44.8	57.5%	187.5	66.3	54.8%
Pub Admin/defence	24.6	-6.4	-20.6%	43.4	-13.2	-23.4%
Fin & Bus Services	80.5	<b>40.4</b>	100.7%	<b>280.7</b>	<b>156.5</b>	125.9%
Distn & Hotels	149.7	23.6	18.7%	228.2	44.1	24.0%
Other Services	36.3	11.0	43.5%	58.5	21.0	56.1%
Total	602.6	<b>-10.6</b>	<b>-1.7%</b>	1040.8	<b>178.5</b>	<b>20.7%</b>

Gross Value Added 2006  
(Figures in millions of Euros)



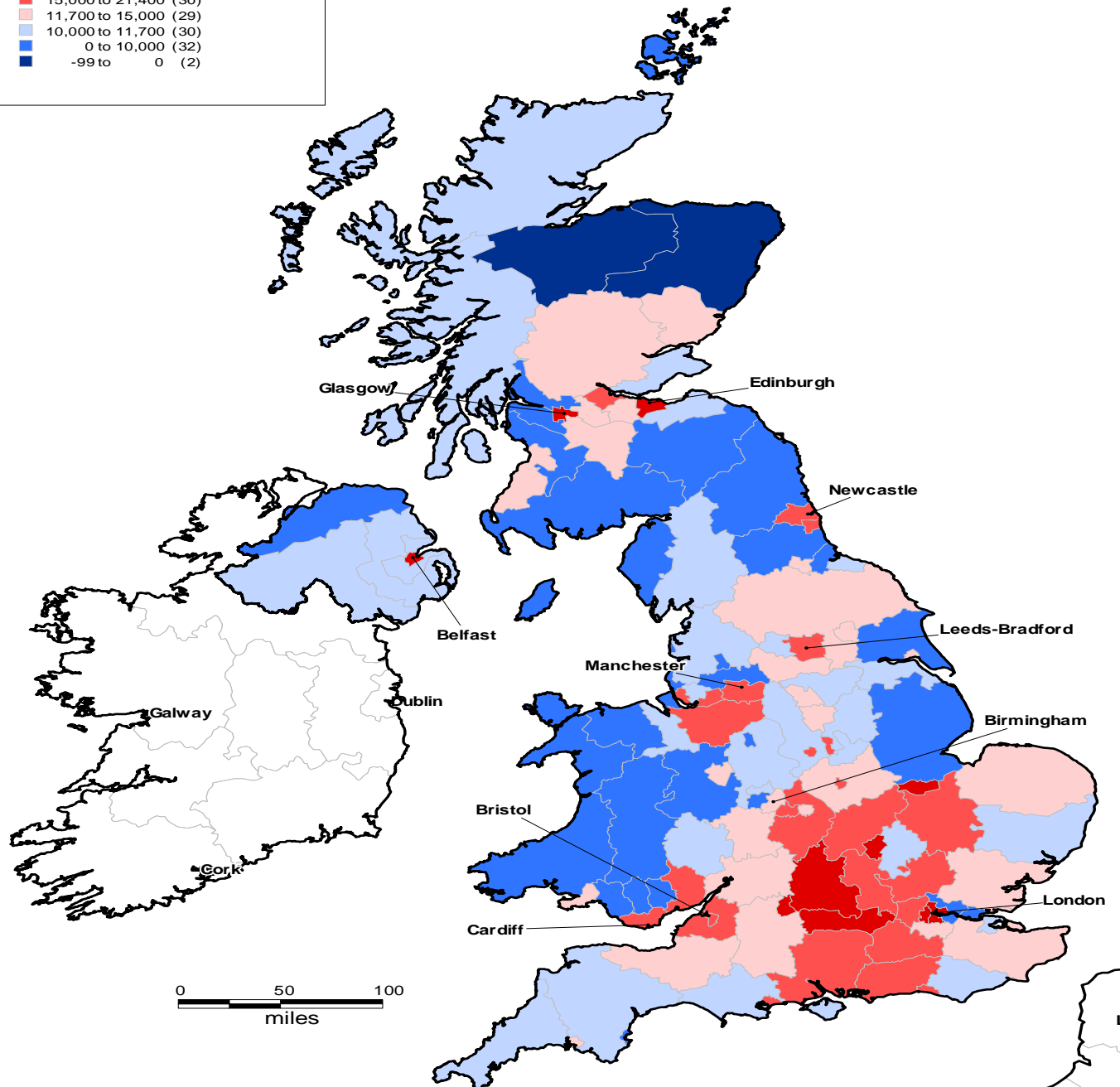
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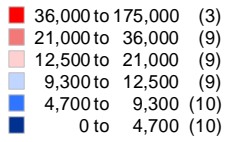
GVA per capita change 1996-2006

- 21,400 to 83,900 (10)
- 15,000 to 21,400 (30)
- 11,700 to 15,000 (29)
- 10,000 to 11,700 (30)
- 0 to 10,000 (32)
- -99 to 0 (2)

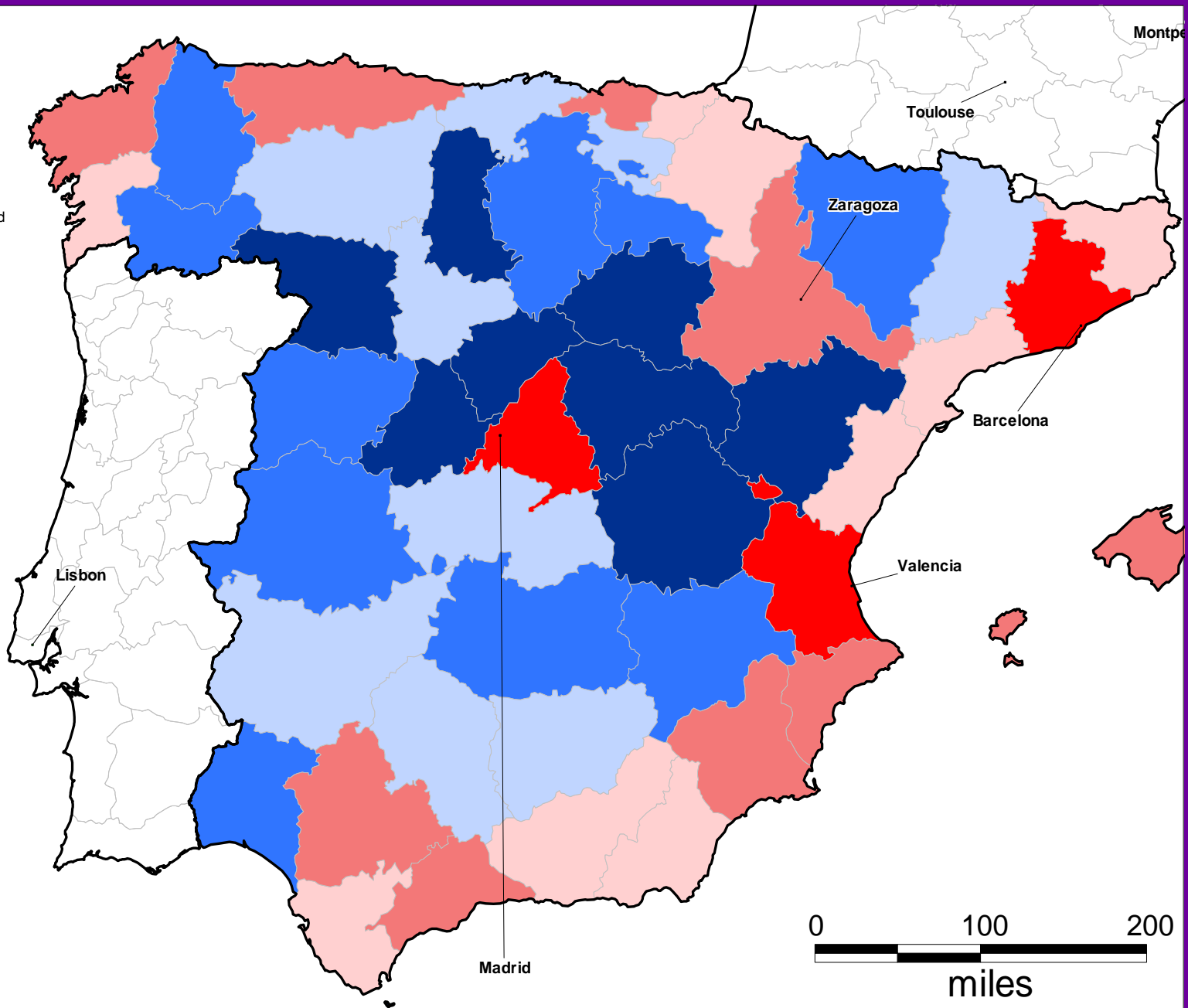
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Gross Value Added 2006  
Figures in millions of Euros



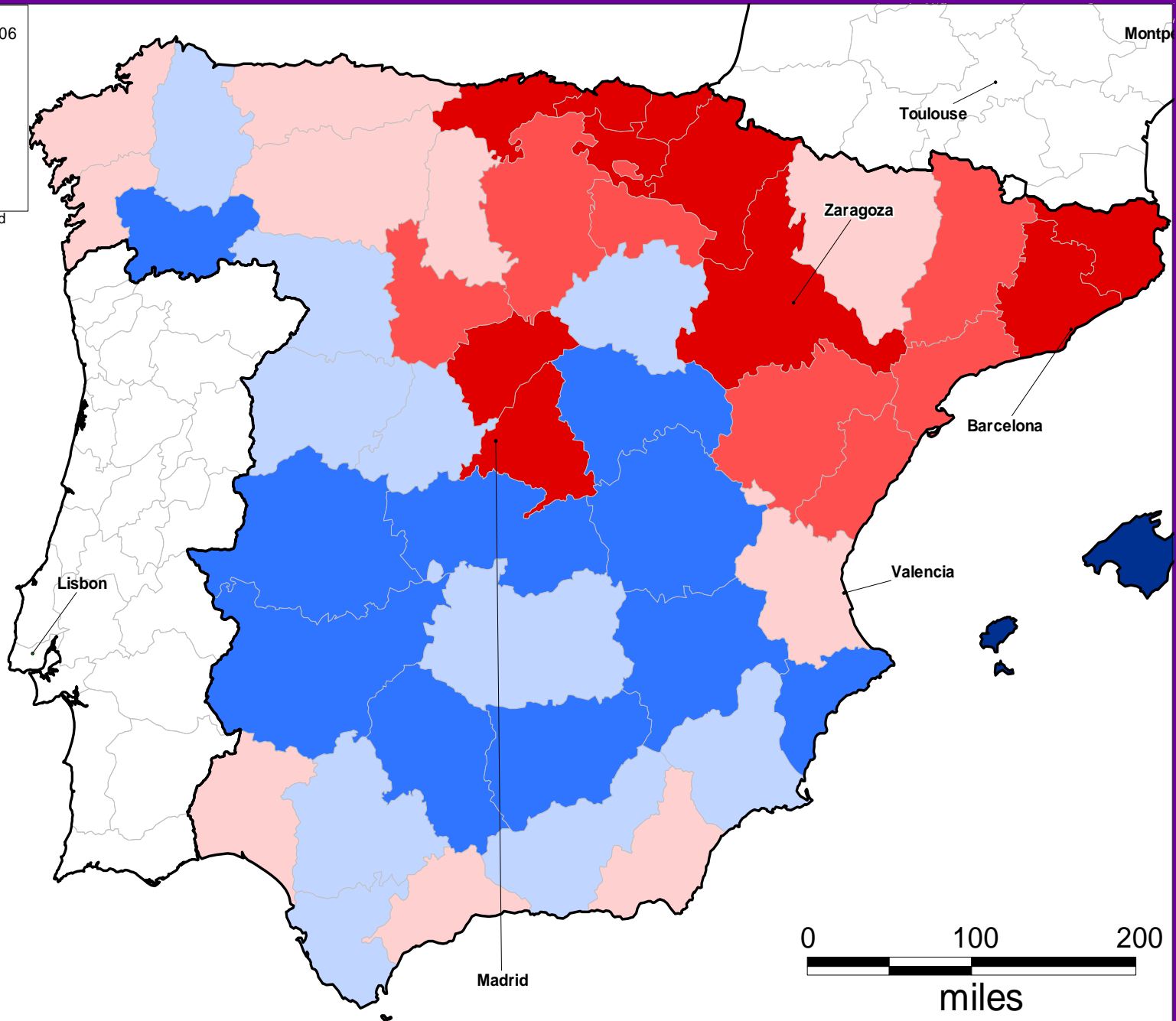
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GVA per capita change 1996-2006

- 10,600 to 14,400 (10)
- 9,401 to 10,600 (8)
- 8,500 to 9,401 (11)
- 7,500 to 8,500 (10)
- 0 to 7,500 (10)
- -100 to 0 (1)

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# Five challenges to an incoming Govt.

- Develop focus on (selected) CRs and national economic performance rather than ‘let a 1000 SRs bloom’
- Focus on purposeful CR devolution as new form of central-local relations, not decentralisation as dumping of responsibility
- Recognise crucial role of ‘eds & meds’ in driving private sector innovation
- Think about capacity for CR strategy delivery as well as formal, internal CR accountability
- Recognise potential of CR policy innovation in relation to public service modernisation (efficiency and effectiveness)