

Building a Greater Manchester: Our Economic Vision

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Introduction

The economy is a product of design. Every policy and funding decision should lead us to the future we want: a just and compassionate society where every one of us can thrive. As we rebuild, let us redesign our economy and systems so that they work for all of us.

This is a time when change is possible, necessary and desirable to build a more democratic and sustainable economy. It is a moment to reflect on the kind of world we want to build as we move ahead. We have seen how deeply we all need each other, and how our current set-up fails to meet the needs of too many of us. We have seen the positive role that many local businesses play beyond simply delivering goods and services and making profit. We have seen that effective government plays a vital role - and also that delayed or uncoordinated action can have grave consequences.

The GM VCSE Leadership Group hopes that this paper serves as a prompt for conversations with people in the statutory, private and VCSE sectors, and also with local people and communities.

Challenges and opportunities

Right now, our economy is built around profit rather than enabling everyone to lead a meaningful and fulfilling life. We need an inclusive economy that works in the interests of the whole of society and the environment, rather than in the interests of extractive corporations.

The COVID-19 situation has not created any of these challenges. It has simply exposed the inequalities between communities that were already there.

Fundamentally, this reflects deep and distinct economic inequalities. The economy of Greater Manchester remains:

- unequal – with the fruits of growth going mainly to already wealthy people
- insecure – with many people without a secure livelihood and/or dependent on debt
- unsustainable – contributing to the destruction of ecological systems on which we all depend

Now is the time to correct past weaknesses and focus on tackling long-term economic inequality through participation and empowerment of citizens and communities, organising our work and time (paid and unpaid), and sustaining ecological systems.

We know much of what is possible. As well as from its own radical history (especially in the 19th century), Greater Manchester can learn from progressive approaches elsewhere in the world, such as in Barcelona (Catalunya), Medellín (Colombia) and Seoul (South Korea). Such places have shown the need for, and value of, experimentation with alternative economic approaches and structures, in contrast to the risk of simply maintaining traditional ones.

There is already much power and potential in Greater Manchester to create a better, fairer, greener economy and society, beyond social value and corporate social responsibility, including through purchasing and investment power.

A new, inclusive economy

A good society makes it possible for everyone to lead a meaningful and fulfilling life, in a healthy natural environment. Yet, our society is currently focused on profit and 'shareholder value', and people are forced to chase money rather than happiness and well-being. The laws and policies that we make lay down tracks that determine where the economy takes people. Right now, our economy is built around profit and 'shareholder value', rather than being built to get people to their true needs, but we can choose otherwise.

There is a real chance for a new, inclusive economy, based on these core values:

- Equality and human dignity: we all have equal worth and an equal right to a good life - *equality, equity*
- Solidarity and community: we depend on each other, and are not just isolated individuals - *democracy, solidarity*
- Autonomy and liberation: giving people genuine freedom to fulfil their potential and live the lives they choose - *self-help, self-responsibility*
- Stewardship of environment: protecting health of the world we're part of and for future generations

Such an inclusive economy would:

- Recognise that inclusion is important in its own right
- Challenge business models that create inequality
- Distribute existing prosperity, not just better distribution of future growth
- Focus on the demand side of the labour market

What this means in practice

Critically, we need greater engagement of and co-design with citizens and communities in economic matters. Once, there was considerable economic ownership and control by citizens and communities (such as through mutual and co-operative structures). Now, almost all economic development is restricted to and held by professionals and agencies.

Economically, we need greater social ownership of wealth, land and assets by communities. This can be done by enabling more local, mutually owned businesses, digital co-operatives, and mutual credit, especially in relation to activities that provide the essential goods and services for everyday life, such as utilities, care, food production, housing, education, leisure and culture. These would benefit from new forms of investment, perhaps by regional banks and solidarity funds, as in Germany and France.

Environmentally, a different economy in Greater Manchester would embrace a Green New Deal: a programme to transform the economy and to secure both a fairer society and a safe climate. This means, action to decarbonise the economy that creates well-paid, secure jobs and, to enable greater democratic participation and common ownership of wealth and capital. It requires investment to facilitate behaviour change by everyone.

Socially, a different economy in Greater Manchester would give much stronger recognition to both social and mission-led businesses (which together already form at least 20% of the economy), and explicit investment in social innovation. There would also be an active programme for digital inclusion, and encouragement of economic activity by parts of the population who are disadvantaged or marginalised.

What is the contribution of the social economy?

The social economy includes a rich diversity of enterprises and organisations whose primary focus is social or environmental aims, rather than profit for owners or investors. These include social enterprises, co-operatives, mutuals, associations, mission-led businesses¹ and many organisations with a charitable purpose. Together with ethical enterprises (such as Timpson's and B Corporations), they form a significant part of the economy and can both strengthen the local economy and play a key role in the future of Greater Manchester through: leading social innovation; leading on social value; using data and intelligence to lead by example; and leveraging in social investment.

¹ Mission-led businesses are socially or environmentally-oriented small and medium enterprises (SMEs) – that is, SMEs that have social and/or environmental goals, but do not use surplus or profit chiefly to further these goals.

There is already a diversity of organisations in the social economy in Greater Manchester², and the potential to have many more.

To achieve its economic, social and environmental goals, Greater Manchester needs to develop a vision for the social economy, as part of its wider economic vision.

We envisage a new role for the social economy, offering many more opportunities to future generations and greater potential for a better, fairer, greener economy and society.

Within ten years, social organisations could:

- Provide many more stable, good quality and ethical jobs and increase local productivity by leveraging non-public funding into services, projects and activities
- Enable a greater citizen voice and involvement in decision-making, making the real diversity of views and experiences visible and audible in decision-making at all levels
- Have a key role in protecting and enhancing our planet, the green and blue space in Greater Manchester, and the environment around us

Meanwhile, collective ownership of capital/physical assets can expand to enable communities to have a stake in the running of, for example, housing schemes, community centres, social needs transport, and parks and open spaces.

Practical examples of this approach might include:

- Reclaiming and repurposing of high streets and town centres.
- Community land ownership.
- Collective, social ownership of data.
- Reclaiming ownership of public utilities.
- Employee ownership.
- Maker spaces.
- Not-for-private profit public services.
- Handing over of redundant assets to collective ownership and control.
- Development of social, co-operative and mutual enterprises to complement community wealth-building.

This requires a funding and investment strategy for the whole social economy in Greater Manchester equivalent to that for scientific and technological innovation. This might include endowments, pension funds, dormant accounts, development trusts, community and trusts, etc.

Conclusion

We seek a new economy for Greater Manchester that is better for society and our environment. One of which we could be proud to hand on to future generations.

The GM VCSE Leadership Group shares this paper as a suggested approach to thinking about the economy of Greater Manchester in a new way, with a view to it becoming a framework with new metrics against which progress is reported on a regular basis.

² Such as: [B4Box](#); [Open Kitchen MCR](#); [PossAbilities](#); [SharpFutures](#).