

# A Civil Economy for Manchester

## *A new economic framework for the city*

Manchester's economy is a UK success story. Economic growth has reversed long term population decline and Manchester is a major economic influencer and the key economic driver of the north. However, there is still work to be done. There continues to be a 'productivity gap', with low levels of resident economic activity, a weak skills base and low levels of enterprise. Long standing and significant disparities in the prosperity and welfare of different communities across the city remain. The challenge of achieving economic success, coupled to higher levels of social justice and within environmental limits is shared by many cities around the world.

Our work, published in 'A Civil Economy for Manchester' builds the case for a new economic approach in which strong communities and social inclusion are acknowledged as both inputs to and outcomes of economic and business success.

There is consensus across public sector agencies that whilst success has been achieved, austerity and cuts have meant that the context has changed and more could be done. The evidence of entrenched deprivation across Manchester's communities and the deep seated inequalities means that different approaches need to be taken.

There is a strategic policy support for a people first approach in Manchester with clear links and relationships between the whole place approach and direct economic benefit at the local level. There is a commitment at both the sub-regional and city policy level to ensure that all people across the conurbation must have access to opportunities to engage with the modern economy. The key strategic question is how this is reflected in a policy framework for the future. Much of this may need to be about mobilising the social sector from within, using a strategic approach that is not just about delivery by commissioning, but a new process of collective action, discussion and negotiation.

The report couples this view with research into the scale and economic impact of the city's voluntary and community sector published by Macc in May 2013. Although the indirect economic benefits of the social sector are important, it does have a number of direct impacts. For instance

- income estimated at £477 million
- GVA estimated at £722 million (5.4% of the Manchester total).
- 12,400 FTE paid staff (higher than sectors such as ICT, Construction and Real Estate, and only 1,000 less than in Manufacturing.)

The report focuses on a set of core elements which will characterise the civil economy

1. **Collective place leadership at the city wide and local level**
2. **An equal access and benefit economy**
3. **Fostering local social-private links**
4. **Supporting pathways to work**
5. **Promoting enterprise**
6. **The social sector as part of the solution for public services**

The need for **collective leadership** is becoming ever more urgent due to increasingly limited public sector resources. Assets, resources and human capital within the social and private sectors need to be harnessed much more effectively if we are to deal with service delivery and reducing and managing demand on services. Without greater levels of shared leadership across all three sectors, communities may become increasingly polarised and as a consequence the city less competitive. This requires a shift in understanding of what is meant by collaboration.

A Civil Economy will focus on the goal of creating a local economy where equity is no longer viewed as an issue of distribution of wealth but also of production of wealth. The arguments for supporting **equal access** to the economy are powerful: residents are the city's greatest asset - there is talent and potential lying latent and going to waste in the economy when the people who live in the city are excluded from accessing opportunities. There would also be a focus within a Civil Economy on

pathways to work leading to **'good' employment** for residents and therefore minimising in-work poverty. Alongside this, within a Civil Economy the development of **enterprises** will be a priority. There will be support for both existing social enterprises and helping individuals and groups further develop their ideas, and where relevant, turn these into enterprise functions. New innovations will also be promoted based upon a 'sharing economy'. Sharing leverages a wide variety of resources and lowers barriers to starting small businesses. For instance cities can lower the cost of starting businesses by supporting innovations like shared workspaces, shared commercial kitchens, community-financed start-ups, community-owned commercial centres, and spaces for "pop-up" businesses. A social enterprise strategy should be developed with the aim of fostering a wider entrepreneurial culture within a locality.

## The social sector as part of the solution for public services

Within the Civil Economy the local public sector will perceive social organisations as market providers who deliver at cost and are an asset and therefore an integral part of the economic fabric of the city. This will account for both the larger social sector contractors and those smaller organisations that are often within the supply chain. There would also be an understanding that the social sector can not only provide public services, but is an input into the community and an important force for reducing demand for services.

- Recognising and demonstrating the role of the social sector in delivering efficiencies, particularly through informal means

- Developing a programme for co-design of services
- Developing a growth plan for the social sector

The report was commissioned by Macc, the local infrastructure body for Manchester's voluntary and community sector.

Chief Executive Mike Wild said:

"The key finding for me in this report is the importance of civic leadership: that it is everyone's responsibility to shape the destiny of Manchester by working together. This report starts (but does not and was never intended to conclude) a discussion of issues of poverty, equality and sustainable growth as the key factors in the challenge facing Manchester. It's my hope that this report will spark fresh inspiration amongst the civic leadership in Manchester to take on a new pioneering spirit, raising ambition beyond combating the effects of recession by building a new model for a vibrant and resilient city."



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