

## *Editorial*

# Levelling Up Special Section

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The long-delayed Levelling Up White Paper (LUWP) was published in February 2022 by the Department for Levelling Up, Housing and Communities (DLUHC). Beyond the much derided references to the past glories of Jericho and Medici-era Florence, the paper presents a detailed, if at times also meandering, set of proposals for addressing regional geographical inequalities. It centres on 12 missions framed within one of four overarching objectives that comprise an unbalanced mix of traditional pro-growth policies combined with aspects of public service improvement, urban regeneration and community development, and a commitment to expand the coverage of devolution deals across England.

The first of these objectives is to *'boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging'* through a fairly orthodox combination of interventions including investment in research and development as well as transport and digital infrastructure. The second objective is to *'spread opportunities and improve public services, particularly in those areas where it is weakest'*, with an emphasis on improving education, skills, health and wellbeing. The third objective outlines ambitions to *'restore a sense of community, local pride and belonging, especially in those places where they have been lost'* through investment in the built environment including housing and high streets while tackling quality of life issues such as crime. Finally, the fourth objective is to *'empower local leaders and communities'* through rolling out a devolution deal to every area in England that wants one.

Other key features of the LUWP include a lengthy analysis of growth as driven by six interlocking forms of capital – physical, human, intangible, financial, social and institutional – that indicate recognition, at the very least, that the causes of, and solutions to entrenched geographical inequalities are multiple, intertwined and complex. There is an explicit commitment to achieve levelling up by coordinating interventions across all Whitehall departments in order to 'hardwire' spatial considerations into their work so that it becomes the 'golden thread' running through central government activities (HM Government, 2022: xix). Accountability is to be ensured by a duty to provide annual reports on outcomes enshrined in law that would open up levelling up outcomes to *'rigorous external scrutiny, including by Parliament'* (ibid., 2022: xix).

Geographically, the LUWP displays a magpie-like approach to defining the scale and scope of intervention, ranging from 'hyper-local pockets of deprivation' through to repeated references to the need to promote growth and development to reduce disparities between London and the South East relative to everywhere else. There is also a strong focus on realising the potential of cities as the 'engines of growth' through agglomeration dynamics where the six forms of capital are present and intersect in virtuously reinforcing cycles.

The publication of the LUWP provoked a number of responses and commentaries from representative bodies and think tanks that tended to coalesce around a similar set of points. Broadly, the scale, ambition and seriousness of the LUWP were welcomed but acute concerns were raised around inadequate levels of funding, poorly specified policy prescriptions and targets, and a lack of focus on low paid workers (Centre for Cities, 2022; Institute for Fiscal Studies, 2022; Institute for Government, 2022; TUC, 2022).

The Focus papers presented in this special section arose out of discussion between academics based at Sheffield Hallam University around some of the wider issues raised by the LUWP beyond those explored in initial commentaries. This led to a proposal to People, Place and Policy (PPP) to produce a special section comprising five papers that provide more in-depth analysis around a set of three core questions. First, to what extent does the LUWP adequately recognise and address historic and on-going features of the UK's political economy that contribute to the persistence of entrenched regional inequalities? Second, what is the nature of, and prospects for success, of policy prescriptions to restore depleted volumes of capital in less prosperous areas? Third, how might symbolic appeals to 'pride in place' be understood and harnessed to the task of levelling up within so-called 'left-behind' communities?

Three of the papers highlight flaws and gaps in the LUWP's analysis of how geographical inequalities are generated and should be addressed through measures to improve growth, pay and productivity. These critiques are located in a broader understanding of the UK's political economy. Ledger-Jessop challenges the narrow emphasis on raising low levels of productivity to create better jobs as a solution to regional economic inequalities. Using the manufacturing sector as an example, he highlights other structural determinants of poor work including a deregulated labour market, exploitative business practices and a lack of worker rights. Drawing on the International Labour Organisation's (ILO) Decent Work framework as a benchmark, Ledger-Jessop contends that, alongside productivity increases, a far stronger national regulatory framework and greater trade union involvement is needed to drive improvements in employment security, good wages, reasonable hours and workplace safety.

Gore and Wells examine the proposed role of physical capital in the levelling up agenda in terms of Gross Fixed Capital Formation (GFCF). They welcome the renewed attention on regional imbalances in physical capital in the LUWP but contend that it critically fails to locate these imbalances within the UK's financialised model of capitalism. This has seen physical capital allocations skewed geographically to underpin the financial sector (e.g., through 'crowding in' investment in London's transport system) alongside the growing financialisation of non-financial sectors (e.g., automotive manufacturers selling car finance products) in a way that has deprioritised investment in physical capital. The paper concludes that ignoring these dynamics means the LUWP's policy prescriptions regarding physical capital are little more than 'window dressing' unlikely to rectify historic imbalances.

Crisp critiques the LUWP's focus on the primacy of the private sector as the '*engine of wealth creation*', suggesting this sidelines well-established critiques of growth maximisation policies for contributing to social and spatial inequalities or environmental

harms. It also overlooks an increasing array of 'beyond GDP' frameworks such as the Foundational Economy and Community Wealth Building that raise fundamental questions about how economic life is understood and organised, as well as the values and goals that economic policy should promote. He concludes these approaches could have provided much needed conceptual grist to the LUWP through their attention to the political and economic drivers of wealth extraction; the potential to reconfigure local economies to better generate and retain wealth; and the need to support foundational sectors as a source of good employment and essential forms of collective consumption.

McCaig's paper has a different focus with its detailed analysis of the policy prescriptions around skills, exploring the potential role of Higher Education (HE) in supporting the LU agenda through fostering human, intangible and social capital. He identifies a core tension in the LUWP whereby the leading role of HE in research and development is celebrated yet its potentially vital role in supporting skills development and productivity improvements in 'left-behind' areas is largely ignored. McCaig attributes this to 'ideological reasons' with government keen to redirect what it sees as 'untalented' students from degree-level study towards lower level skills provision. He challenges this reversal of past policies to widen access, arguing that national or regional policy goals around levelling up could be met by creating a cluster of HE providers that not only engages with Further Education and the Skills Sector to provide Level 4 skills, but also offers the full range of undergraduate and postgraduate degrees.

Finally, Dobson confronts the more local and symbolic dimensions of the LUWP in terms of ambitions to create 'pride in place' and 'restore a sense of community' (HM Government, 2022: xiv). He challenges the simplistic notion that this can be achieved through 'shiny new places' alone underpinned by investment in the built environment. Dismissing the notion of pride in place as an 'empty signifier', Dobson argues the need for a more complex and nuanced understanding of the bond between people and place. This recognises that a sense of belonging and attachment can sometimes be derived oppositionally from protest and resistance to state interventions, and also requires investment in, and regulation of, essential forms of local physical and social infrastructure.

As this issue goes to print, the Conservative Party's tumultuous leadership throughout the latter half of 2022 has left Johnson's flagship levelling up agenda facing considerable uncertainty. Reading the runes on whether it will survive is perhaps a fool's errand, with commentators variously asserting both the potential durability *and* imminent demise of levelling up (Centre for Cities, 2022; Oxford Economics, 2022). However, the recent reappointment of Michael Gove as Secretary of State for the Department of Levelling Up, Housing and Communities (DLUHC) suggests the levelling up agenda may survive recent political turmoil.

Regardless of its political future, the comment and analysis provided in this special section on levelling up remains apposite. The scale of regional inequalities in the UK is such that it is a problem no Prime Minister can choose to ignore, at least not for long. Moreover, the unstable and volatile mix of high inflation and energy costs, rising interest rates, falling real wages, and the failure of benefits to keep up with prices, will only exacerbate the uncertain economic outlook and already acute financial pressures facing low income households in the coming months. The prospect of a round of 'Austerity 2.0' will further focus attention on the distributional impacts of UK government policy.

The need to hold government to account for its approach and performance around addressing geographical inequalities is therefore all the more urgent, even though it remains unclear at present whether statutory requirements to monitor progress against levelling up targets will ultimately come to fruition. In the meantime, this collection of Focus papers has a vital role to play in maintaining that critical scrutiny.

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