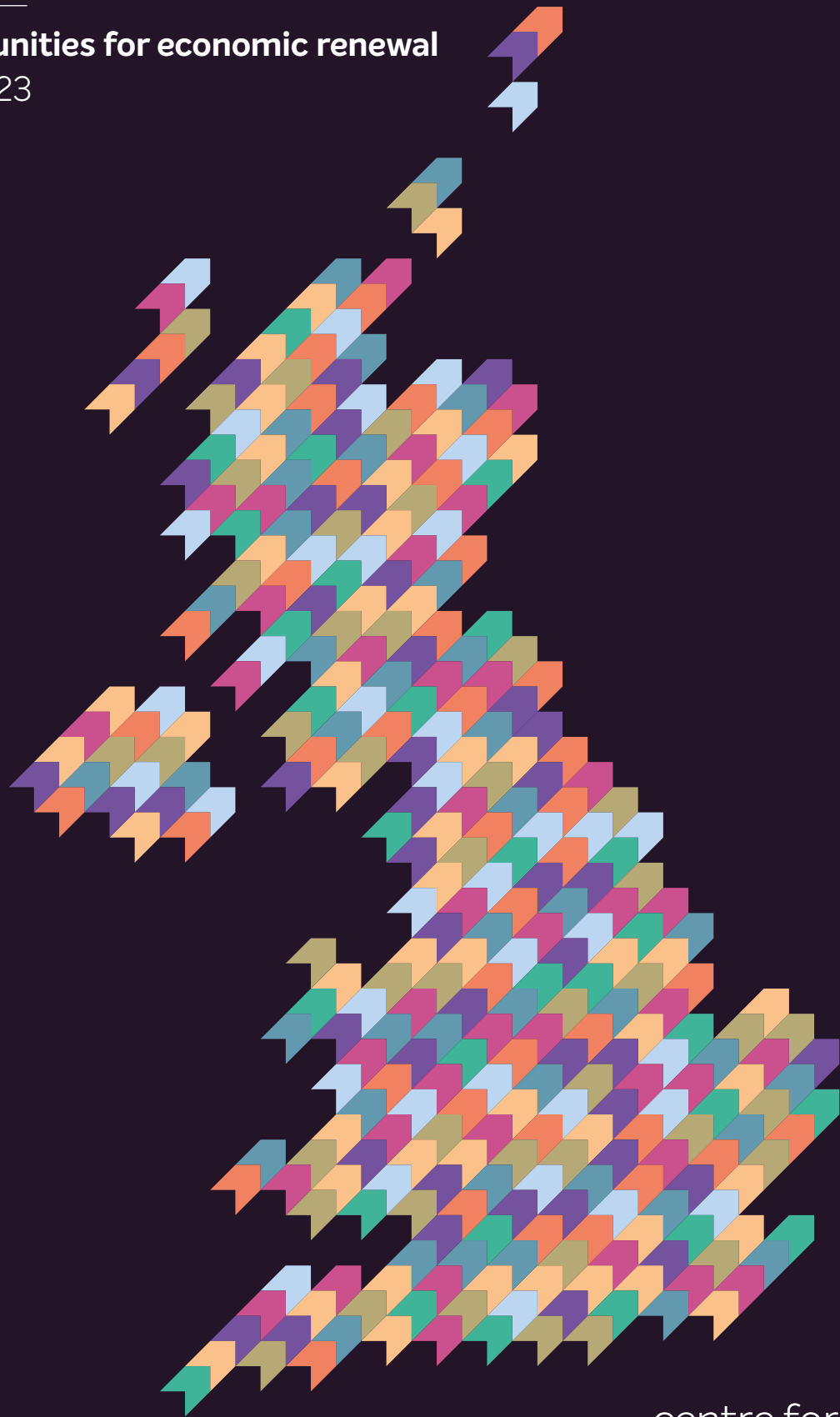


Fair growth

Opportunities for economic renewal

June 2023



centre for
progressive
policy



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Executive summary



About this report

This report, based on new CPP modelling, considers how the UK can create fair growth by analysing its drivers at local, national and international level. Its key contribution is to demonstrate how local improvements in health, skills and gender equality in the labour market alongside greater investment in high value-added sectors can deliver significant productivity gains – the key to unlocking fair growth. And it compares the UK's position on these drivers of growth with our developed country peers.

Key terms: In this report productivity is defined as the amount of economic output per hour worked. Productivity growth is therefore the annual rate of growth in the amount of output per hour worked.

National productivity growth is critical for achieving fair growth

The report first outlines the factors behind the UK's decade-long stagnation in productivity and living standards.

- UK productivity was 34% less by 2020 than implied by its pre-crisis trend rate of growth. This shortfall in actual output relative to the pre-crisis trend was greater than the G7 (-22%) and the EU28 (-6%).
- Mirroring the UK's productivity performance, UK median incomes are 31% below where they would have been had the pre-financial crisis trend continued. The median household would have been around £10,000 better off than today.
- The recent stagnation in wages is very much tied to the stagnation in productivity. Despite evidence of decoupling between UK productivity growth and wages in the 1980s, productivity growth and wage growth have moved in tandem since.
- Income inequality, while high, has not risen since the 1990s and the labour share of GDP has remained relatively constant. Neither can be pinpointed as the central causes of the UK's living standards stagnation. Rekindling productivity is therefore the key.

The local drivers of productivity

The report outlines the findings of a new model of local authority productivity which brings together a 10-year dataset on the potential drivers of productivity. It reveals the importance of an area's high value-added sectors, investment, health, skills, and gender equality in the labour market to its level of productivity.

Based on the model's results, we develop stylised scenarios to show the economic gains that could be achieved by improving the health and skills of areas that are currently below the UK average, and by closing gender workforce participation gaps for all places. Previous CPP analysis has gone into greater depth about the importance of place-based investment in high value-added sectors for fair growth so here we focus on skills, health and gender equality.¹

Higher skills

If all lagging local authorities matched the national average proportion of people skilled to level 4+ this would increase economic output by £28bn (1% of GDP).

If all lagging local authorities matched the national average proportion of people skilled to level 3 this would increase economic output by £25bn (1% of GDP).

If all lagging local authorities matched the national average proportion of people skilled to level 2 this would increase economic output by £28bn (1% of GDP).

Better health

If all lagging local authorities matched the national average life expectancy this would increase economic output by £53bn (2% of GDP).

Increased gender equality in the labour market

If local authority gender employment gaps were closed, that would increase economic output by £23bn (1% of GDP).

Taken together, and assuming all scenarios are realised, we estimate that the UK could generate an additional £160bn in economic output – equivalent to 7% of GDP.

1 Mudie et al. (2023). *Unlocking investment in low-earning economies*. Centre for Progressive Policy. Available at: https://www.progressive-policy.net/downloads/files/ CPP_Open-for-Business_Report_May_2023.pdf



The drivers of fair growth from an international perspective

With the modelling revealing several key drivers of productivity growth within the UK, the report then explores where the UK sits on these drivers internationally:

Investment

Total UK investment was the lowest in the G7 in 2021 and it has been persistently below peer countries for decades. This has not been helped by the decline of the manufacturing sector as a proportion of GDP – the UK's de-industrialisation was among the most rapid of developed countries.

Health

The UK has experienced a particularly prominent slowdown in life expectancy over the last two decades. Life expectancy rose by an average of 0.32% per annum between 1980 and 2009, before slowing to an average of 0.12% growth between 2010 and 2019. Only in the United States was there a greater slowdown in the growth of life expectancy across advanced economies.

Education

While the UK has maintained high rates of participation in school and university education, it has regressed on adult education – in the mid-2000s, more than 25% of the UK's population aged 25–64 had recently undertaken adult education and training, but by 2019 this had dropped to 14.8%.

For those who had a low prior level of education (levels 0–2), just 6.1% had recently undertaken training in 2019 in comparison to 23.7% in Sweden and 17.7% in Denmark.

Gender labour market gaps

The national gap between female and male employment rates has nearly closed but the UK's gender pay gap is comparatively large at 14% (vs 12% for the OECD as a whole). High childcare costs continue to contribute to this with the UK having among the highest costs for parents among developed countries.

Reprioritising for fair growth

The report concludes by arguing that delivering fair growth requires a dedicated focus on the drivers of productivity in left behind places. This, along with the significant fiscal constraints likely to fall on the next government, necessitates an urgent reprioritisation of the current approach to social and economic policy. In this context, we outline some high level principles for taking a fair growth approach:

Good jobs not just any jobs: enabling and supporting the growth of good, high value-added employers through nurturing the best of local business and penalising those who flout the rules.

Why? Poor quality work and low business investment in people and capital is forcing people out of the labour market early, causing ill health and undermining productivity.

Health not just healthcare: organising population health systems that are focused on prevention.

Why? Healthcare only accounts for a fraction of what makes a healthy nation.

Further education not just higher education: providing the best education at school and beyond with a particular focus on relevant vocational and technical education.

Why? Too much of someone's life chances is still determined by their school results.

Accessible, quality childcare: making sure children and parents have accessible and affordable local early years support.

Why? Limited childcare limits women's participation in the labour market and their children's economic prospects.

These priorities are national priorities, but they can only be fulfilled at the local level. In this context, the report argues devolution is important as the means for empowering places to meet strategic priorities for fair growth set at the national level.

Next steps: In our ongoing series, 'Funding fair growth', CPP will be exploring the options that an incoming government will have for funding the policies needed to enable fair growth. Please get in touch if you'd like to contribute to the programme.

Introduction: why now for fair growth?



Labour has set out its stall on the economy, promising ‘fair growth’, where growth, productivity and incomes rise everywhere, with good jobs in every part of the country. Labour’s rhetoric has borrowed heavily from Joe Biden’s approach in the United States, where in his recent State of the Union address, he spoke about building an economy ‘from the bottom up and the middle out’ and putting good jobs for ‘left behind’ Americans front and centre. In some ways, the Conservatives’ proposed commitment to levelling up started to do this too, but the approach was far too scattergun in terms of defining what issues, people and places should be prioritised and too weak and incoherent in the policy measures and funding mechanisms deployed to address them. Fair growth seeks to get to the root of underlying spatial inequalities to drive growth and design national and place-based policies fit for the long term.

Fair growth – or, as we at CPP have called it, inclusive growth – is an important progressive response to the economic and political challenges facing mature democracies. Most developed economies have suffered from a steep decline in the growth of GDP per person over the last decade, driven primarily by a fall in productivity growth, and this has been associated with stalling or falling real incomes. But even when GDP growth was faster – in the years leading up to the financial crisis – many people were excluded from contributing to or experiencing the benefits of growth. Increased globalisation of trade, though an important contributor to GDP growth in the latter half of the twentieth century, hollowed out domestic industries and communities, leaving some areas significantly poorer – a particularly acute feature in the UK and US. But even in places where there have been economic opportunities, they are not always open to everyone, with good jobs often the preserve of those with higher levels of education and better health.

These forces led to a rejection of the political status quo in the UK and US (and other countries), in favour of political campaigns that professed to put national interest above international trade and that hark back to a ‘better’ time before globalisation took hold: think ‘Make America Great Again’ in the USA and Brexit in the UK.

Fair growth seeks to get to the root of underlying spatial inequalities to drive growth and design national and place-based policies fit for the long term

In response to this existential crisis, progressive movements on both sides of the Atlantic have been forced to change. The Biden administration is focusing explicitly on those who have lost out from globalisation, developing an industrial strategy focused on domestic production. Labour is also developing rhetoric and a policy agenda in which ‘left behind’ communities take precedent: not through redistribution but by ensuring good jobs and economic opportunities at source. Both are also taking aim at failures within the capitalist system: while they remain clear that capitalism is the most efficient means of organising economic activity, they argue it requires fundamental reform to prevent damaging economic rent seeking and worker exploitation. And both see new green industries as a way of cutting across their economic and political agendas, helping them build new high productivity industries and good jobs in left behind places while tackling a problem (climate change) that the market alone has been unable to solve.

The new fair growth model puts greater emphasis on public services to grow the economy

While the progressive movement has always seen public services as important for reducing inequality and ensuring social justice, the new fair growth model puts greater emphasis on public services to grow the economy. In this context, education, childcare and health are all viewed as means to increase labour supply and improve productivity growth. In this model two things can be true at the same time: growth enables greater public service investment, while public services also support growth.

With the Labour Party having set out its core mission for growing the economy, this report explores what fair growth means for the UK in the local and international context. Using international data, it first argues that rekindling productivity growth remains the critical economic priority for the UK, but that in order to do this, the UK should focus on specific drivers of local area productivity: industrial make-up, health, education and skills and gender inequality in the labour market. All local areas can benefit from improvements in these domains, but particularly places which are currently lagging behind the national average. Consequently, the report shows through a series of stylised scenarios the impact on UK GDP of facilitating catch-up on the local drivers of productivity. Finally, the report explores where the UK sits on these drivers internationally, revealing particular issues where there is potential for gains to be made.

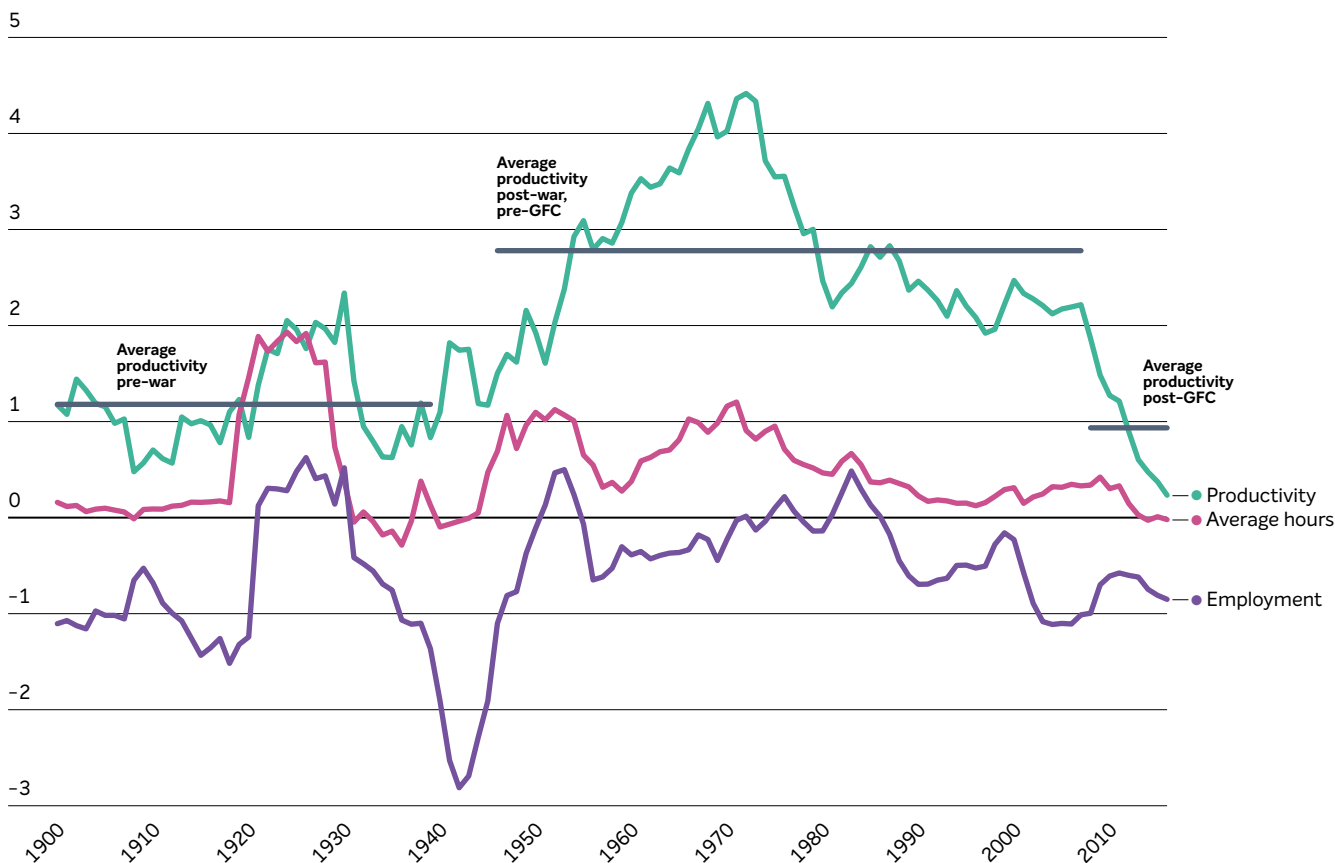
Hand in hand? National productivity and living standards

1



Chart 1: Contributions to GDP growth in the UK 1900–2016²

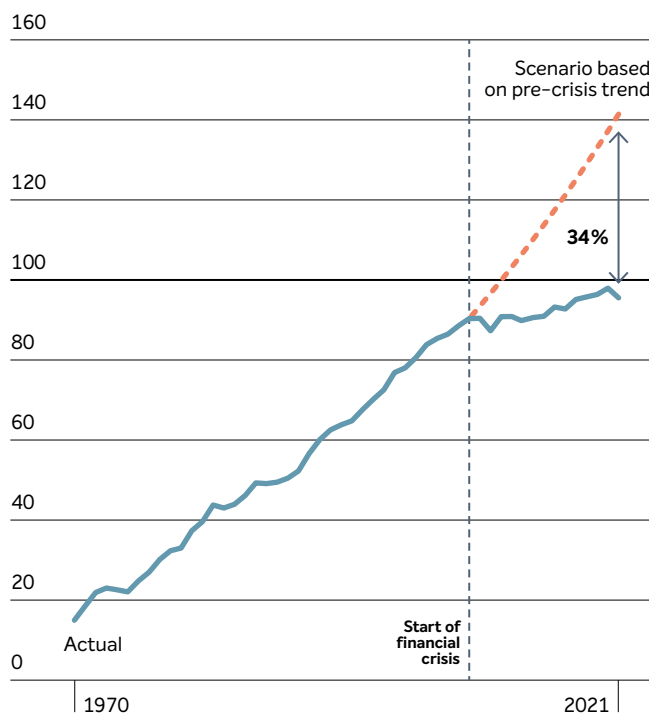
Percentage points (10 year rolling average)



At the heart of the UK’s economic growth stagnation is its rate of growth in output per hour worked (productivity). The rate of change in productivity is the main historic driver of GDP growth and while changes in employment and hours can make an important difference to GDP growth at the margin, without increasing productivity, the economy stagnates. Chart 1 shows contributions to GDP growth from employment, hours worked and productivity since the year 1900, with productivity consistently the largest contributor – particularly since WWII. Since the 2008 financial crash, productivity and therefore economic growth has dramatically fallen.

The UK’s productivity performance since the financial crisis has been dire. Using OECD data, CPP analysis shows that output per hour was 34% less in the UK by 2020 than implied by its pre-crisis trend rate of growth (see Chart 2). This shortfall in actual output per hour relative to the pre-crisis trend was worse than the G7 (-22%) and the EU28 (-6%).³

Chart 2: Index of UK productivity per hour, 1970–2021 (100=2015)⁴

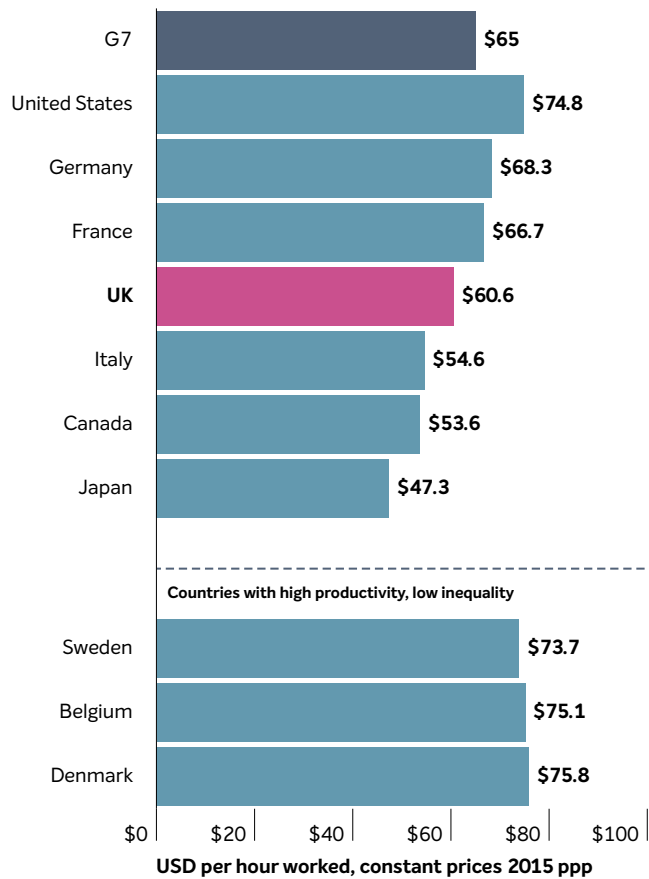


2 Source: CPP analysis of OBR and BoE datasets.

3 CPP calculations. We base trend rates for UK and G7 using 1970 to 2007 rates of productivity per hour. For EU28, we take trend as the period 1995 to 2007. EU28 data only goes up to 2019 rather than 2020.

4 Source: CPP calculations using OECD data. Available at: <https://data.oecd.org/lprdty/gdp-per-hour-worked.htm>

Chart 3: GDP per hour worked by G7 and other selected countries, 2021⁵



This productivity slowdown was not simply because other nations were catching up with the UK. When looking at levels of productivity (rather than rates of change), the UK still lags many other developed countries, including several G7 nations and a selection of other high productivity European countries. Output per hour worked is a quarter higher in Denmark, Belgium and the US than the UK, while it is 13% higher in Germany and 10% higher in France.

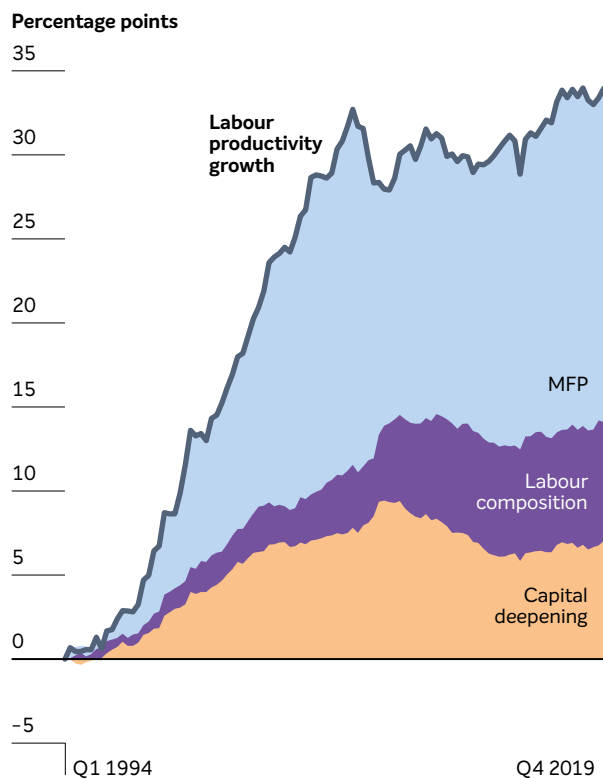
25%

Output per hour worked is a quarter higher in Denmark than the UK

Box 1: Disentangling the UK productivity slowdown

In a classic Solow growth model, growth in output per hour is driven by the inputs of physical capital, the amount and quality of labour supply and multifactor productivity (i.e. technological change and other efficiencies in the use of inputs). If we assume constant returns to scale then the overall quantity of labour is not important for growth in output per hour, but the quality of labour supply does matter. To increase output per hour, either the quality of labour supply must rise, there needs to be an increase in capital used relative to labour or there needs to be an increase in multifactor productivity (the efficiency of the economy). The ONS has sought to disentangle these for the market sector in a UK context.⁶ Multifactor productivity in the market sector is still 1.3% below its 2008 level, while capital services available for each hour worked has been declining in the UK since the financial crisis. The ONS finds that multifactor productivity is lower in all industries other than non-financial services since the 2008 crisis. Only improvements in the quality of labour have positively contributed to output per hour – driven by the rise in the share of workers with degrees or higher qualifications.

Chart 4: Decomposition of cumulative quarterly growth of output per hour worked in the UK, Q1 1994 to Q4 2019⁷



⁵ Source: CPP analysis of OECD Stat.

⁶ ONS. (2020). Growth accounting: multifactor productivity estimates, UK: October to December 2019. <https://www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/bulletins/growthaccountingmultifactorproductivityestimatesuk/octobertodecember2019#multi-factor-productivity-data>

⁷ Source: ONS (2020).



Improved living standards

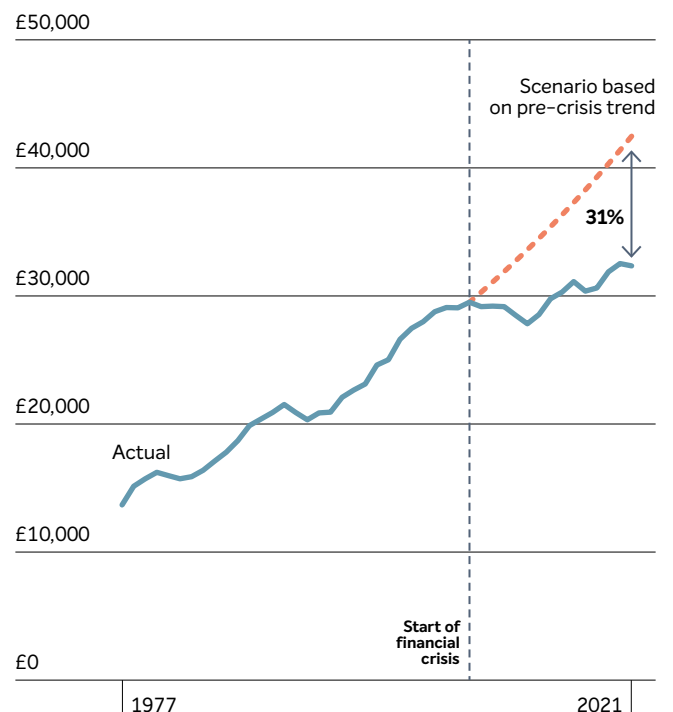
While productivity growth is a necessary condition for fair growth, it is not always sufficient. Growth in wage inequality and a fall in the share of GDP accounted for by employee compensation (i.e. pay and pensions and other benefits), can lead to a decoupling of productivity growth from income growth. For these reasons, it is important to prioritise living standards as a key measure of fair growth.

Looking at UK data shows how badly UK living standards have stagnated since the 2008 crash. Mirroring the UK's productivity performance, UK median incomes are 31% below where they would have been had the pre-financial crisis trend continued. The median household would have been £10,000 better off than today.

£10,000

Median UK household income would have been £10,000 better off than today had the pre-financial crisis trend continued

Chart 5: UK real median incomes, 1977–2021⁸



⁸ Source: CPP analysis of ONS Household Finance Survey. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/householddisposableincomeandinequality/financialyearending2022>

Chart 6: Index of labour share of GDP in G7 countries, 1987–2019 (1987=100)⁹

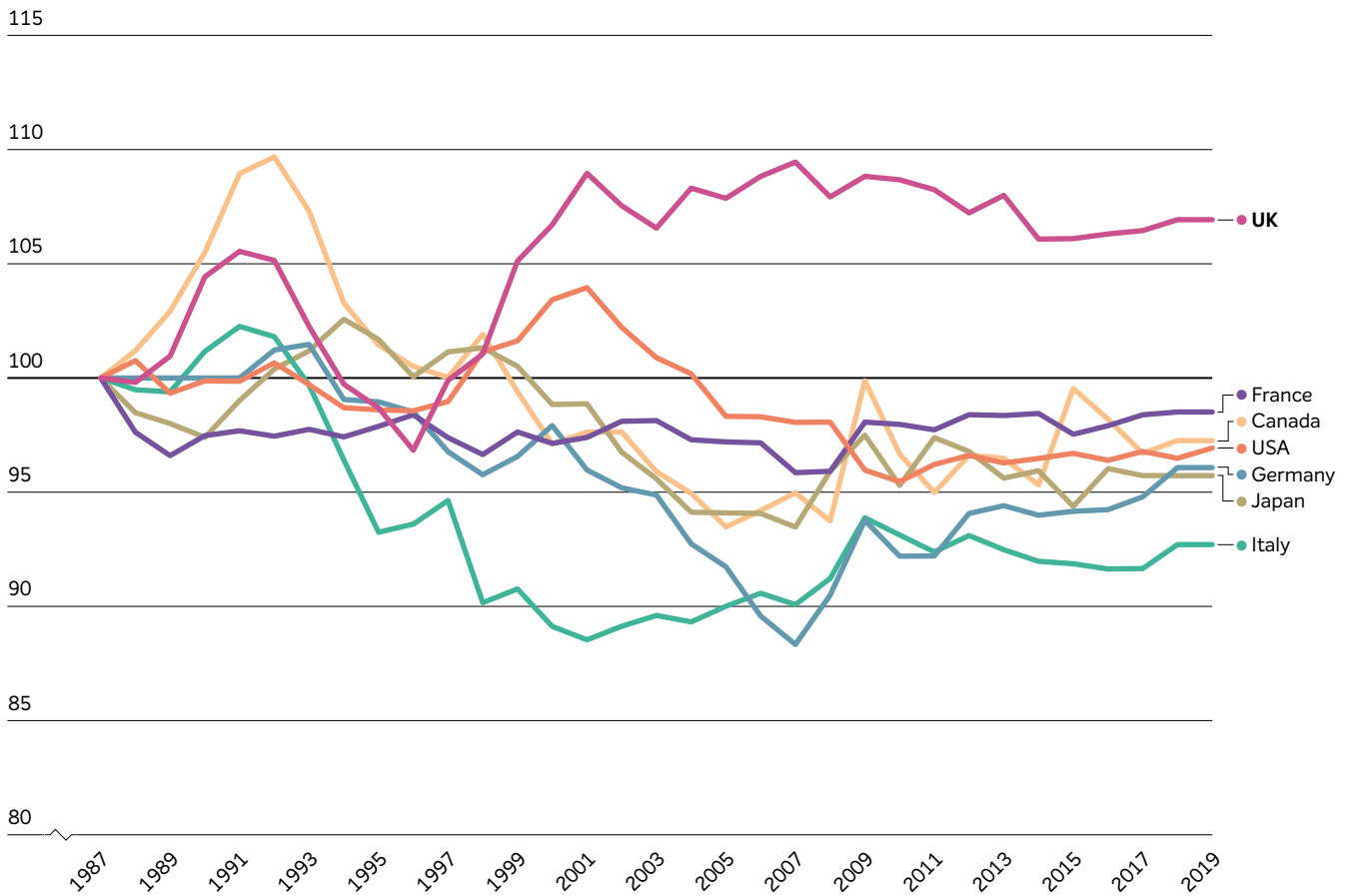
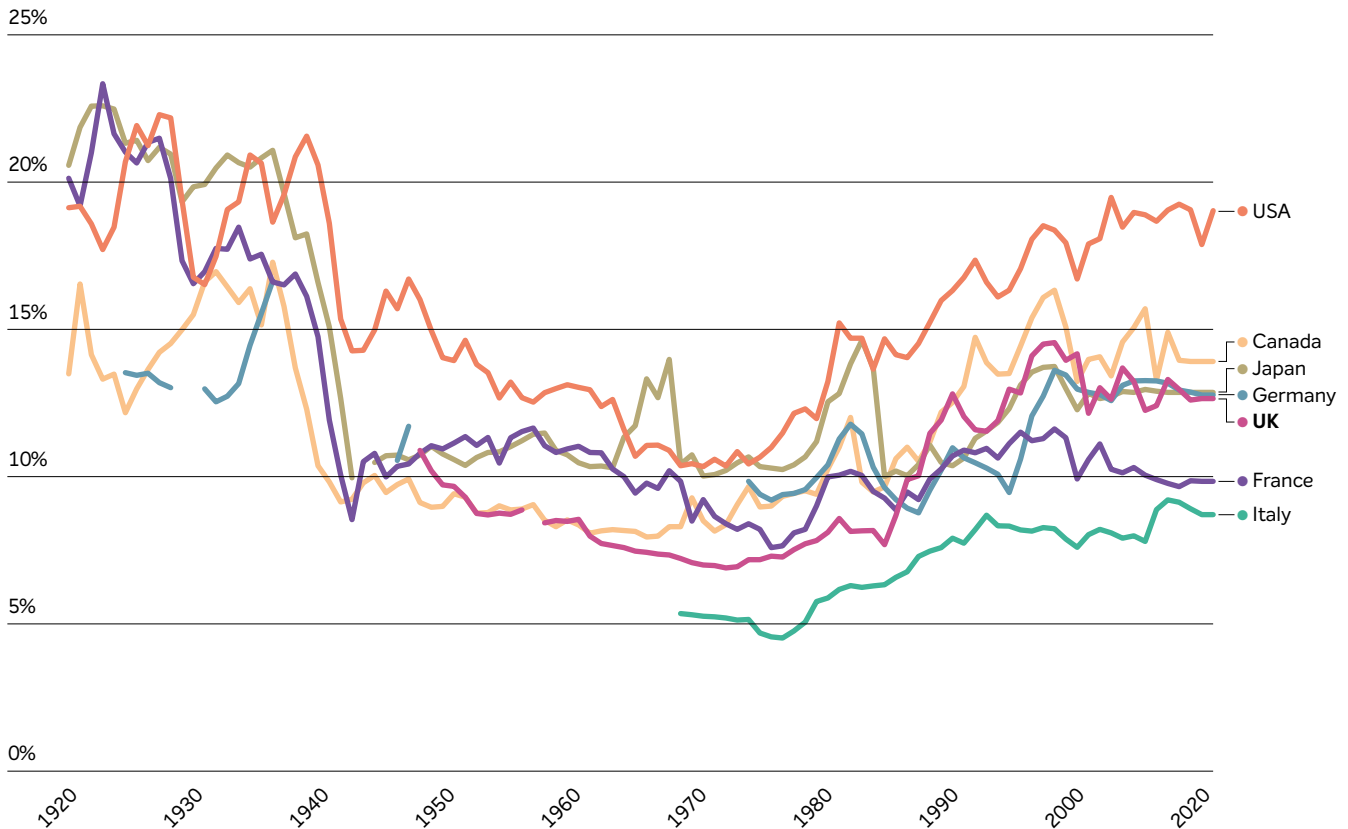


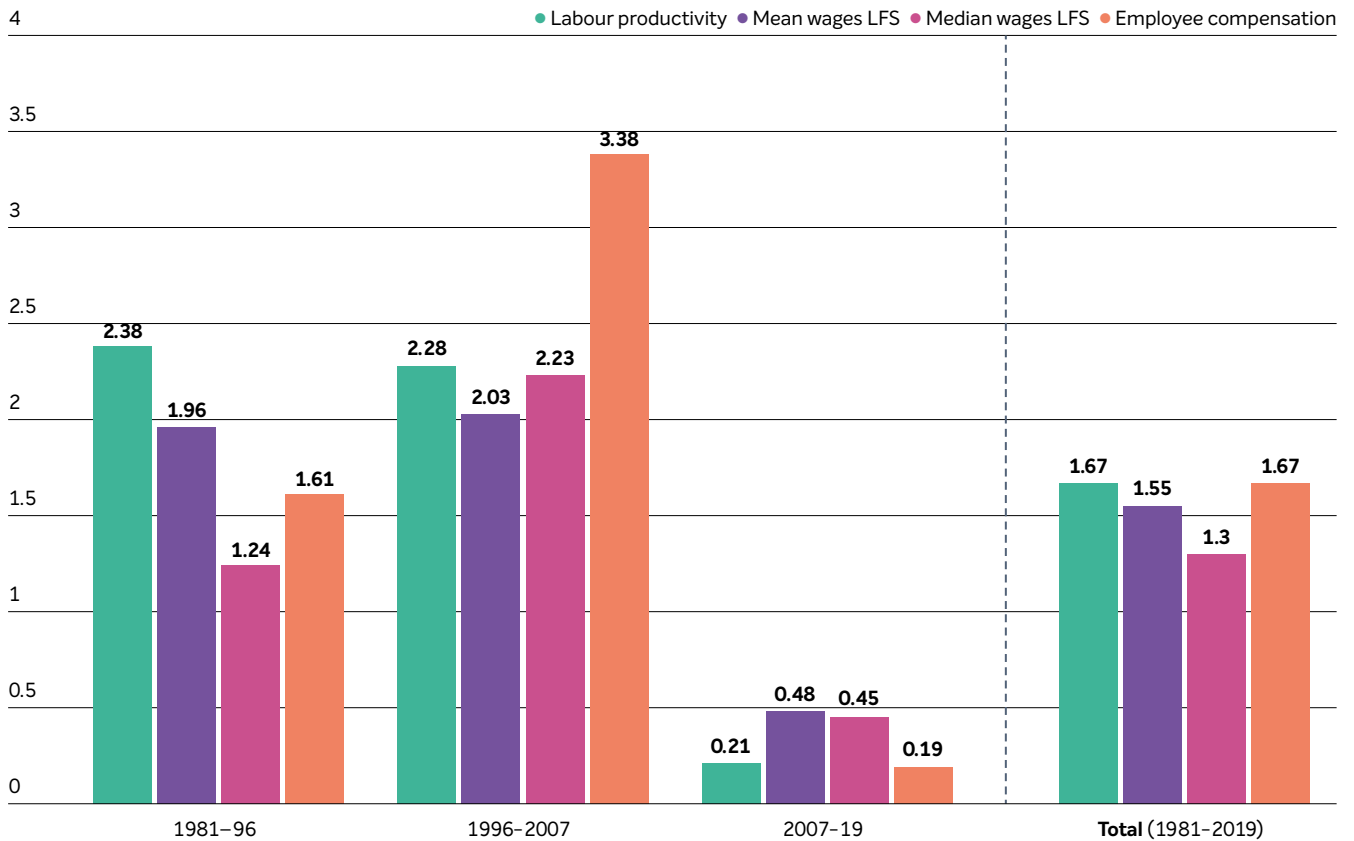
Chart 7: Share of pre-tax national income held by top 1% in G7 countries, 1920–2021¹⁰



⁹ Source: CPP analysis of Penn World Tables.

¹⁰ Source: CPP analysis of World Inequality Database.

Chart 8: Average annual percentage change in UK labour productivity, employee compensation, mean and median wages, 1981–2019¹¹



While any productivity growth might seem desirable today after years of flatlining, ensuring it goes hand in hand with wage growth will require the UK to maintain both the current labour share of GDP and to keep wage inequality stable. As it happens, the UK’s labour share (i.e. employee compensation) of GDP grew in the late 1990s and early 2000s – possibly owing to the introduction of the minimum wage – and has remained relatively stable since. Similarly, the share of national income held by the very rich (top 1%) has remained pretty stable for twenty years – albeit at a relatively high level. We cannot point to these factors as key causes of our living standards stagnation – although persistently high income inequality is unlikely to have helped.¹²

Over the course of the late 1990s to mid-2000s, wages and productivity moved in tandem

A recent paper by economists Teichgraeber and Van Reenan underlines the point that recent wage stagnation is largely a function of the productivity slowdown. The authors use data for the period 1981 to 2019 to show that UK productivity rose by 87%, while median employee wages only rose by 62% during this period. The authors calculate that three-fifths of this gap is explained by the growth of inequality which widened the wedge between mean and median employee wages.¹³ Importantly however, most of this divergence in the growth of wages and productivity took place during the 1980s and early 1990s (see Chart 8). Over the course of the late 1990s to mid-2000s, wages and productivity moved in tandem. The problem since 2007 has therefore been a substantial fall in productivity which has dragged down wages. Rekindling productivity growth is therefore an essential part of delivering a return in wage growth. Without that, there is no chance of creating fair growth.

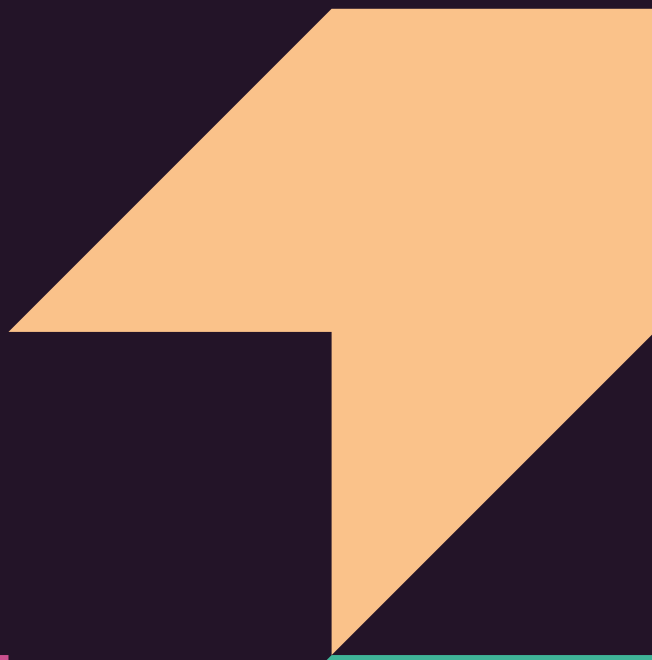
¹¹ Source: Teichgraeber and Van Reenan (2021).

¹² Cingano, F. (2014). *Trends in Income Inequality and its impact on Economic Growth*, OECD Social, Employment and Migration Working Papers, No. 163, OECD Publishing. Available at: <http://dx.doi.org/10.1787/5jxjncwvxv6j-en>
Causa et al. (2014). *Growth and inequality: A close relationship?* Available at: <https://www.oecd.org/economy/growth-and-inequality-close-relationship.htm>

¹³ Teichgraeber and Van Reenan. (2021). *Have productivity and pay decoupled in the UK?*, CEP discussion paper. Available at: <https://poid.lse.ac.uk/textonly/publications/downloads/poidwp021.pdf>

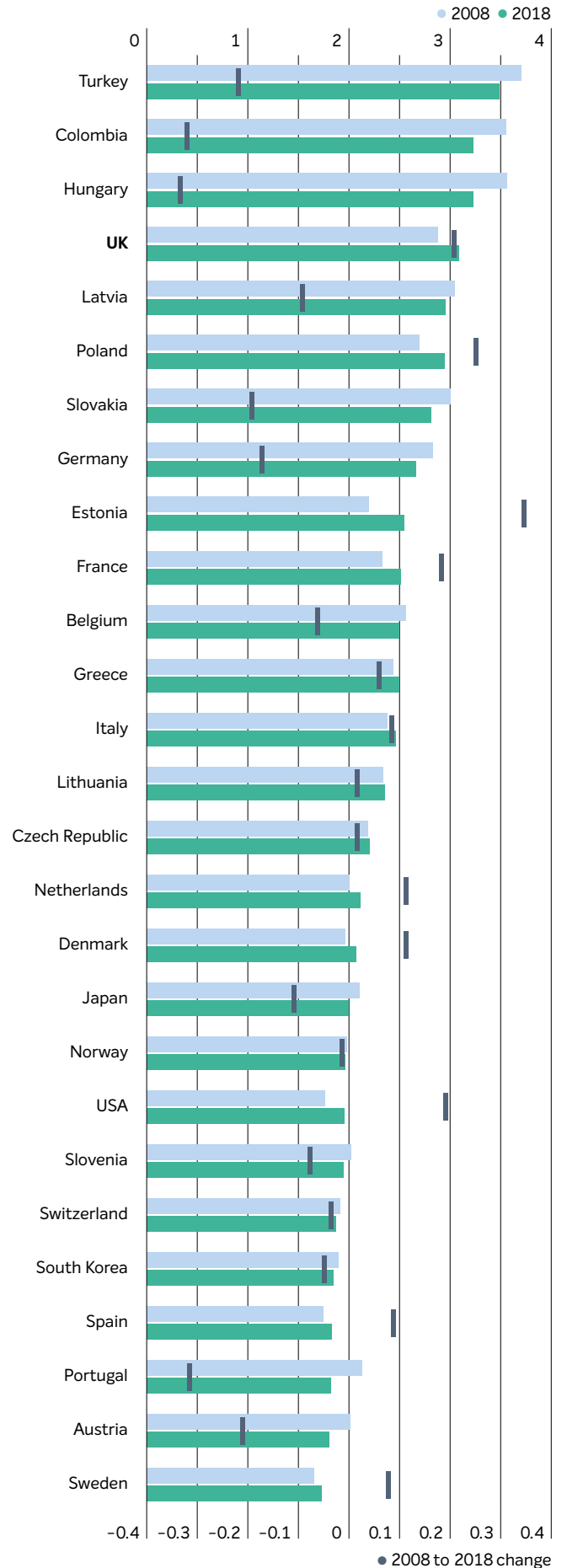
Identifying the key drivers of productivity at the local level

2



The UK's current and historic approach to economic policy has left our economy among the most regionally unequal in the developed world. This is a particularly damning signal of the UK's inability to deliver fair growth and it is reflective of a long-term passive reliance on the best performing sectors to drive growth and tax revenue, before redistributing the gains to lessen the impact of subsequent inequalities between places and income groups. Social, economic, and on an intermittent basis, industrial policy, have been viewed as separate beasts – almost exclusively set at the national level and largely place-blind.

Chart 9: Ratio of the top 20% richest regions over the bottom 20% poorest small regions¹⁴



14 Source: CPP analysis of OECD data based on GDP per capita.

As a prime example of this, in the decades leading up to the financial crisis, the UK relied heavily on London as the engine of UK productivity growth. Such agglomeration was taxed and redistributed for a time, but ultimately proved unsustainable since it relied on an artificially inflated and overleveraged financial services sector. While productivity in London has stagnated since the financial crisis, output per hour worked is still 50% higher in London than the North East and East Midlands.

Chart 10: Regional output per hour relative to UK¹⁵



50%

Output per hour worked is still 50% higher in London than the North East and East Midlands

Ultimately, a key feature of the fair growth approach is to improve growth and living standards everywhere – between and within regions – and not just via redistribution from rich places to poor ones

Given these large regional differences, prioritising increased output for regions outside of London would appear more sensible than hoping for a return to rapid productivity growth in the capital. Indeed, while some may argue that rekindling the City of London is key to reversing the UK’s productivity malaise, winding back the clock to 2005 does not seem an appropriate strategy for sustainable, fair growth. This is not least because while London has consistently been the most productive region and generated significant wealth for many of its residents, it continues to contain some of the most deprived neighbourhoods in the country. Ultimately, a key feature of the fair growth approach is to improve growth and living standards everywhere – between and within regions – and not just via redistribution from rich places to poor ones. Everyone should have the opportunity to benefit and contribute to growth.

CPP’s local productivity model

To better understand how the UK can deliver fair growth which hinges on driving productivity from the bottom up and middle out, CPP has developed a model to determine which factors have the biggest impact on local authority productivity. We compiled a 10-year dataset (2008–19) at local authority district level bringing together several indicators which, based on prior evidence and theory, could be related to changes in productivity over place and time. In Table 1, we briefly discuss each of the indicators and their rationale for inclusion in the model.

Statistical methods

There are many potential challenges with analysing data of this sort, so we undertook substantial diagnostic testing before settling on the final, robust modelling approach. The final regression output is based on a random effects regression analysis with orthogonalized variables (more details on method selection are in the appendix).

¹⁵ Source: CPP calculations based on ONS (2021) Region by industry Labour Productivity.

Table 1: Model indicators and rationale

Broad theme	Indicator	Rationale
Economic outcome	Productivity: GVA per hour worked	This is our main economic outcome variable of interest. Productivity per hour is a key driver of national living standards so understanding how and why this varies locally can help unlock UK-wide productivity gains to support fair growth.
Investment	Gross fixed capital formation	Output per hour worked can be boosted by an increase in the amount of capital investment, an improvement in the quality of labour or an increase in the efficiency of the way capital and labour are deployed. By including capital investment, we can start to explore the mechanisms through which the explanatory variables impact on productivity.
Gender inequality in the labour market	Difference in employment rates between men and women	Gender inequalities in the labour market could act as a drag on productivity by artificially reducing access to skilled women who disproportionately leave the workforce or reduce hours worked more than skilled men. This reduces the quality of the labour supply. We include the gender employment gap to measure this.
Demography and health	Life expectancy at birth	Good health enables people to participate more fully at work. This may not just lead to more hours worked but also a greater efficiency in the way workers use those hours. Better health could therefore lead to higher output per hour. Life expectancy is one of the model's measures for health.
	% of economically inactive long-term sick	An alternative measure of health is the proportion of 'working age' people (aged 16–64) outside of the labour market who report being long-term sick.
	% of 50–64 year olds in the working population	The age structure of the workforce may impact on productivity in several ways. On the one hand, older workers may be more likely to be in poor health or require reskilling – both of which could reduce their output per hour. On the other hand, older workers have greater years of experience that they can draw on to do their job well. A higher share of older people in the workforce may therefore influence productivity in both directions.
Skills	% educated to level 1	The higher the skill level of the local population, the greater the likely knowhow and therefore the efficiency of the workforce. It may therefore improve the quality of the labour force and the efficiency with which labour and capital are used. To measure this, we include the proportion of the population that are educated at different skill levels ranging from those with no qualifications to those at degree level or higher.
	% educated to level 2	
	% educated to level 3	
	% educated to level 4+	
	% with no qualifications	
Industrial make-up	IT share of local economic output (GVA)	The industrial make-up of a place will likely be a significant determinant of its productivity. The UK's sectors that have among the highest productivity per hour are IT, financial services and manufacturing. Places that experience a growing share of these three sectors will likely grow faster simply because it could represent a shift from a lower to higher productivity industry.
	Finance share of local economic output (GVA)	
	Manufacturing share of local economic output (GVA)	



Key findings

While the model shows that industrial make-up is a crucial driver of local authority productivity, our results show these are only partial explanations of differences between areas. Better health in the form of rising life expectancy, and improving the population's skill levels, are strongly associated with higher productivity. There has been widespread concern about how poor health has reduced labour force participation in the wake of the pandemic, but until this analysis its role in reducing the efficiency of those in work in the run up to Covid-19 has been largely neglected.¹⁶

A higher employment gap between men and women reduces productivity, demonstrating the importance of gender equality to productivity

Equally, while there continues to be much public acknowledgment of the role of higher education in driving growth, these findings demonstrate the importance of improving intermediate skills for productivity at the local level with our results suggesting levels 2 and 3 may be just as important as level 4+. The results also show that a higher employment gap between men and women reduces productivity, demonstrating the importance of gender equality to productivity – something that CPP's recent work on childcare explored in greater depth.¹⁷ Finally, we find that a higher older age share of the working age population is strongly associated with reduced productivity at the local level.

Industrial make-up

A 1 percentage point increase in ICT's share of local GVA increases productivity by **£0.79 per hour**

A 1 percentage point increase in finance's share of local GVA increases productivity by **£0.68 per hour**

A 1 percentage point increase in manufacturing's share of local GVA increases productivity by **£0.03 per hour**

Skills

A 1 percentage point rise in the share of the working age population with level 4+ skills increases productivity by **£0.16 per hour**

A 1 percentage point rise in the share of the working age population with skill level 3 increases productivity by **£0.16 per hour**

A 1 percentage point rise in the share of the working age population with skill level 2 increases productivity by **£0.24 per hour**

Health and demography

A 1 year increase in life expectancy increases productivity by **£1**

A 1 percentage point rise in the proportion of the population aged 16–64 out of work due to ill health reduces productivity by **£0.07**

A 1 percentage point rise in the share of the working age population of those aged 50–64 reduces productivity by **£1.66 per hour**

Gender inequality in the labour market

A 1 percentage point rise in the gender employment gap reduces productivity by **£0.06 per hour**

16 A notable exception is the Northern Science Health Alliance report: Bamba, Munford, Brown et al. (2018). *Health for Wealth: Building a Healthier Northern Powerhouse for UK Productivity*, Northern Health Sciences Alliance, Newcastle. Available at: <https://www.thenhsa.co.uk/app/uploads/2018/11/NHSA-REPORT-FINAL.pdf>

17 Franklin, B. and Fogden, R. (2023). *Growing pains: the economic costs of a failing childcare system*, Centre for Progressive Policy. Available at: <https://www.progressive-policy.net/publications/growing-pains>

Taking a fair growth approach to boosting national productivity

Given the above findings about the relative importance of different drivers of productivity, it is possible to explore stylised scenarios for boosting national output with a 'fair growth' strategy. These scenarios demonstrate what could happen if local authorities currently sitting below the national average on skills and health catch up with the current average, and if there was a closing of gender employment gaps in all places.

Taken together, we estimate that the UK could generate an additional £160bn in economic output – equivalent to 7% of GDP – by targeting these measures of local productivity. Achieving realistic targets for reducing spatial and gender inequalities can deliver a significant economic prize.

£160bn

CPP estimate that the UK could generate an additional £160bn (7%) in economic output

Higher skills scenarios

If all lagging local authorities matched the national average proportion of people skilled to level 4+ this would increase economic output by **£28bn (1% of GDP)**

If all lagging local authorities matched the national average proportion of people skilled to level 3 this would increase economic output by **£25bn (1% of GDP)**

If all lagging local authorities matched the national average proportion of people skilled to level 2 this would increase economic output by **£28bn (1% of GDP)**

Better health

If all lagging local authorities matched the national average life expectancy this would increase economic output by **£53bn (2% of GDP)**

Increased gender equality in the labour market

If local authority gender employment gaps were closed, this would increase economic output by **£23bn (1% of GDP)**



How strongly does productivity relate to incomes at local level?

The level of productivity in a place is important for determining the level of pay and there is a strong association between output per hour and measures for compensation or pay locally. However, as Charts 11 and 12 show using two different measures of employee remuneration, there is not a perfect 1:1 relationship – productivity alone explains around 40% of local area variation in pay.

Chart 11: Compensation of employees and productivity per hour¹⁸



Chart 12: Median weekly wages and productivity per hour¹⁹



18 Sources: CPP analysis of ONS dataset on productivity, GDHI and ASHE.

19 Ibid.

Table 2: Top 20 places where incomes should be higher based on productivity levels²⁰

Place	Predicted compensation of employees	Actual	Compensation shortfall	% predicted higher than actual
Rushmoor	£30,709	£19,705	-£11,004	36%
Slough	£25,842	£16,386	-£9,456	37%
Worthing	£22,624	£14,705	-£7,919	35%
South Derbyshire	£25,051	£17,644	-£7,407	30%
Clackmannanshire	£21,870	£15,077	-£6,793	31%
Runnymede	£28,277	£21,835	-£6,442	23%
Forest of Dean	£19,086	£12,717	-£6,369	33%
Bolsover	£19,078	£12,833	-£6,245	33%
Broadland	£20,553	£14,618	-£5,935	29%
Dover	£18,478	£12,547	-£5,931	32%
Sunderland	£17,509	£12,453	-£5,056	29%
Hounslow	£26,960	£21,923	-£5,037	19%
Dumfries and Galloway	£16,456	£11,778	-£4,678	28%
Bexley	£22,701	£18,069	-£4,632	20%
Swindon	£22,697	£18,298	-£4,399	19%
Coventry	£17,286	£12,937	-£4,349	25%
South Gloucestershire	£21,923	£17,668	-£4,255	19%
Nottingham	£15,203	£10,985	-£4,218	28%
Pembrokeshire	£14,689	£10,602	-£4,087	28%

Some local authorities see far lower pay than their productivity levels would imply. Places including Dover, Coventry, Nottingham and Sunderland have among the lowest levels of pay in the country, yet based on their productivity levels alone, employee compensation should be 30% higher. Median pay will be affected by a variety of factors other than productivity, including the costs of living locally and the concentration of employment in high value-added sectors. For these reasons, while a national strategy for fair growth must make raising local area productivity the key priority, care must be taken to ensure that any place-based productivity gains translate into broad-based improvements in the wages of the population.

In this context, one relevant approach to industrial strategy explored in a recent CPP report is to ensure local areas do not just prioritise the sectors with the highest gross value-added, but also those sectors that offer high productivity and significant employment. This is to help ensure that when nurturing industrial clusters, those clusters deliver wide-ranging local economic benefits. The report found 95 ‘pockets of potential’ – higher value-added sectors with good employment levels situated in low paid, low productivity areas that, if nurtured, could unlock gains in productivity and living standards.²¹

In summary: The results in this chapter underline the importance of joining up public service investment with new forms of industrial strategy to support health, skills, gender equality and the development of high value-added sectors within places for good jobs.

²⁰ Source: CPP analysis of GDHI data using the subcomponent ‘compensation of employees’ and ONS data on GVA per hour worked.

²¹ Mudie et al. (2023). Available at: <https://www.progressive-policy.net/publications/open-for-business-report>

**Where does the
UK sit internationally
on the drivers
of fair growth?**

3

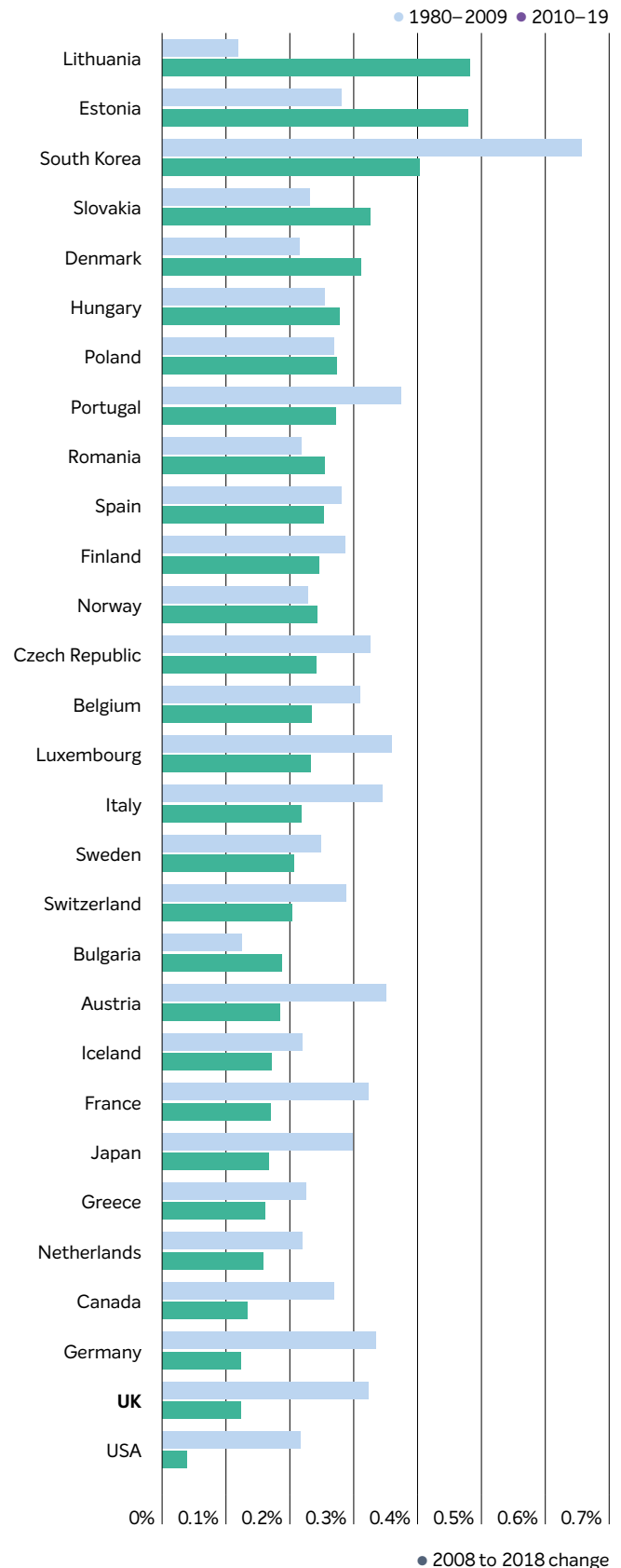
This report has outlined the importance of productivity for fair growth and the drivers of productivity at the local level. The final chapter focuses on where the UK sits internationally on these drivers of productivity, by exploring data on relevant indicators for all developed economies (OECD countries). Ultimately, progress on fair growth will mean improving our position relative to peer countries in these domains so it is important to take stock of where the UK currently stands and to identify opportunities for growth.

Life expectancy

The rate of growth in life expectancy has stagnated across Europe for many countries since 2010, however research on England and Wales suggests that these home nations' slowdowns may have been among the worst.²² CPP's analysis of life expectancy data suggests the UK's slowdown in life expectancy was faster than average among developed countries. Life expectancy at birth rose by an average of 0.32% per annum between 1980 and 2009, before slowing to an average of 0.12% growth between 2010 and 2019. Only in the United States did life expectancy grow more slowly during the last decade. There is also evidence beyond life expectancy to suggest that health has deteriorated faster in the UK than elsewhere. In 2010, 70.7% of the adult population in the lowest income quintile said they were in good health, but by 2019 this had fallen to 62.5%. This 8-percentage point fall was significantly larger than for the average of the OECD where it fell by 2.8 percentage points.²³ Canada currently has the highest proportion of people on low incomes reporting good health: 81.6%.

While there are challenges in measuring and comparing self-reported health across countries, it is clear the UK has room for catch up on life expectancy and preventable mortality. UK life expectancy (all persons) was 81.4 in 2019, compared to more than 83 in several European countries including Italy, Spain, Sweden and France. The UK also loses around 4,150 potential years of life per 100,000 people – this is calculated by the number and age of people who have died before they reached 75. The UK compares badly to several other high-income nations including the Netherlands which loses 3,490 years of life, Sweden which loses 3,230 years and Denmark which loses 3,850 years.²⁴

Chart 13: Growth rate in life expectancy at birth, average annualised 1980–2009, 2010–2019²⁵



22 Leon et al. (2019). *Trends in life expectancy and age-specific mortality in England and Wales, 1970–2016, in comparison with a set of 22 high-income countries: an analysis of vital statistics data*, *Lancet Public Health* 2019; 4: e575–582. Available at: [https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667\(19\)30177-X/fulltext](https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667(19)30177-X/fulltext)

23 Author's calculations from OECD stat.

24 CPP analysis of OECD data. Analysis based on 2019 or latest previously available.

25 Source: CPP calculation using OECD Stat.



Education

Schooling and university

Among developed countries, only Canada, Japan and Luxembourg have a higher proportion of young adults (aged 25–34) educated to degree level than the UK and this has continued to increase over recent decades. Since 2005, in the UK, the proportion of this age group with a degree has increased from 35.3% to 57.5%. Looking at adults who have only completed a basic level of schooling (i.e. GCSEs or equivalent), the UK has room for progress, but so do many other developed countries. 18.5% of the UK's adult population have only a basic level of schooling, compared with 17.9% in Denmark and 17.8% in France. North America does much better on this measure with only 8.3% of adults in the US and 6.9% in Canada failing to complete upper secondary levels (A levels or equivalent) of education.²⁶ All developed countries have made substantial progress in improving completion rates of secondary education over recent decades and the UK is no exception.

All developed countries have made substantial progress in improving completion rates of secondary education over recent decades, and the UK is no exception

63%

Since 2005 the proportion of young adults in the UK with a degree has increased by 63%

²⁶ Author's analysis of OECD data. Available at: <https://data.oecd.org/eduatt/adult-education-level.htm>

Adult education

Participation in adult education has fallen in the UK relative to other countries. Eurostat data suggests that more than 25% of the UK's population aged 25–64 had recently undertaken adult education and training in the mid-2000s, but by 2019 this had fallen to 14.8%.²⁷ By comparison across the original 15 core EU countries, participation continued to increase – albeit from a lower initial base than the UK (around 8% in the mid-2000s increasing to 13% by 2019).

Comparative data suggests the UK has a long way to go to match the levels of participation among some European countries. In Switzerland, Sweden and Denmark around 30% of the population recently participated in education and skills training. Sweden and Denmark also have much higher rates of participation among those with lower levels of school education. In the UK, just 6.1% of those with qualification levels 0–2 had recently undertaken training in 2019 in comparison to 23.7% in Sweden and 17.7% in Denmark.²⁸

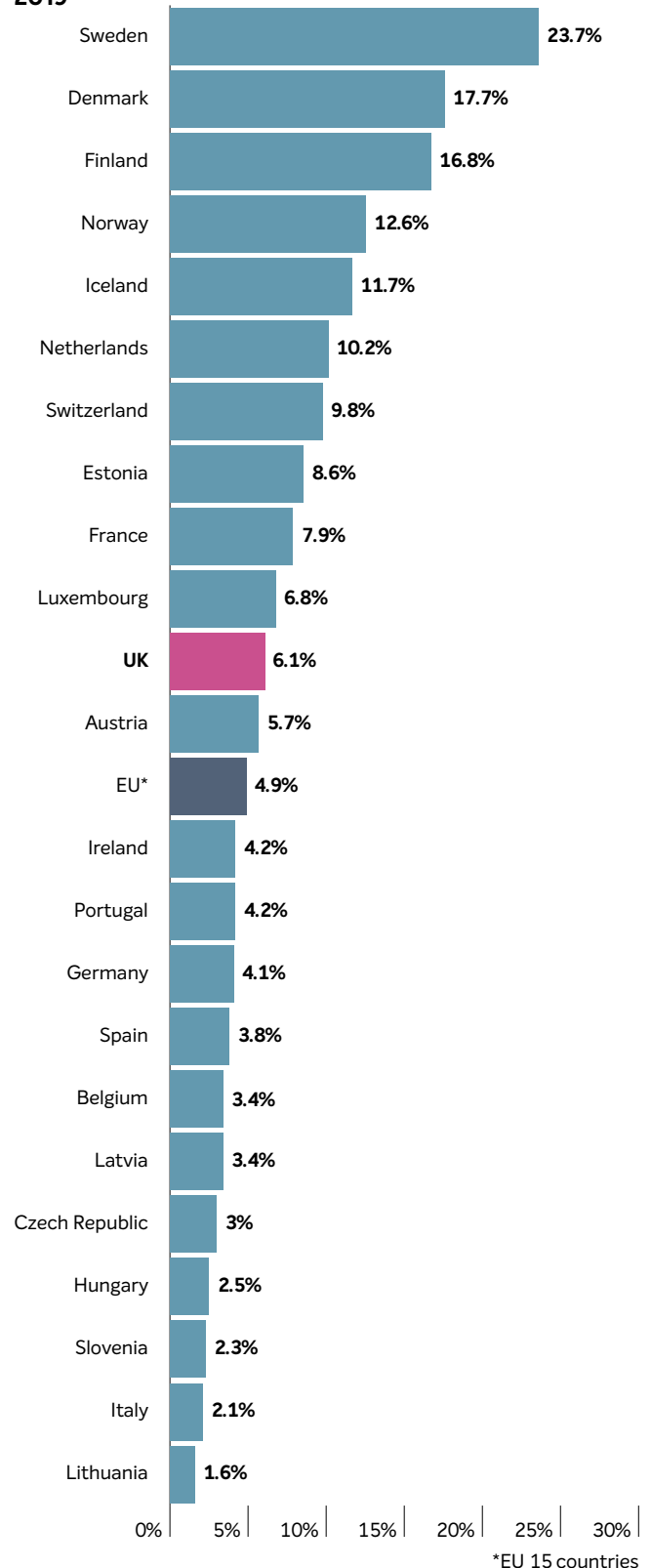
While broadly in line with the OECD average, the UK lags behind many of its peers in literacy and numeracy. 26.5% of the UK adult population are low performers in literacy and/or numeracy, compared with 19.1% in Denmark and 17.5% in Sweden.²⁹ The UK also has scope to improve on the proportion of its population who are proficient in numeracy (41.2%), by comparison, in Denmark and Sweden it is more than 54%.³⁰

66%

Funding for UK adult education has been reduced by nearly two-thirds over the last twenty years

Funding for UK adult education has been substantially reduced over the last twenty years. In one particularly stark example – classroom-based adult education – spending was nearly two-thirds lower in real terms in 2019–20 than in 2003–04 and about 50% lower than in 2009–10. It stood at £4.4 billion in 2003–04 (2021–22 prices) and fell to £2.9 billion in 2010–11 and to just under £1.5 billion in 2019–20.³¹

Chart 14: Participation rate in education and training (last 4 weeks) for those with prior education levels 0–2, 2019³²



27 The specific question was whether they had completed education or training in the last 4 weeks at the time of the survey.

28 Author's calculations based on Eurostat data. Available at: https://ec.europa.eu/eurostat/databrowser/view/trng_ifse_01/default/table?lang=en

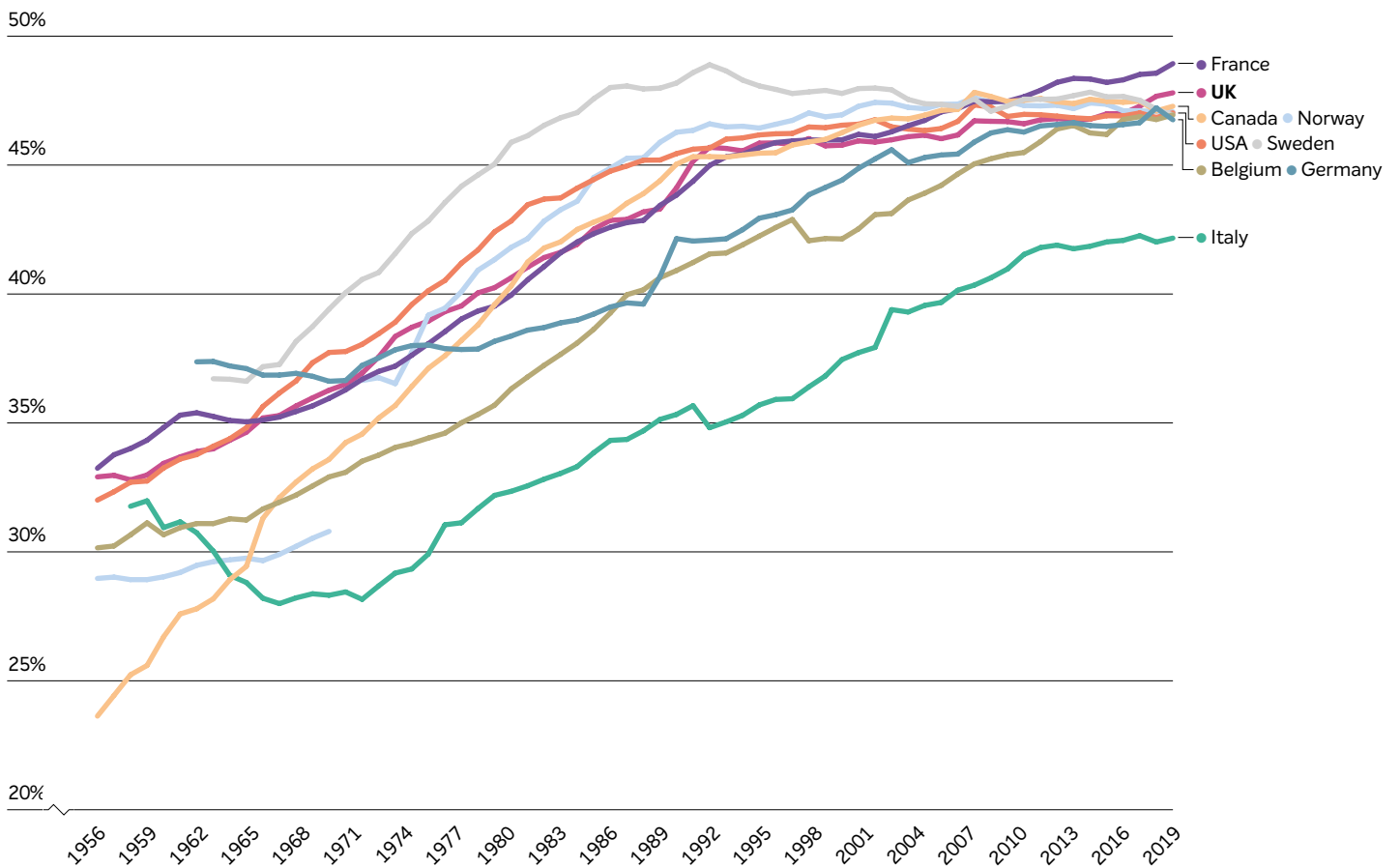
29 The OECD define low performers as adults who score at or below level 1. In literacy level 1 requires only basic vocabulary knowledge, in numeracy level 1 requires basic skills like counting and sorting. For more details see: OECD. (2019). *Skills Matter: Additional results from the survey of Adult skills*. Available at: https://www.oecd-ilibrary.org/sites/1f029d8f-en/1/2/2/index.html?itemId=/content/publication/1f029d8f-en_csp_9ca26e268264865d390e376cd0e17bb9&itemI=GO=oeed&itemContentType=book

30 A good level of numeracy and literacy is above level 3 according to the OECD classification. Ibid.

31 Lewis and Bolton. (2022). *Further Education Funding in England*, House of Commons Library. Available at: <https://researchbriefings.files.parliament.uk/documents/CBP-9194/CBP-9194.pdf>

32 Source: Author's analysis of Eurostat data.

Chart 15: Female employment as share of total employment, 1956–2021³³



Early years and female labour market participation

Great gains were made in equalising the male and female employment rates between the middle and late twentieth century, but for many developed countries, progress slowed the closer equalisation came. The UK is no exception on this front: a similar plateau has been experienced in several other developed countries. The UK has one of the highest shares of female employment as a proportion of total employment across developed countries (48%).

The UK has one of the highest shares of female employment as a proportion of total employment across developed countries

14.3%

There is a 14.3% difference between male and female earnings in the UK in comparison to 12% for the OECD as a whole

While the UK does relatively well on its female share of employment, it does badly on the gender pay gap. There is a 14.3% difference between male and female earnings in the UK in comparison to 12% for the OECD as a whole.³⁴ The UK has made progress over the long run, consistent with other developed countries, and the pay gap has continued to fall, yet the gap remains large.

³³ Source: Author's analysis of OECD stat.

³⁴ <https://data.oecd.org/earnwage/gender-wage-gap.htm>

Early years and childcare are important factors in determining the level of inequality between men and women in the labour force. Good early years education is essential for ensuring children have a good platform for learning and sustaining a nation's future human capital. For instance, a recent academic paper finds that attendance at a public pre-school in Boston, US, boosted enrolment at university by 8 percentage points, an 18% increase relative to the baseline college-going.³⁵ But childcare is also essential for enabling parents – and particularly women – to participate in the labour market. This is economically beneficial both by raising labour supply as well as reducing levels of misallocation – i.e. ensuring people are matched with the right jobs. The latter can have substantial productivity benefits. Looking at a multinational company with 100,000 members of staff, a recent study estimated that equalising barriers to labour force participation could increase firm productivity by nearly a third.³⁶

Good early years education is essential for ensuring children have a good platform for learning and sustaining a nation's future human capital

The UK's childcare costs are among the highest across developed countries. The OECD estimates that a UK couple where one parent earns the average wage and the other earns two-thirds of the average wage, would spend 29% of their wages on full-time childcare, in comparison to 12% for the OECD. For a couple where both earn two thirds of the average wage, it is even worse – costing 29% of wages for those in the UK and 10% for the OECD.

The UK does comparatively better for lone parents earning two-thirds of the average wage, where childcare costs account for 7% of earnings, but this is still higher than the OECD as a whole where it is 5%.³⁷ Among advanced OECD economies, the UK spends the second least amount on childcare, less than 0.1% of GDP – this compares with 0.3% in the Netherlands and around 1% in Sweden and Iceland.³⁸ While the UK government has committed to increasing investment in childcare to reduce costs to parents, spending will still fall far short of countries with the most generous systems and questions remain about whether the new funding arrangements will be sufficient to stop the ongoing workforce crisis in the childcare sector.³⁹

0.1%

The UK spends less than 0.1% of GDP on childcare, the second least amount among advanced countries

The current cost of childcare in the UK acts against parents and particularly women seeking employment or wanting to work more hours. Recent CPP research has shown that if women had access to adequate childcare services, and were able to work the hours they wanted, they would increase their earnings by between £9.4bn and £13bn per annum – generating between £27bn and £38bn in economic output per annum.⁴⁰ While these economic gains were driven by increased participation in the labour force, the research also revealed that a lack of affordable, accessible childcare was also deterring mums from taking better paid jobs and foregoing skills training. These latter two issues would likely reduce productivity by limiting firms' access to skilled labour.

35 Gray-Lobe. (2023). *The Long-Term Effects of Universal Preschool in Boston*, The Quarterly Journal of Economics, Volume 138, Issue 1, February 2023, pp.363–411. Available at: <https://doi.org/10.1093/qje/qjac036>

36 Ashraf et al. (2022). *Gender Roles and the Misallocation of Labour Across Countries*, London School of Economics and Political Science. Available at: https://ashrafnavi.files.wordpress.com/2022/05/abmq_misallocation-1.pdf

37 The OECD calculated net childcare costs for both couples and lone parents assuming two children aged 2 and 3. It assumes parents use full-time centre-based childcare, and calculated costs after accounting for any benefits designed to reduce the gross childcare fees. Available at: <https://data.oecd.org/benwage/net-childcare-costs.htm#indicator-chart>

38 Ibid.

39 Women's Budget Group full response to the Spring Budget 2023. Available at: <https://wbg.org.uk/analysis/uk-budget-assessments/womens-budget-group-full-response-to-the-spring-budget-2023/>

40 Hochlaf, D. and Franklin, B. (2021). *Women in the labour market: boosting mothers' employment and earnings through accessible childcare*, Centre for Progressive Policy. Available at: <https://www.progressive-policy.net/publications/women-in-the-labour-market-2>

The decline of UK manufacturing

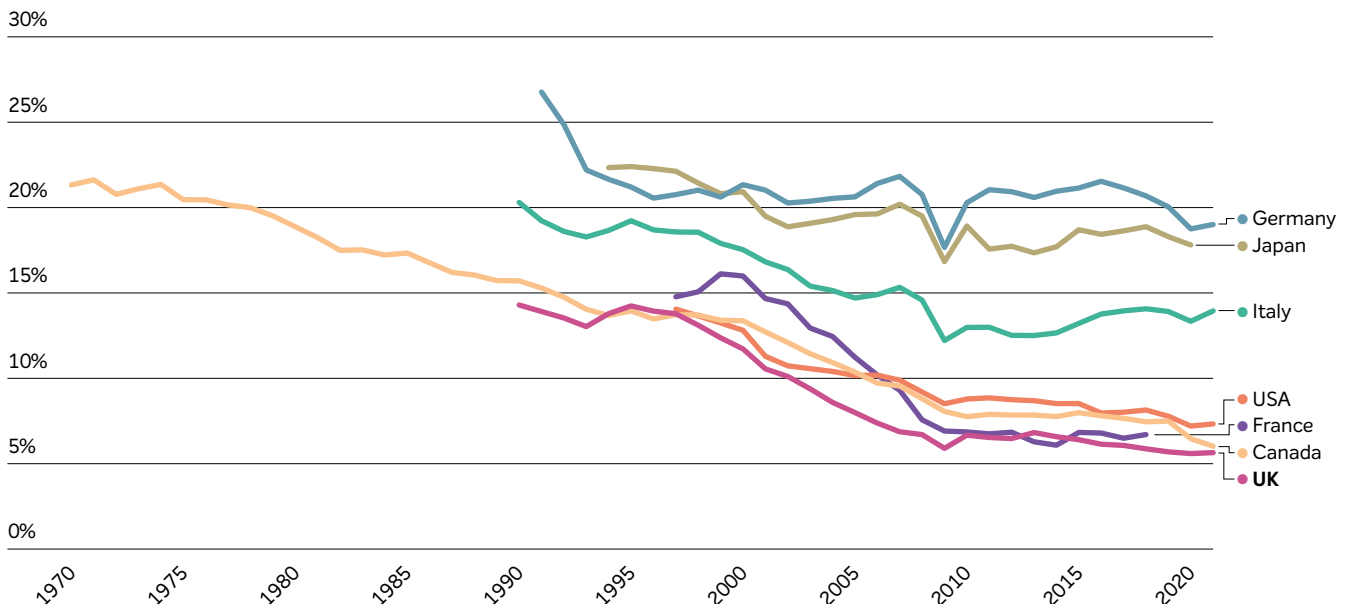
Manufacturing as a share of economic output fell in many developed countries during the final decades of the twentieth century and the UK is no exception, falling from 16.9% of GDP in 1990 to 9.7% by 2021. Among G7 countries, France, the US, and Canada have followed similar paths, but the UK now has the lowest manufacturing share of these countries (France is the next lowest at 10%). Since 2010, all G7 countries other than Italy have seen manufacturing decline as a share of output, with the US, France and the UK seeing the sharpest declines.

The continual shift away from manufacturing would not have helped the UK's productivity performance. But even within manufacturing, productivity has slowed. Economists Coyle and Mei found that slowing productivity growth within the manufacturing and ICT sectors was a key reason for the UK slowdown rather than a reallocation of labour away from manufacturing.⁴¹ These results are striking because they suggest weaknesses in 'high value-added sectors considered to be strengths of the UK economy'. Bank of England analysis has also identified slowdowns in the manufacturing sector as a key driver of the UK's sluggish post-financial crisis performance, alongside smaller slowdowns in the finance and ICT sectors.⁴²

There is scope for the UK's manufacturing sector to catch up with the productivity of its European peers. The UK's manufacturing sector has a lower density of robots than many other countries. The International Federation of Robotics (IFR) compiles statistics on the yearly number of installed robots per 10,000 employees. In 2021, it found that the UK's robot density was below the world average with just 101 units per 10,000 employees in comparison to 126 worldwide.⁴³ Developed countries typically have significantly greater density – Germany has 371 units, Sweden 289, the Netherlands 209 units and France 195 units.⁴⁴ While the IFR reports that the UK's robot density has increased over the last five years, this rate of growth is slower than the global average increase in density over the same period.

A recent CPP report explored in detail how certain 'pockets of potential' in UK manufacturing could be better nurtured. Recommendations included a UK Manufacturing Mission to support rapid technological adoption and decarbonisation alongside new regional co-investment funds to better support targeted, place-based growth and investment.⁴⁵

Chart 16: Manufacturing sector as percentage of value added to G7 countries, 1970–2021⁴⁶



41 Coyle and Mei. (2019). *Diagnosing the UK productivity slowdown: Which sectors matter and why?*. Available at: https://www.bennettinstitute.cam.ac.uk/wp-content/uploads/2022/04/Productivity-Slowdown-in-Manufacturing-and-Information-Industries_CoyleMei.pdf

42 Melolinna. (2022). *UK productivity puzzle – a production network perspective*, Bank Underground. Available at: <https://bankunderground.co.uk/2022/12/01/uk-productivity-puzzle-a-production-network-perspective/>

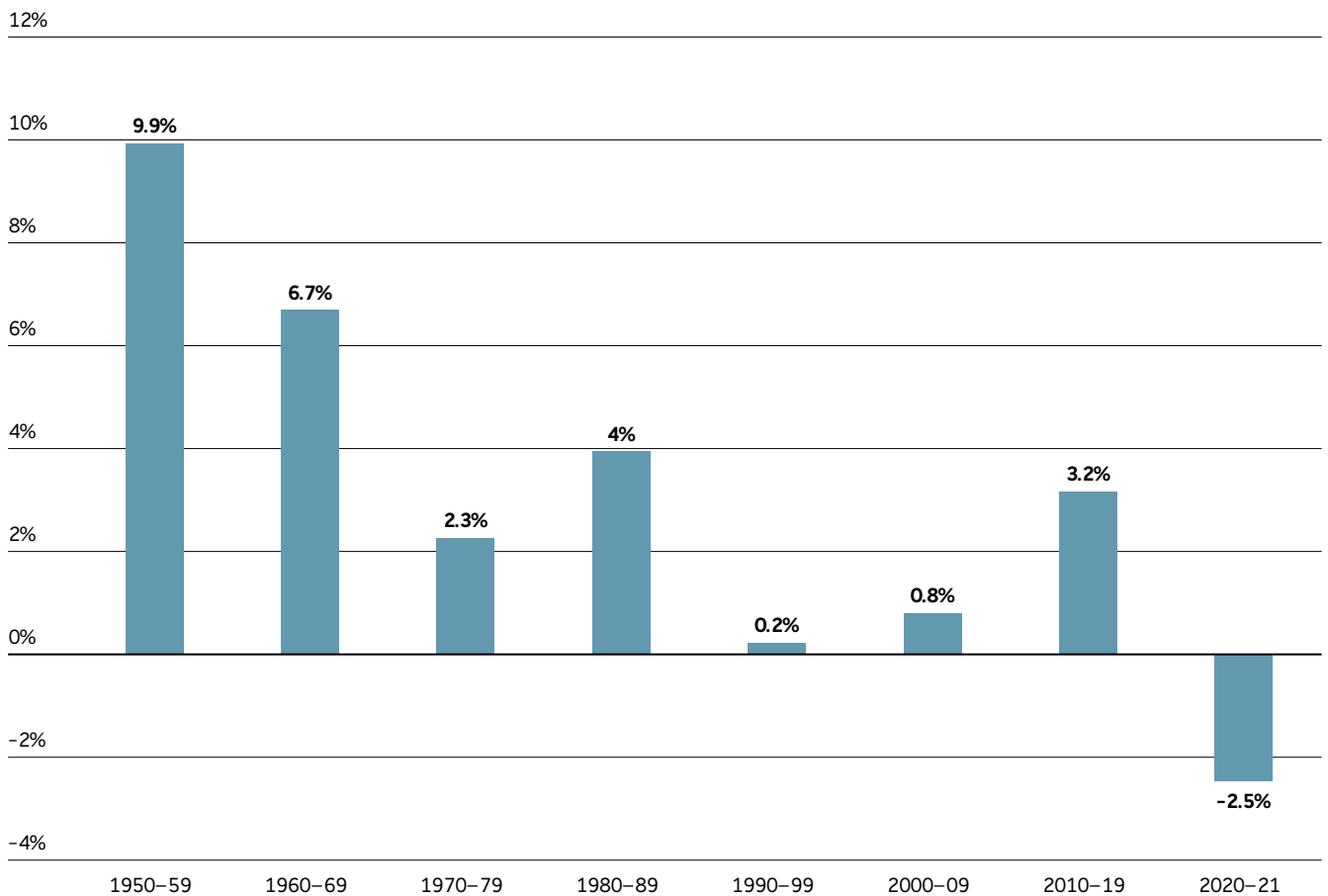
43 In this context, worldwide is not all countries, only those where there is available data. In principle this is '76 geographical units' which are mostly higher and middle income countries. See International Federation of Robotics. (2022). *Industrial Robots 2022*. Available at: https://ifr.org/img/worldrobotics/WR_Industrial_Robots_2022_Chapter_1.pdf

44 International Federation of Robotics. (2021). *Robot density nearly doubled globally*. Available at: <https://ifr.org/ifr-press-releases/news/robot-density-nearly-doubled-globally>

45 Mudie et al. (2023). Available at: https://www.progressive-policy.net/downloads/files/PPP_Open-for-Business_Report_May_2023.pdf

46 Source: CPP analysis of OECD datasets.

Chart 17: UK average annual growth in gross fixed capital formation per decade⁴⁷



Investment

Total investment in the UK has long been below that of other advanced economies. Looking both in comparison to other G7 nations as well as the OECD as a whole, investment (measured in terms of Gross Fixed Capital Formation) is low at around \$8,000 per person, in comparison to nearly \$11,000 for the OECD as a whole – and it has been persistently below peer countries over the last two decades. Looking at the entire period of 1997 to 2017, ONS analysis has found that UK investment as a percentage of GDP ranks the lowest among all OECD countries at 16.7%, with Denmark, Germany, the US and the Netherlands all significantly higher (between 20–21%).⁴⁸ The TUC has argued that underinvestment relative to peer countries is a “British disease” that stems back to long before the 1980s.⁴⁹ CPP analysis shows a large slowdown in the growth of UK investment during the latter half of the twentieth century – between 1950 and 1989 it grew at an average of 5.7% per annum, but in the 30 years since it has grown at just 1.8%.

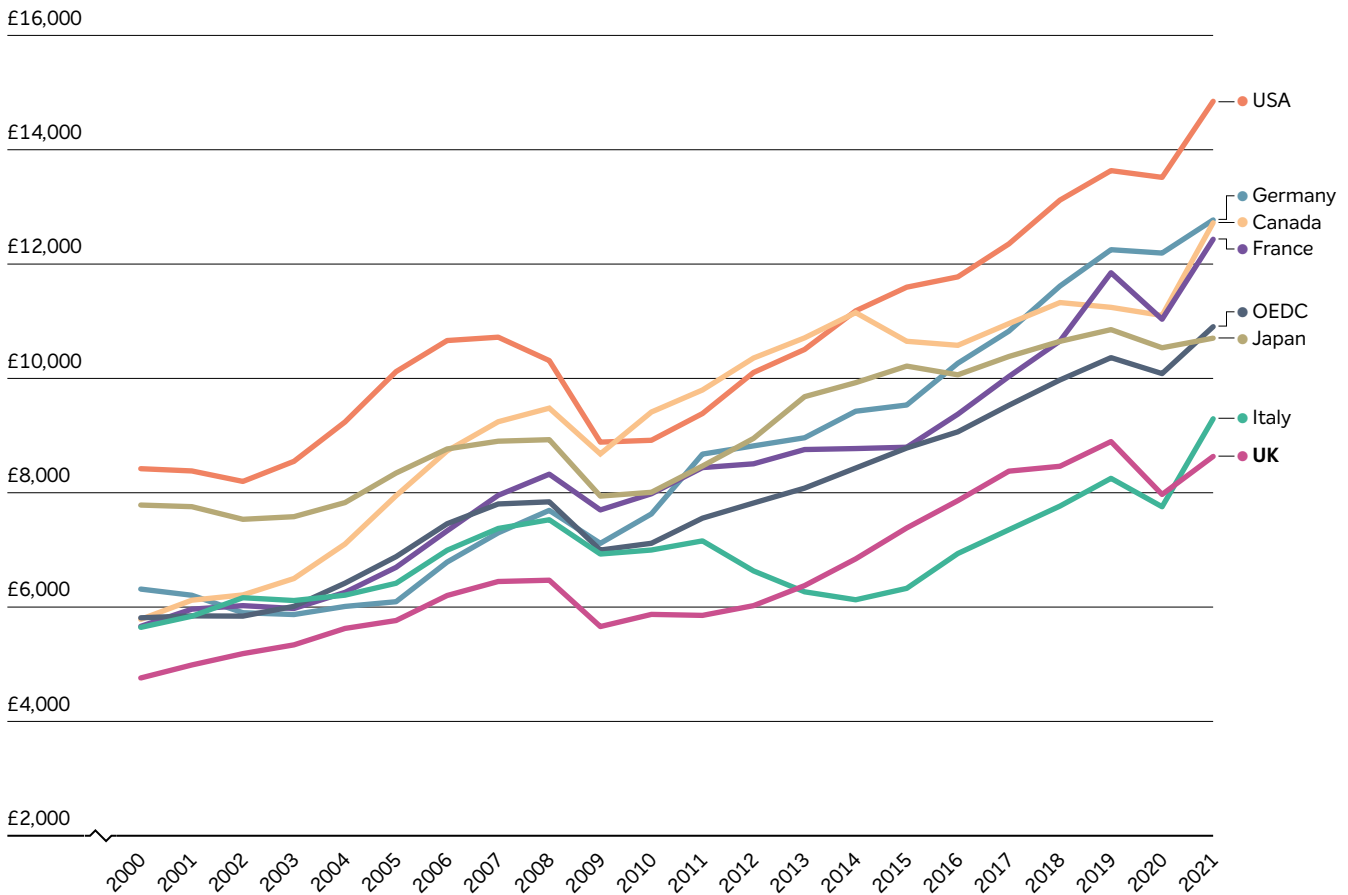
Over the last two decades, UK investment as a percentage of GDP ranks the lowest among all OECD countries, with Denmark, Germany, the US and the Netherlands all significantly higher

⁴⁷ Source: Author’s analysis of ONS data. Total Gross Fixed Capital Formation CVM SA. ONS identifier NPQT.

⁴⁸ ONS. (2017). *An international comparison of gross fixed capital formation*. Available at: <https://www.ons.gov.uk/economy/grossdomesticproductgdp/articles/aninternationalcomparisonofgrossfixedcapitalformation/2017-11-02>

⁴⁹ TUC. (2014). *Britain’s investment gap: falling behind*. Available at: https://www.tuc.org.uk/sites/default/files/Investment_Report_Final.pdf

Chart 18: Total investment per person 2000–2021, G7 and OECD⁵⁰



The figures for investment used here represent total investment in physical assets and infrastructure by households, business and the government. Business investment makes up the largest component of this for the UK – between 56–57% over the last decade – and is the main driver of comparatively low overall levels of UK investment. However, UK government spending on investment is also lower than that of its peers – amounting to just 2.7% of GDP in 2019 in comparison to 3.3% for the OECD as a whole. To some extent, the UK’s low levels of investment are the result of the UK being a service-driven economy which requires less investment in heavy machinery, but levels are nonetheless low even compared with other advanced economies with similarly small manufacturing shares.

56–57%

Business investment makes up the largest component of total investment in the UK over the last decade – between 56–57%

⁵⁰ Source: CPP calculations based on OECD stat. All figures are in US Dollar PPP.

Box 2: The Brexit impact on business investment

The UK's economic slowdown was occurring before the Brexit vote and long before the UK actually left the EU. For instance, by 2015 – a year before the vote – UK productivity per hour was already 18% below that implied by our long run trend rate of growth.⁵¹ However, recent research suggests that Brexit has been having a material impact on the UK economy. A group of university and Bank of England economists estimate that investment was 11% lower by 2019 due to the Brexit vote, and that productivity was between 2% and 5% smaller than it would otherwise have been. The authors find evidence that the latter result is primarily due to senior management having to commit more time to Brexit planning.⁵² Looking at manufacturers' investment intentions through Bank of England surveys, economist Giles Wilkes finds that for the same level of output, manufacturers planned for lower investment after the Brexit vote, an effect estimated to amount to 4–5% lower growth in investment in this sector.⁵³ Analysis for the European Centre for Reform also finds evidence of a Brexit impact including a big hit to investment. By constructing a 'doppelganger' country that resembles the UK's performance pre-Brexit, economist Springford finds UK investment to be 13.7% lower than what it would have been without the vote, and a GDP shortfall of 5.2%.

While truly disentangling the effects of Brexit against the many other headwinds over the last five years is hard, the evidence is mounting that Brexit has already damaged the economy. As the OBR observed in 2022, “the latest evidence suggests that Brexit has had a significant adverse impact on UK trade, via reducing both overall trade volumes and the number of trading relationships between UK and EU firms.”⁵⁴ Over the long run, the forecaster assumes productivity will be 4% lower after a 15-year period due to Brexit. Reductions in trade is the principal reason for this, with the OBR assuming the UK's trade intensity will be 15% lower in the long run than if the UK had remained in the EU.⁵⁵

In summary: the UK lags its peers on several drivers of growth, suggesting room for improvement. Key goals are to reverse the slowdown in life expectancy, raise adult education participation particularly among low-skilled workers, halt the decline of UK manufacturing (while also nurturing other high value-added sectors) and stimulate business investment.

51 CPP calculations.

52 Bloom et al. (2019). *The impact of Brexit on UK firms*, NBER Working Paper 26218. Available at: https://www.nber.org/system/files/working_papers/w26218/w26218.pdf

53 Wilkes. (2022). *Business investment: not just one big problem*, Institute for Government. Available at: <https://www.instituteforgovernment.org.uk/sites/default/files/publications/business-investment.pdf>

54 OBR. (Nov. 2022). *Economic and fiscal outlook*. Available at: https://obr.uk/docs/dlm_uploads/CCS0822661240-002_SECURE_OBR_EFO_November_2022_WEB_ACCESSIBLE.pdf

55 OBR. (March 2022). *Economic and fiscal outlook*. Available at: https://obr.uk/docs/dlm_uploads/CCS0222366764-001_OBR-EFO-March-2022_Web-Accessible-2.pdf

**Conclusion: what
to prioritise to deliver
fair growth?**



Delivering fair growth in the current environment will not be easy. There is currently industrial action on a scale not seen since the 1980s, stagnant productivity and wage growth and public services are on the brink. Whatever future government is at the helm, it will have to raise public spending and likely taxes just to keep workers from leaving key public services and infrastructure from crumbling. But fair growth requires a dedicated focus on the drivers of productivity in left behind places through coordinated social and economic policy. This, along with the challenging fiscal constraints likely to fall on the next government, necessitates a reprioritisation of the current approach to social and economic policy. In this context, we conclude by outlining some high level principles for taking a fair growth approach:

Good jobs not just any jobs: enabling and supporting the growth of good, high value-added employers through nurturing the best of local business and penalising those who flout the rules.

Why? Poor quality work and low business investment in people and capital is forcing people out of the labour market early, causing ill health and undermining productivity.

Health not just healthcare: organising population health systems that are focused on prevention.

Why? Healthcare only accounts for a fraction of what makes a healthy nation.

Further education not just higher education: providing the best education at school and beyond with a particular focus on relevant vocational and technical education.

Why? Too much of someone's life chances are determined by their school results.

Accessible, quality childcare: making sure children and parents have accessible and affordable local early years support.

Why? Limited childcare limits women's participation in the labour market and their children's economic prospects.

These priorities are national priorities, but they can only be fulfilled at the local level. They will overlap – for instance, good employment is a fundamental determinant of health, but having poor health prevents people from fulfilling their potential in the labour market, stymieing the creation of good jobs and skill progression. Local areas will best understand how such complex and overlapping priorities and associated interventions and systems can be organised. In this sense, devolution is important as the means for empowering places to meet fair growth priorities that, while set at the national level, are delivered locally. However, the UK is currently one of the least devolved developed countries and so making progress on devolution for fair growth will be critical to the UK's ability to succeed.

Fair growth requires a dedicated focus on the drivers of productivity in left behind places through coordinated social and economic policy

In our ongoing series 'Funding fair growth', CPP is exploring the options that an incoming government will have for funding the policies needed to enable fair growth. We're keen to hear from anyone – civil servants, think tankers, academics and beyond – who is working in this area, so please do get in touch with us if you are interested in contributing thoughts and ideas to the programme.



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