

# **What's the Alternative? An economy that benefits people**

**Graham Whitham – Co-Director, GM Poverty Action**

**Jonty Leibowitz, Researcher, CLES**

**Chris Dabbs, Chief Executive, Unlimited Potential**

**Mike Ormerod, Executive Director, Groundwork GM**

Come and talk about the Salford economy...and how we can influence what happens next...Who owns it? Who has power over it? Who benefits from it?

We want to help create an economy where wealth is broadly, not narrowly held.

We want wealth with local roots and ownership. We want an inclusive approach to economic development which is about fairness and equity; which tackles poverty, rather than creating it! We want to champion community business and social enterprise. We want an economy with social value at its heart.

Michelle Warburton introduced the session and the guest speakers.

## **Graham Whitham, Co-Director of Greater Manchester Poverty Action**

Graham explained that his organisation addresses poverty and issues relating to poverty across the region. He added that much of the energy around campaigns and many of the academics and policy makers are based in London and there is a deficit relating to poverty advocacy throughout the rest of England.

Graham said that to tackle poverty in Greater Manchester (GM) we need to think about the economy and what works. Graham posed the following questions, what is the problem? Why do we need an alternative approach? Can the VCSE sector in its role, using its strength and power make even more of an impact?

There are 620,000 people in low income poverty in GM, 1 in 5 neighbourhoods in GM are amongst the most deprived in England. Unemployment has gone down substantially across the UK but 6 in 10 working households in Greater Manchester are in poverty. Pay progression is an issue in GM and there are inequalities in the region compared to the UK as a whole. There are issues of deprivation in each of the 10 areas of GM and there can be huge differences within the different wards in an area.

Graham stated that the VCSE sector is a lightning rod of innovation and creativity. The VCSE sector improves economic resilience and can influence mainstream thinking, it shows that there is a different way of doing things to the public and private sectors. The VCSE sector is often more democratic and more likely to bring people into it.

There is a need for an alternative way of doing things. We shouldn't over intellectualise as we risk losing people, some of the things are common sense. It's about people and about impact. How are we measuring real impact? Child poverty has gone up 2.5% in Salford in the previous year, what metrics do we use to measure the impact we are making? What is the point of doing all the things we are if figures stay the same?

There is spending power in every community. Look at the State of the Sector figures, there is economic weight in the VCSE sector.

How does the VCSE sector contribute to having a fair and inclusive economy?

- Its values and ethos, good employment terms and conditions
- Huge amount of creativity and energy doing things in deprived areas
- Organisations focus on improving people's quality of life – health, wellbeing and education etc.

### **Jonty Leibowitz, Researcher at CLES**

Jonty stated that we know what the problems are, we can see and feel them, we can see that things are not going in the right direction which leads us to the question, what's the alternative? Much of the glue that has held Britain together since World War 2 has been removed. Is the Government undoing the social contract? The role the state has had is disappearing but the goodness of citizens is still there as shown by the conference today. Groups like ourselves here today help to build social solidarity. What would a National Government look like that was helping organisations do the right thing? Salford City Council is an example of a Council that understands and has been a leader on the view of local wealth building.

Wealth is important in society but it trickles to the bottom from big business, it trickles down to all but something about the way we produce wealth is wrong. A local social contract is where public, commercial and social sector work together to build local wealth.

Community wealth building is a new approach where wealth stays within the local community and is not extracted up and out. There is a new scheme of work across the country of community wealth building, creating new ideas to build wealth that stays within the local community restoring the social contract.

### **Chris Dabbs, Chief Executive of Unlimited Potential**

Chris stated that he wanted to present another point of view and that the economy is unequal, insecure and unsustainable with the wealth going to the top 1%.

Unequal – there is massive inequality in Greater Manchester

Insecure – there is a reliance on debt

Unsustainable – the environmental impact is destroying our environment

Chris presented the viewpoints:-

- Populist – resisting corporate power and the people in our communities taking back control
- Non-Populist – meets people’s needs rather than driven by profit

To change the story it shouldn’t just be academics and economists discussing but we need to engage local people and get them interested in economics, to campaign and make changes.

Chris went on to discuss what an inclusive economy would look like, he said there is an obsession with growth which is environmentally unsustainable, he talked of shifting ownership of assets to the community, if you own wealth you have power.

Chris said Greater Manchester needs to learn from other places around the world to learn what is and isn’t working for them. We also need more workshops like this in our communities that engage people and get them interested in economics.

### **Mike Ormerod - Executive Director of Groundwork Greater Manchester**

As a sector with a total income of 47 billion (UK VCSE sector) we have roughly the same income as a small country (Lithuania).

Salford VCSE sector has a total income of £165 million and contributes £112 million to the local economy but far too much wealth transfers out of the city. What can we do as a sector to take control and help ourselves? We could have an internal market within the sector where we look to trade with each other. Mike used Groundworks partnership with Start as an example.

### **Q & A session**

**Q.** Reference has been made to keeping money in Salford but the wealth is not necessarily getting wealth into deprived areas. How do we prevent wealth from staying in the more affluent areas of the city?

**A.** Jonty replied that we need to be clear as to where in an area money is going. How many of the poorest wards in Salford are getting money? We need to have economic democracy, it’s no good getting money into the local area if it is only reaching the richest parts.

Graham added that we need to think about efficiencies also we don’t want to be too parochial about where spend goes in a neighbourhood as this can turn people off.

**Q.** Our economy focusses on growth and is productivity obsessed, how do we challenge those who are happy with the status quo, those with political clout to help humans flourish rather than keeping money in the pockets of the rich?

**A.** We can’t have a successful economy if we don’t think about linking outcomes for people and how we measure economic growth. We need to go away from measuring

GDP and need something else in its place that measures people's wellbeing and happiness.

The participants identified two priorities:-

- Time for the VCSE Sector to have more debate and conversation about an inclusive economy in Salford
- Conversations with local communities