

Inclusive growth in action

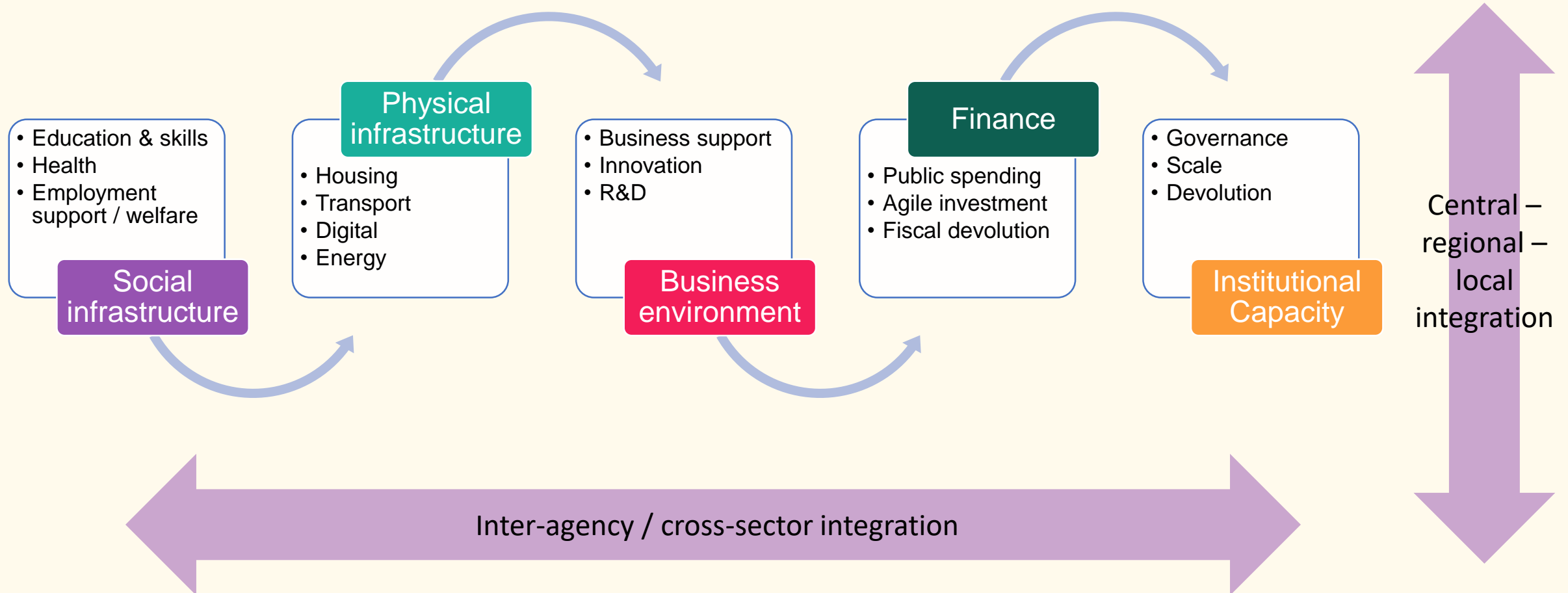
Snapshots of a new economy

RSA Inclusive Growth Commission

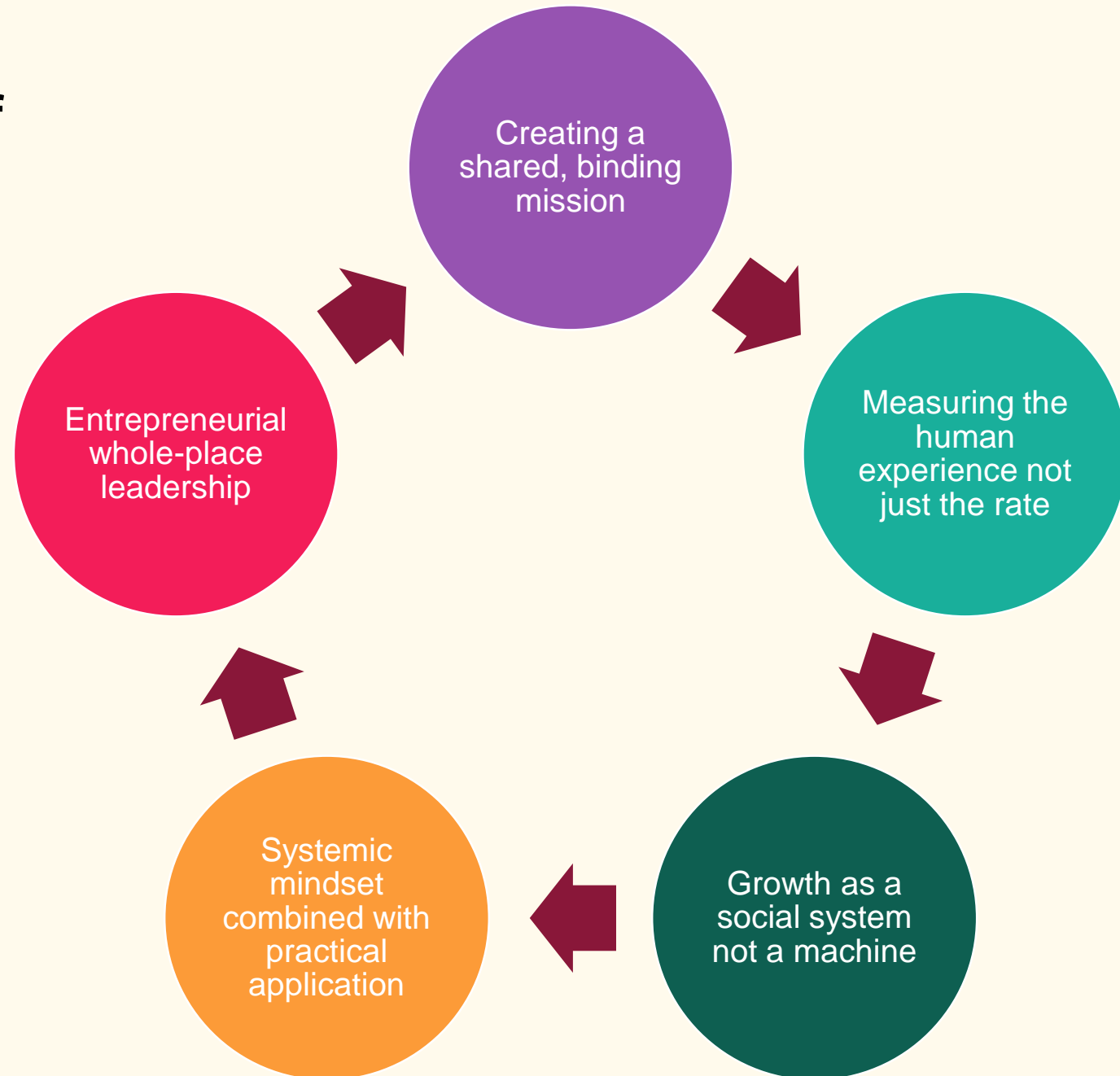


“broad-based growth that enables the widest range of people and places to both contribute to and benefit from economic success. Its purpose is to achieve more prosperity alongside greater equity in opportunities and outcomes.”

Whole-system change for inclusive growth



The Five Principles of Inclusive Growth



STRATEGIC MINDSET FOR INCLUSIVE GROWTH

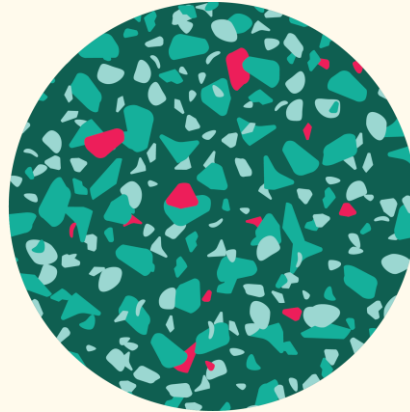
From	To	Type of Systemic Intervention
Economic and social impacts of policy are considered separately	Economic and social impacts are considered together	Policy integration
Emphasis on the <i>quantity</i> of growth (number of jobs, dollar amount of investment)	Emphasis on the <i>quality</i> of growth (e.g., growth distribution, job quality)	Quality jobs
Physical investment in communities distributed in an inequitable manner	Equitable investment in people and places as a combined means to inclusive growth	Equitable infrastructure
Public, private and philanthropic resources distributed in a widespread, scattershot, one-time fashion	Public, private and philanthropic resources distributed in a concentrated, coordinated and sustained fashion	Coordinated, long-term investment
Top-down, non-participatory decision-making on policies impacting communities	Inclusive policy setting that leverages the talents, voice and experience of local residents	Shared decision making
Wealth building opportunities restricted to top income earners	Wealth building opportunities for people of color and low income	Widespread financial security

The Four Domains of Inclusive Growth

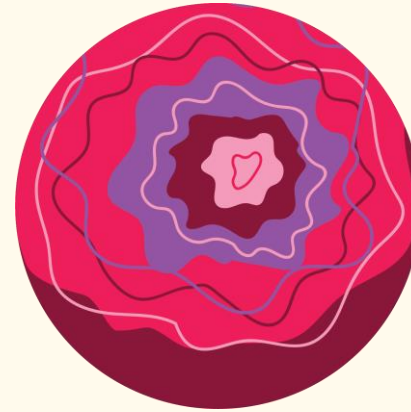
Inclusive livelihoods



Inclusive wealth



Inclusive voice



Inclusive futures



Snapshots of a new economy

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For inspiration not replication

- **Key criteria:**
 - To what extent is the approach practically and systemically embedded?
 - Are key stakeholders and leaders behind it and/or collaborating in unlikely ways?
 - Is there evidence of impact and outcomes?
 - Is it clear that traditionally excluded groups are benefitting?
 - Does it represent an especially innovative approach to tackling a challenge?
 - Does it provide learning that can be transferred and used by others?

But ...

The language of inclusive growth is easy to adopt but can mask as much as it reveals and the risk is that traditional economic development strategies are simply being rebranded with an inclusive growth label.



Livelihoods Case Study: Per Scholas, USA

Helping close the **skills** divide and **diversifying the tech workforce**, with a particular emphasis on women and people of colour, through **holistic support** around a range of needs such as childcare, mental health, financial management and domestic violence.

DRIVERS



- 'Good jobs'
- Failure of work-first approaches

STAKEHOLDERS



- WorkAdvance dual-customer approach
- Intensive screening of places and people

OUTCOMES



- 85 percent of students graduating in under 18 weeks with at least one industry certification
- 80 percent of programme graduates entering employment within a year

COST



- \$17m per annum, with the cost of each trainee being significantly less than industry-standard recruitment and training costs for corporations

Wealth Case Study: Economic Gardening, GrowFL, USA

Identifying, supporting and building **existing economic assets** – especially ‘second-stage’ companies – through **R&D, peer-learning and leadership development** normally only available to larger corporations.

DRIVERS



- Extension of Business Incubator programme in FL following 2009

STAKEHOLDERS



- Florida-based ‘second-stage’ companies
- Municipal economic development teams

OUTCOMES



- C.11,000 jobs at higher wage levels and \$942m to regional GDP
- Projection of 44,000 jobs and \$4.8bn by 2027

COST



- \$600k - \$1.5m per annum – ROI \$9.10 for every \$1 spent (vs. cost of \$230k per job for inward investment schemes)

Voice Case Study: Decidim Barcelona, Spain

A combination of web-based and real world engagement to take decisions about the future of the city, including the development of the city's Strategic Plan, housing, air quality and social care programmes.

DRIVERS



- 2011 radical social movements following global financial crisis
- Opportunities for 'technopolitics' and local government innovation – En Comu

STAKEHOLDERS



- 42,000 citizens
- Mayor Ada Colau & En Comu
- Laboratory for Democratic Innovation

OUTCOMES



- 220,000 'meaningful citizen engagements'
- 10,000 proposals combined into 1467 'strategic actions'
- 'Networks of deliberation' with hubs of formal and informal interaction.

COST



- Free! – but continuous development and improvement of the platform
- Use of procurement as a lever for change about big data and 'smart city' initiatives – eg Vodafone, Project DECODE

Futures Case Study: Public Wealth Funds, Singapore

The use of **public asset management** (buildings, land, utilities, transport) to unlock **long-term investment** in education, healthcare and housing through the creation of an **arms-length holding company** Temasek.

DRIVERS



- High income inequality but high 'human capital' and social mobility
- Re-valuation of market value of public assets
- Formation of arms-length holding company with \$275bn assets

STAKEHOLDERS



- Government-owned investment fund with clear long-terms public goals
- Board made up of non-exec, private business leaders

OUTCOMES



- Return on investment of 15% since late 1970s contributing £3bn to Singapore's public budget and spent on social outcomes
- 80% population living in public housing

Recommendations and next steps

Inclusive Growth in the UK

In a post-Brexit settlement the UK government should commit to:

- A new independent **UK Inclusive Growth Investment Fund**, incorporating repatriated ESIF funds and other relevant funding streams, to pump-prime innovative place-based investment designed to boost inclusive growth.
- A new national **place-based spending review**, which would attribute the total amount of public sector spending and investment to places rather than departmental siloes;
- Allowing combined authorities to be able to **pool budgets and co-commission public services** for their places, within the context of national standards and entitlements.

In return, local and combined authorities must be able to show that their plans for more inclusive economies are both **systemic in nature and practically applied**. It can no longer be the case that the language of inclusive growth is simply grafted onto previous plans with very little by way of transformational activity.

Thanks

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