

Faculti Summary

<https://faculti.net/the-devolution-catch-22/>

This video discusses the increasing inequality and economic polarization in advanced economies, particularly focusing on the UK and the USA. The speaker highlights a significant economic divide between wealthy regions, specifically London and the Southeast, and those lagging behind, such as regions outside London. This video disparity has worsened due to recent economic shocks, including Brexit, COVID-19, and the Ukraine crisis.

The speaker criticizes the UK's efforts to "level up" economically, noting that regions outside London struggle with low productivity and skills, leading to social deprivation. A project called LIPSIT (Local Institutions, Productivity, Sustainability, and Inclusivity Trade-offs) was undertaken to analyze these challenges and suggest improvements in regional productivity, sustainability, and inclusivity.

Key findings include:

1. A lack of devolved powers and resources at the local level exacerbates economic inequalities and underinvestment in regions outside London.
2. Regional agencies are not sufficiently empowered to address local challenges effectively.
3. Public investment is heavily concentrated in London, resulting in disparities in transport infrastructure, education funding, and research and development spending.

The speaker calls for more systematic governance that integrates skills, housing, and transport policies to promote balanced growth across regions. They advocate for a shift in focus towards improving the capacity and capability of lagging regions while creating better partnerships between local authorities and the central government for more tailored growth strategies.

The overall message emphasizes the need for a joined-up approach to policy, longer-term strategic planning, and an equitable distribution of resources to address longstanding structural inequalities.