

Words people associate with the battle for economic growth include jobs, tax, transport, inflation, housing and retail. Few list “governance” - at which point many of you will click away (goodbye). If you’re still here though, there is a strong correlation between good governance at the right level and improved economic performance. In plain English: the system that governs a city matters. It is hard to argue against the evidence that Boris and Ken made a significant contribution to the roaring growth in London over the last decade that continues today, often merely by being there and using their bully pulpit and international profile. From Dublin to Detroit, Munich to Mumbai, leadership in large complex urban economies makes a real difference.

Greater Manchester has made its own contribution to this world, by becoming, in 2011, the UK’s first “Combined Authority”. Two years on that path is now being followed by Leeds, Sheffield and Liverpool, all using their wider “city region” geographies, as well as by the North East.

One of the CA’s big advantages is that it is a very light-touch local authority, but one which enables its component areas (GM’s ten authorities, i.e. Manchester, Wigan, Salford, Rochdale etc) to act together on a statutory basis. Being bottom-up, it is not, like London, a superstructure which when placed over the others creates tensions. It was also designed to disarm the first argument that central governments of all colours (and their civil servants) deploy whenever devolution discussions get serious: who can we actually devolve to in an accountable way? The CA is the answer to that, as the Earnback deal showed. Now other cities want an answer too, especially as Local Enterprise Partnerships become stronger strategic economic vehicles for government, meaning other areas also need an underpinning statutory ability to support LEPs down this road.

However, good governance at the right level is a precondition for success, not its guarantee. That takes the right economic strategy, which is based around doing what such institutions can around the margins to drive a city’s comparative advantages, and creates initiatives and a distinctive narrative that suck in investment and talent and get the most from this ever more mobile world of footloose people, services, capital and goods. All of which, to complete the loop, takes the right structure to enable a bit of capacity and a lot of leadership.

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