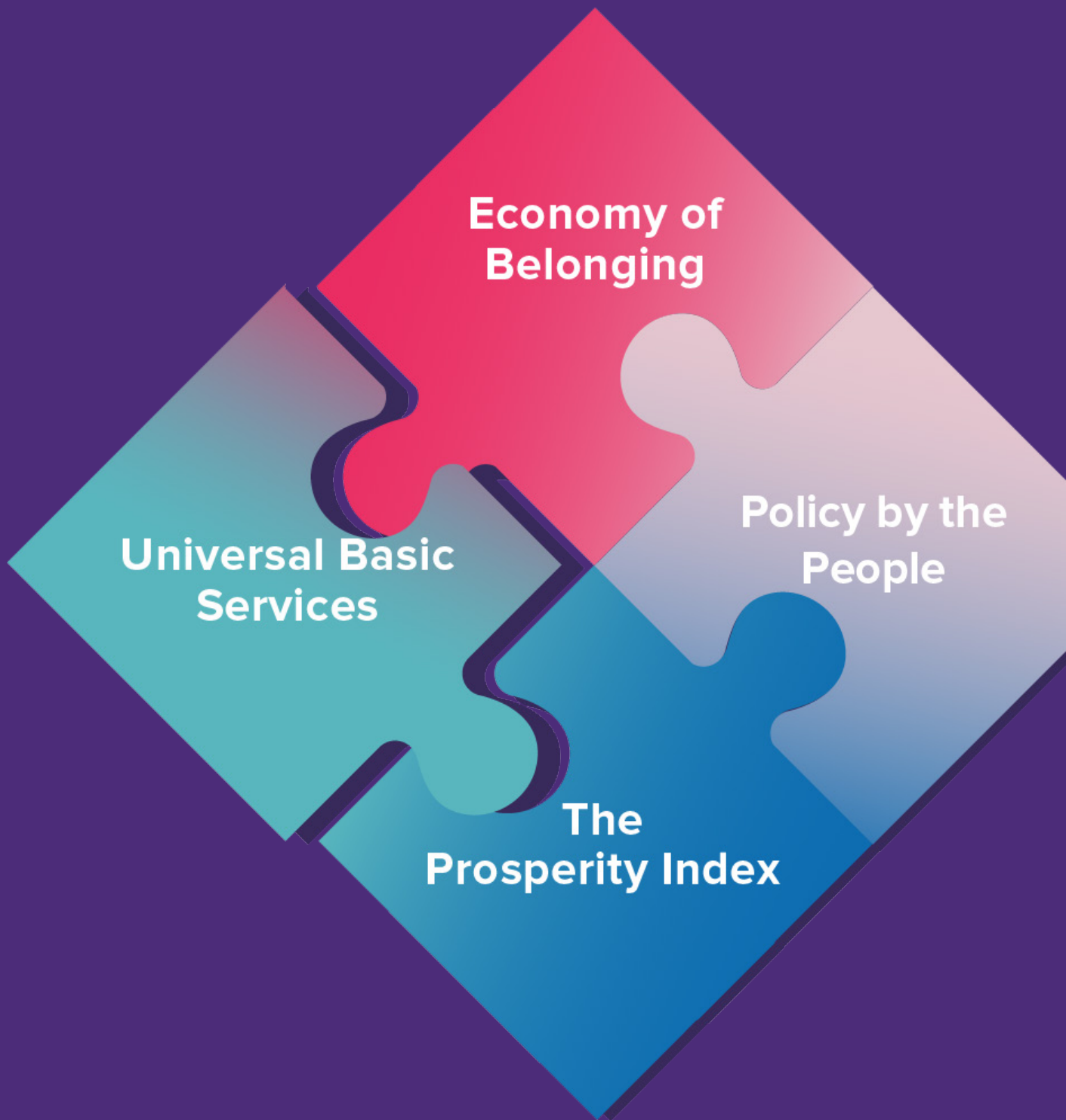
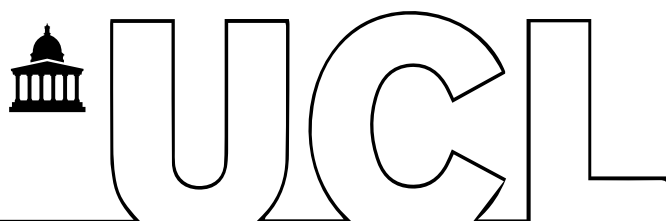


# REBUILDING PROSPERITY

Delivering Prosperity  
in the 21st Century





## INTRODUCTION

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We may not know precisely when we will emerge from the first global pandemic in one hundred years but we do know this: society and governments will face a triple threat from a global recession, a rapidly degrading environment, and enduring inequalities widened further by COVID-19.

Policymakers everywhere have a choice to make.

They can continue with a decades-old approach in which, rather than create shared prosperity, their policy decisions have contributed to growing social, economic and political divisions between and within communities.

They can tinker at the edges with superficial reforms that fail to address rapidly increasing poverty and insecurity: paying lip-service to inclusion whilst failing to address or engage with the needs of citizens.

Or they can seize this opportunity to adopt a radically different approach: collectively reimagining the foundations of our economies; redefining what we mean by prosperity to include an emphasis on quality of life for all; and reformulating policymaking to be genuinely inclusive.

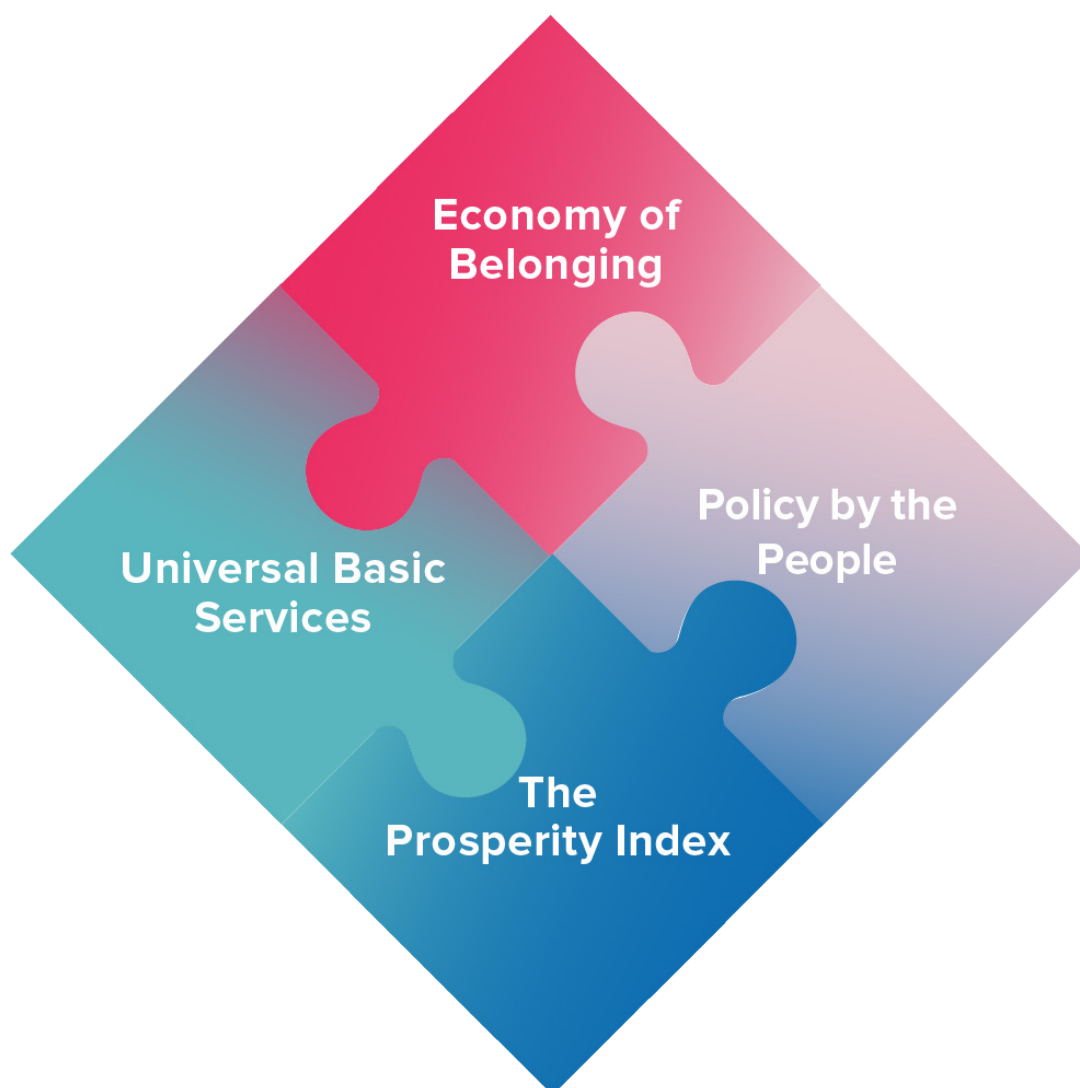
Now is the time to be bold and imaginative about the future we want to build: one in which all of our people are living prosperous, fulfilling lives.

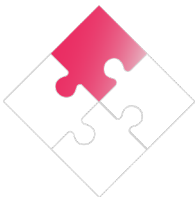
Now is the time to focus on creating shared prosperity through secure livelihoods ensuring that every community is flourishing.

Now is the time for a new conversation for change – one that involves policy makers and stakeholders, academics and citizens, from across the UK.

## Join us as we campaign for social innovation to:

- **Make secure livelihoods for all** a central aim of COVID-19 recovery planning and the levelling up agenda.
- **Implement local Universal Basic Services experiments** in digital, food and transport, to enable access to economic and civic participation for all through a shared infrastructure of public services.
- **Create citizen-led Prosperity Indices**, as a new way to govern places and link local priorities to policy-making to add value to and manage the UK economy.
- **Bring people into policy-making**, addressing the democratic deficit and creating prosperity measures and policies that reflect the lived experiences of people and local communities.
- **Collaborative platforms for citizen-led innovation around the UK** – allowing citizens, local government, businesses and community organisations to collaborate, make decisions, trial radical new approaches, and rapidly evaluate change, based on local needs and local priorities.





## REBUILDING PROSPERITY:

# AN ECONOMY OF BELONGING

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The UK is, by traditional measures, one of the most prosperous nations on Earth and yet for far too long our understanding of prosperity has been informed by aggregate data that fails to tell the full story.

A simplistic focus on income, wealth, productivity and economic growth at the inter-regional level has led policy-makers to overlook the significant disparities that exist between communities and pockets of deprivation and poverty continue to be stubbornly unresponsive to current policy interventions.

The COVID-19 pandemic has highlighted and worsened the stark inequalities at the heart of our society. It has devastated communities, decimated the economy and placed unprecedented strain on our public services.

To 'level up' will require more than well-meaning rhetoric. If we are to create genuinely shared prosperity we must start by reimagining what the economy is and does for society. We must challenge existing frameworks that entrench division. We must rebuild the connection between macro-economics and the socio-economic realities that citizens live, and struggle, with daily and which differ across communities.

In short, we must replace our economy of division and inequality with an economy in which everyone has a place - an economy of belonging that will deliver secure livelihoods for all, enhance quality of life, and foster the long-term prosperity of people and places.



## REBUILDING PROSPERITY: **UNIVERSAL BASIC SERVICES**

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Long before COVID-19 struck, the welfare system was struggling to respond to the challenges of the 21st century — from the social care crisis to the climate emergency to the unequal impact of new technologies and automation on jobs and wages.

As the pandemic has unfolded, the need for a new concept of universality that can effectively reduce inequality and rebuild prosperity has become ever clearer.

The current parameters for universal services were forged as the world struggled to recover from the trauma of World War II and built on principles of solidarity, collective responsibility, and shared needs. These are the same principles that underpin the UK's existing offer of health and education as universal services. Yet, while these key services are critical, they are not sufficient

to address the many challenges our communities are currently facing.

A 21st century welfare system needs to acknowledge that health, education, employment and poverty are not issues that are experienced in isolation but are intricately and inextricably linked. As such, an effective system must be expanded to include new services essential to our modern lives, such as childcare, food security, digital access and free transportation.

The IGP has been working with a range of partners including, for example, Camden Council, to explore the options for the universal provision of key public services — such as digital services and transport — to enable access to economic opportunity and civic participation for all.



## REBUILDING PROSPERITY: **POLICY BY THE PEOPLE**

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Most indicators and metrics – especially those used to measure economic performance and guide policy-making – are decided by experts in government, academia and business, and assumed to be applicable to all communities, in all places and at all times.

This centralised, top-down approach denies communities the opportunity to participate fully in their society and economy, and instead compounds their experience of economic and social inequality with a sense of exclusion. Unfortunately, it also means that far too often policy is focussed on the wrong things – things that make no real difference to the citizens' experience of prosperity.

We have seen this in our work over the past 5 years, which found that even the most innovative 'inclusive growth' methodologies have failed to address the factors that citizens' themselves consider essential to their own experience of prosperity.

Our starting point is simple: if policy-makers don't know what shared prosperity means for the people whose quality of life they are trying to enhance, then it is surely inevitable that they will repeatedly miss the mark.

The IGP has pioneered the development of **the UK's first citizen-led Prosperity Index** – a new way of defining, measuring and acting to create shared prosperity. The Prosperity Index is based on the theory that

**new kinds of shared knowledge will drive social innovation and real change at the local level:**

- 1. New Collaborations** – Shared knowledge allowing citizens, local government, businesses and community organisations to collaborate, make decisions, trial radical new approaches, and rapidly evaluate change.
- 2. Better Policy** – With access to new kinds of knowledge we can identify innovative policy options and new pathways to prosperity that are more targeted and more effective at improving quality of life.
- 3. Effective Outcomes** – By looking at prosperity measures from a place-based, citizen-led perspective we can create policies and indices that will actually impact on the lived experience of the communities most directly affected.
- 4. Increased Trust & Capacity** - Involving the people in the development of policies to create prosperity in their communities can bridge the gap in participation<sup>1</sup>, help repair the fractured trust between citizens and governments, and give people access to the tools, skills and relationships.



## REBUILDING PROSPERITY: THE PROSPERITY INDEX

IGP has worked with a team of citizen social scientists and community organisations since 2015, to carry out research with hundreds of people living in east London. Working together, we have co-created a completely new definition of ‘prosperity’.

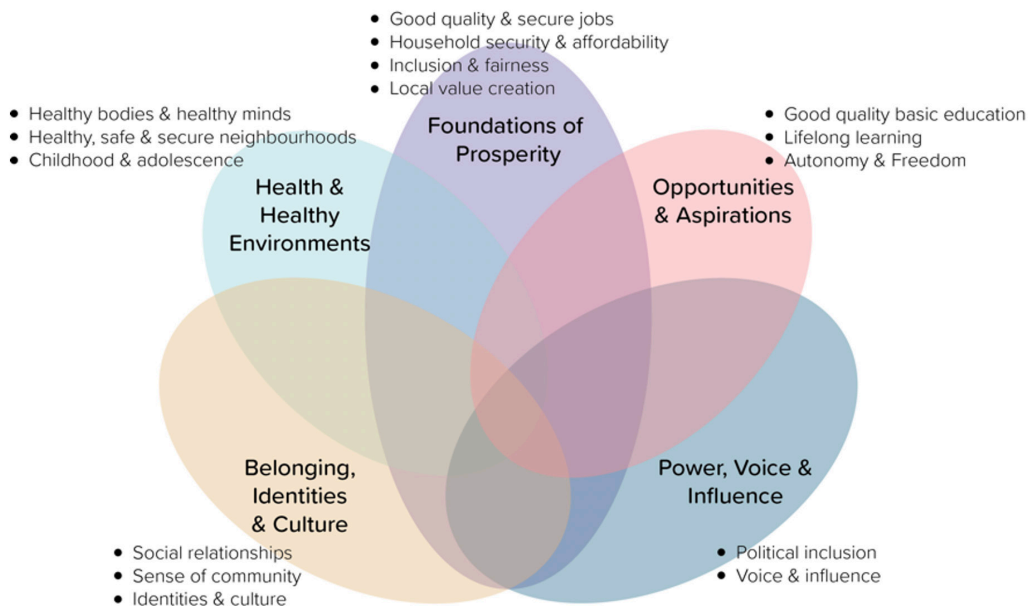
Rather than the outmoded and largely meaningless measures of growth, productivity and income, this research identified **15 headline indicators of prosperity** reflecting the actual experience of prosperity for the people in these places.

We discovered that in these parts of east London, secure livelihoods, access to key public services, good quality and genuinely affordable homes, and a sense of inclusion

in the economic and social life of the city are the foundations for a prosperous life – without them people struggle to get by.

Prosperity was also affected by other factors: rewarding work, lifelong learning, having a voice in society, being part of the community, being in good health and having a healthy environment to live in, personal freedoms and hope for the future.

The outcome is a new **Prosperity Index** that measures what really influences prosperity for local communities.



**Figure 1.** IGP Prosperity Model

‘The Department for Digital, Culture, Media & Sport (DMCS) ‘Innovation in Democracy’ programme stated that “People are most likely to engage where they see the everyday impact of the decisions that are made, and feel they can make a difference by being involved.”

**The Prosperity Index** is driving real change: creating shared knowledge that allows citizens, local government, businesses and community organisations to collaborate, make decisions, trial radical new approaches, and rapidly evaluate change. In east London and Camden, these changes include:

- Creating a new framework to measure the long-term impacts of London’s 2012 Olympic legacy, adopted by the London Legacy Development Corporation and Olympic Boroughs in 2020.
- Changing the way prosperity is measured by Newham Council, Hackney Council and Camden Councils.

- Providing new evidence of local need and responding with new projects like Barking and Dagenham’s Community Supermarket and shaping the strategic priorities for voluntary sector organisations like Community Links.
- Establishing citizen social science as a way of working between communities and decision-makers in London.

DOMAIN 1: FOUNDATIONS OF PROSPERITY	OLYMPIC PARK	HACKNEY WICK	HEATH	CANNING TOWN	COVENTRY CROSS
SUB-DOMAIN 1: GOOD QUALITY & SECURE JOBS					
Good Jobs	5.22	4.43	4.32	4.48	3.96
Work-Life Balance	7.01	5.35	4.01	6.60	4.34
Commuting	5.03	4.39	5.20	5.15	5.75
SUB-DOMAIN 2: HOUSEHOLD SECURITY & HOUSING AFFORDABILITY					
Real Disposable Household Income	2.05	2.80	2.24	1.68	2.05
Housing Affordability	4.31	3.84	3.26	1.99	0.88
Financial Stress	6.53	5.07	8.63	7.99	8.00
Feeling Secure about the Future	0.00	3.47	6.44	5.36	5.69
SUB-DOMAIN 3: INCLUSION & FAIRNESS					
Access to Financial Services	6.58	6.71	7.64	6.71	7.64
Digital Inclusion	5.21	4.01	3.04	2.70	3.47
Local Income Inequality	6.35	6.77	6.91	6.35	4.87

**Figure 2.** IGP Prosperity Index



# A CONVERSATION FOR CHANGE

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In the face of enduring inequalities - widened further by the COVID-19 pandemic - it is time for a new conversation that rebuilds our economy, redefines prosperity and how to measure it, and creates clear pathways to improve quality of life for all in the UK.

The economy of belonging is not simply an idea or another policy goal derived from well-worn proposals. It is a new way of thinking about what the economy does for people, and a new way of collaborative decision-making to create secure livelihoods and shared prosperity for people everywhere.

If we start now, by the time of the next general election, scheduled to take place in 2024, every city and area of the UK could have its own secure livelihoods strategy; its own citizen-led Prosperity Index and its own pathway to levelling-up based on local experiences; and Central Government could have scoped and begun to deliver Universal Basic Services to provide the framework for successful local interventions.

To do this, we need new ways of thinking and acting. Policy-makers must understand lived realities in order to know where and how to intervene to improve quality of life and prosperity for 21st century citizens. By understanding what prosperity means, policy-makers will be better placed to map successful pathways to prosperity for different places.

Rebuilding prosperity for the 21st century will require the kind of vision, commitment and courage that informed the national conversation in the 1940s and led to the creation of the National Health Service. But it will only work if combined with a redefined understanding of prosperity, a concerted effort to address social connection and cohesion, and a re-working of participatory democracy that creates a shared sense of civic responsibility and partnership between citizens and policy-makers.

# CALLS TO ACTION

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Rebuilding prosperity for the 21st century requires new ways of thinking and acting and the kind of vision, commitment and courage that informed the national conversation in the 1940s.

The IGP is calling on policymakers from town and City halls to Whitehall and from National Assemblies to the Westminster Parliament to engage in a new conversation and to campaign for a radical new approach that will create genuine shared prosperity across the country by:

- **Making secure livelihoods for all** a central aim of COVID-19 recovery planning and the levelling up agenda.
- **Implementing local Universal Basic Services experiments** in digital, food and transport, to enable access to economic and civic participation for all through a shared infrastructure of public services.
- **Creating citizen-led Prosperity Indices**, as a new way to govern places and link local priorities to policymaking to add value to and manage the UK economy.
- **Bringing people into policy-making**, addressing the democratic deficit and creating prosperity measures and policies that reflect the lived experiences of people and local communities.
- **Launching collaborative platforms for citizen-led innovation around the UK** – allowing citizens, local government, businesses and community organisations to collaborate, make decisions, trial radical new approaches, and rapidly evaluate change, based on local needs and local priorities.

## CONTACT

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