

## **The Quality of Mersey**

### **- Michael Parkinson The Observer Comment**

**The challenge for British cities in the next millennium is to take the steps that will increase their economic competitiveness so they can survive in an increasingly harsh and rapidly changing world without increasing the social exclusion we see around us. Nobody in Europe has yet cracked that problem. But we can learn from our continental neighbours.**

Ford shedding 1,300 jobs at Halewood is a hammer blow for the Merseyside economy, with potentially devastating knock-on effects for the families and their already hard-pressed community in Speke. The collapse of the plans to redevelop Liverpool airport just a mile away because of Manchester's approved expansion only reinforces the hard-bitten Scouser view - as one door closes, another slams in your face. But Halewood is not an own goal. It's an efficient and trouble-free plant. Just another sacrificial victim of absentee landlordism in our increasingly globalised economy. Nevertheless, the affair will probably reinforce metropolitan prejudices against Liverpool - our most troubled provincial city. But is the city itself redundant? Have all the government initiatives of the last 25 years been wasted? Should we close it down? The answer in all cases is no.

The pity of the Ford crisis is that it puts Liverpool back on the front pages for the wrong reason, hiding the fact that the city has painfully begun to pick itself up from its self-made disasters of the 1980s. Its Labour Party is changing its spots. The local private sector, at least, is beginning to face up to its responsibilities. Civic leaders complain less and shoot themselves in the foot less. They co-operate with, rather than rail against, government policy. Ten years ago, under the Hattonistas, the political talk was of riots, revolt and no surrender - now it is of European programmes and partnerships. A less compelling news story. But better politics.

And many things in the city have got better. The waterfront has been transformed with the best skyline in this country - and many others. The culture, tourism and leisure industries are flourishing. The technology park is successful. Higher education is booming. Brussels insists that Merseyside's innovative social programmes are a model for the rest of Europe. The population loss is being staunched and people are moving back into the city centre to live. Shopping is improving and the city is even getting its first four-star hotel. The thriving club scene means Liverpool is almost as busy at four o'clock on Saturday morning as it is on Saturday afternoon. Hardly a miracle - but far from a disaster zone.

The real trouble is that the fruits of that modest revival are all too obviously not equally shared. Some industries, some people and some parts of the city are being left behind even by Liverpool's modest economic standards. But the dilemma is not peculiar to Liverpool. The best of places, the worst of places; our urban condition as we enter the millennium.

It's not even peculiar to Britain. In the richest European cities we see growing affluence and growing poverty, pressed ever closer together. Frankfurt, Barcelona, Amsterdam, Madrid, Paris - the picture is familiar. Economic globalisation, the technological and information revolutions, increasing competition - the modern Horsemen of the Apocalypse - confer their riches and their privations on places and people in strikingly unequal, although not random, ways. The levers of power to address these problems are drifting inexorably away from local hands, whether public or private.

But it is not all gloom and doom. After a very bad patch in The 1980s, many large European cities are growing again and finding new economic niches. Some 80 per cent of all Europeans still live in cities. Many European governments have recognised this, treating the conurbations as economic dynamos, not as economic basket-cases. On the European mainland, cities have always been seen as the source of our highest achievements. They are increasingly recognised as centres of creativity, culture, communication and innovation - key sources of wealth in the modern economy.

The British - at least the English - with their anti-urban instincts, who see cities as places where you make your money rather than where you live, have always had problems getting this point and acting upon it. But we must if we are to stay in the race with our European and Asian tiger competitors. It may or may not be a moral imperative, but it is an economic one.

There are other lessons for us from Europe. Cities are not merely victims of externally determined fates. Local leaders cannot simply react - they have to lead. Markets matter - but so do politics. In fact, the really interesting thing is the way in which cities in similar economic circumstances behave very differently. It can make a difference what local leaders try to do. I've been accused in the past of overselling the argument about the need for more 'entrepreneurial' cities in Britain. But we don't have to subscribe fully to the hoary tale of Glasgow's renaissance matching Liverpool's decline - part myth, part reality - to see there is truth in the argument. The achievements of Birmingham, Manchester and Leeds reinforce the point. Some cities make it better.

The challenge for British cities in the next millennium is not new. It is to take the steps that will increase their economic competitiveness so they can survive in an increasingly harsh and rapidly changing world without increasing the social exclusion we see around us. Nobody in Europe has yet cracked that problem. In fact, with all the initiatives attempting to rebuild disadvantaged communities - government-supported and home-grown - right across the country, Britain is probably ahead of Europe here.

But we can learn one thing from our neighbours - the structure of power. Most European countries during the past 15 years have been decentralising power, often creating new regional governments. This has created political space for local leaders to exploit and encourage dynamic leadership. By contrast, Britain has been going in the opposite direction - centralising power and castrating local government. The only other countries in the Union pursuing the same policies have been Greece, Eire and Portugal. Really the company we wish to keep?

What is to be done? If cities are to have a chance of responding to crises such as Halewood, of course they have to be given back some of their traditional powers. And of course we must radically reform the way local authorities do business. But that will not be enough. The problem is deeper - structurally and culturally. The centre will have to let go as well. Britain is arguably the most culturally, institutionally and financially centralised large country in Europe. Breaking that iron grip is a prerequisite to liberating cities, challenging their energies into reconstruction and making them really entrepreneurial. It is also no accident that the most successful cities in Europe in the past 20 years have been German - and still are, despite the country's current economic difficulties. The familiar features of its federal system - powerful regions, thriving middle-sized firms, locally controlled banks and media, a real understanding of the social market and the importance of partnerships between State and market and the different layers of the State - provide fertile conditions in which cities have flourished. How much more could our cities achieve in the face of the gales of global economic change, as well as the strains of deepening peripheralisation, if they had those advantages?

In the meantime, what about Liverpool and cities like it? Do they have a future? Throughout history some cities have simply lost their economic purpose and faded away. But the message from Europe is that there is no economic Darwinism which destines places to fail. Some cities plumbed the depths of economic despair in the face of catastrophic economic change 10 years ago. But with confidence, patience, the right strategy and luck - and the right national context - they have got going again. Recovery is not guaranteed, but is not impossible. Liverpool must cling to that message - although it has to find its own way through. But in turn we must cherish more and invest more in our cities - the real wealth of nations.

**Further information**

This article first appeared in The Observer Comment, 19 January 1997. Author Professor Michael Parkinson, EIUA. For further information about the work of the European Institute for Urban Affairs, and for copies of other papers published by us, please contact us [cities@livjm.ac.uk](mailto:cities@livjm.ac.uk)