

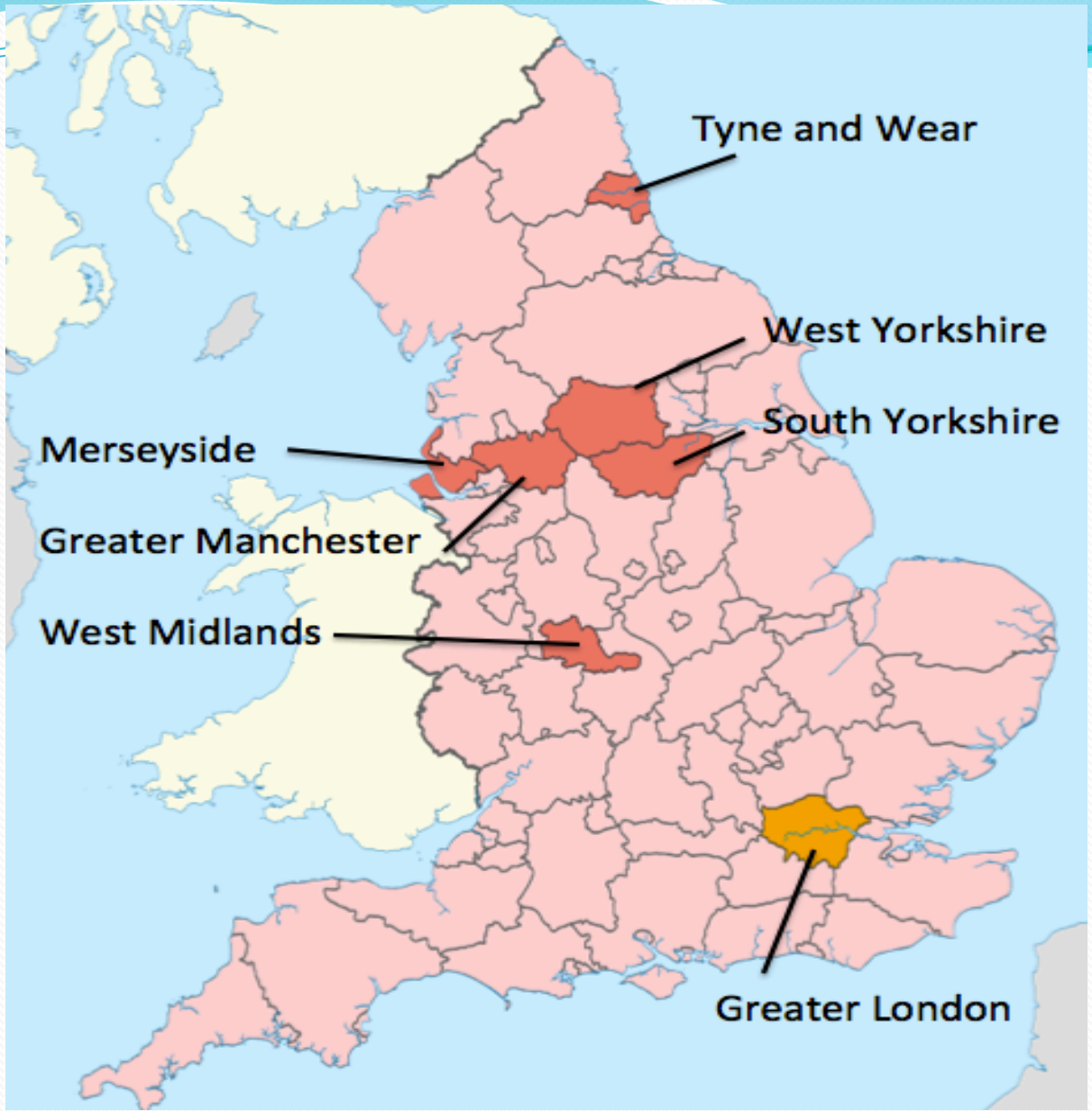
GSS and the regeneration of local economies
III Open Global Systems Science conference
Brussels, October 2014

Councillor John Blundell, Rochdale Metropolitan Borough
Council

Paul Ormerod, NESS , University College, London, and
Volterra Partners LLP

Overview

- *Rochdale Metropolitan Borough Council (MBC) has a population of over 200,000. It is part of the wider urban area known as Greater Manchester, with a total population of some 2.5 million*
- *Rochdale used to have a large textile industry, but as with other similar towns in the UK, it has been for decades a relatively poor area*
- *A workshop was held between policy makers in Rochdale and participants in the EU co-ordination action NESS (Non-Equilibrium Social Science)*
- *Key concepts in non-equilibrium social science were identified as being directly relevant to policy makers involved in the regeneration of Rochdale*
- *In terms of practical follow ups, innovative, green-oriented regeneration programmes are being explored e.g. participatory art*
- *NESS is sponsoring a visit to Warsaw for key policy makers in Rochdale to observe examples of economic regeneration based on art*
- *NESS will also work with Rochdale Council and will sponsor a small scale pilot study, in the form of a month long participatory art event in Rochdale*



Tyne and Wear

West Yorkshire

South Yorkshire

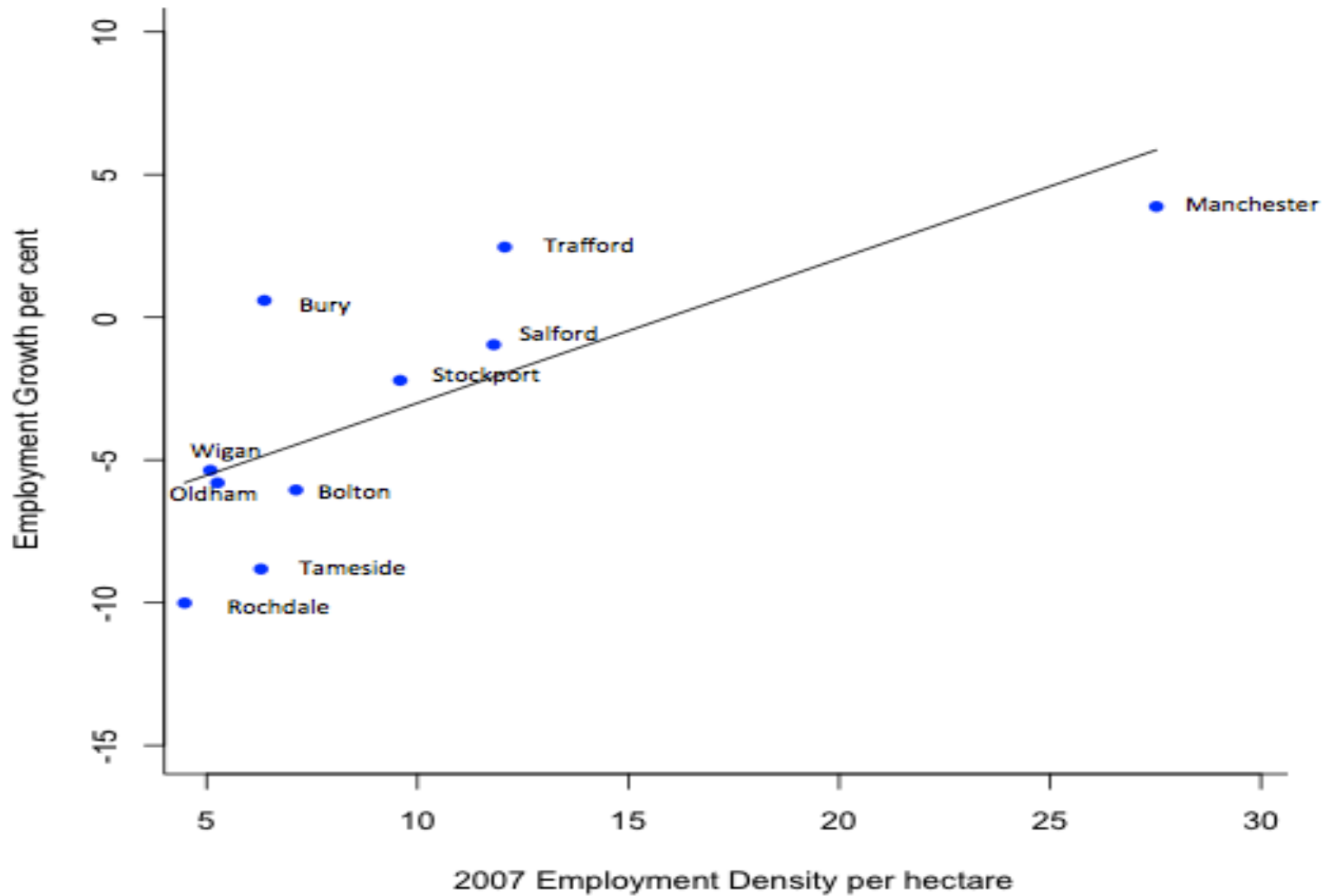
Merseyside

Greater Manchester

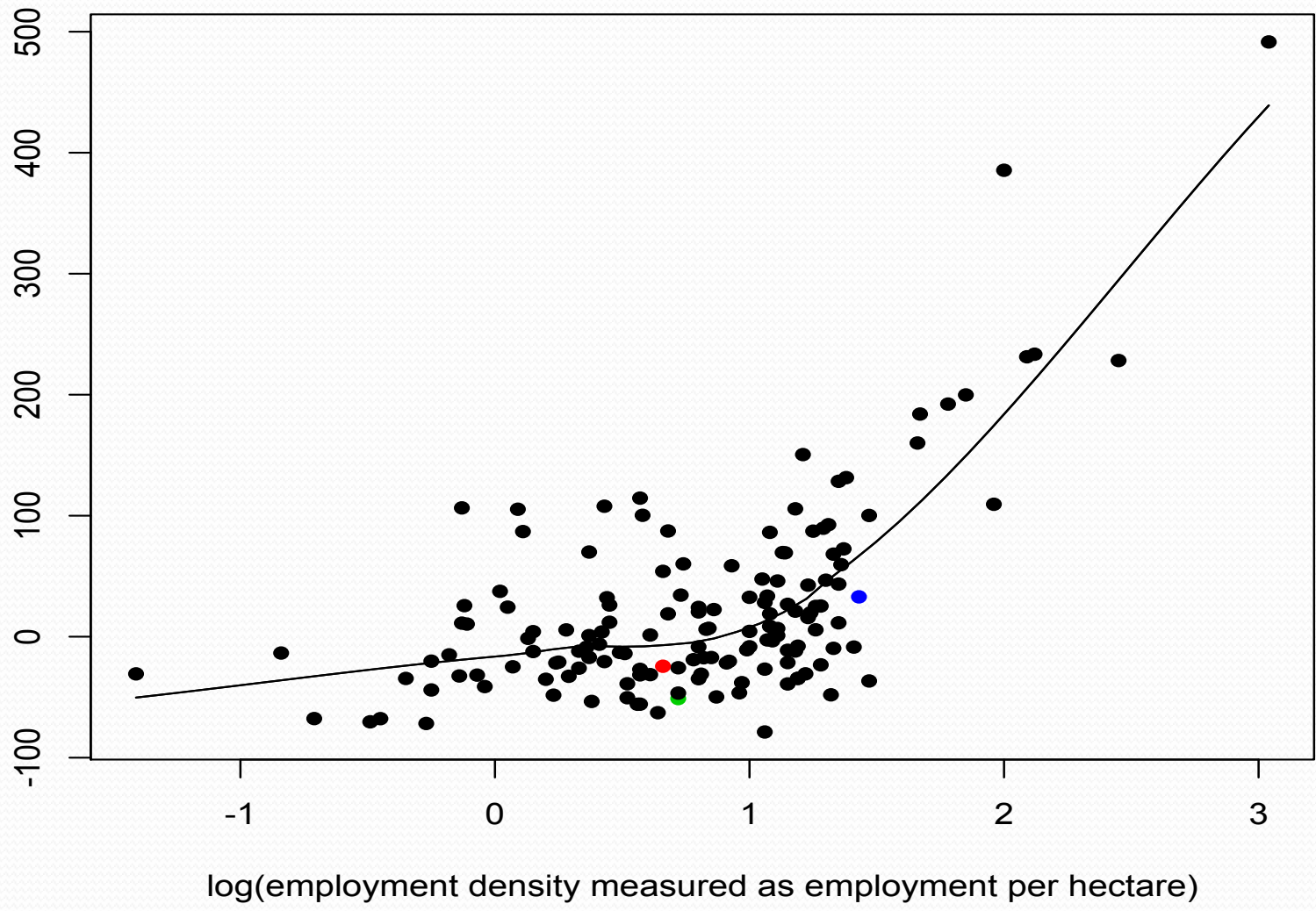
West Midlands

Greater London





Earnings Differential measured a weekly earnings per district minus average earnin



Some key concepts in complex systems thinking which resonate with the Rochdale political leadership

- *Lock-in and path dependence.* Once a local area becomes relatively deprived, this tends to persist for long periods of time
- *Positive feedbacks.* Agglomeration effects, namely the benefits which arise from high densities of employment in a local area, raise productivity levels across the local economy as a whole, and make it an even more attractive location for companies
- *Resilience.* The ability of a local economy to respond to shocks, whether general or specific, is an important issue. This is not a timeless phenomenon, in which we simply compare one equilibrium with the new one, the process by which this happens is crucial
- *Tipping points.* There is a critical mass of agglomeration, beyond which further rises in employment density bring considerably greater increases in productivity

Policy actions and ideas

- “We can’t go on just doing what we have done in the past”
- Creative arts and entertainment is a dynamic and growing part of cities,
- Build growth around this sector, create a sense of excitement, post-industrial, green growth
- Feel Good Festival, two days in late summer
- Literature and Ideas Festival <http://rochdaleliteraturefestival.co.uk/>
- Re-establish a theatre
- Theme round the borough’s strengths: heritage, Co-op, countryside
- The new Council HQ uses only water as its source of power
- The ‘Treasures of Rochdale’
- Pilot in participatory art sponsored by NESS

Financial

Rochdale – pioneering another Silicon Valley?



The birthplace of the Co-op and Gracie Fields has its problems - but a lot going for it too in reversing decades of decline, writes **Larry Elliott**

It all kicks off not long after the start of the rugby league game between Rochdale Hornets and Leigh Centurions. There is a melee involving all 26 players after a Leigh player holds down an opponent and thumps him in the face with a straight right. The culprit gets a yellow card and 10 minutes in the sin bin rather than a red, and the incident seems to knock the stuffing out of the Hornets, who go down to a 72-22 defeat to a team that is fitter, faster and on better money.

It is the same story off the pitch. The battle for economic survival is tough and Rochdale is up against rivals who are fit, fast and have more cash to splash.

Sitting in the shadows of the Pennines, Rochdale was built on cotton in the 19th century but suffered long-term decline as the mills closed and the manufacturing base shrivelled.

In recent years, it has been hit by recession, public spending cuts and scandal. The Rochdale Pioneers paved the way for the co-operative movement and the town was the birthplace of the singer Gracie Fields. But today it is per-



Modern Rochdale: 'We are a proud town with a great history and an even greater future' Photograph: Rex Features

used for the storage process. "Business is strong", the company's Simon Palmer says.

Even in the toughest environments, there are always examples of innovation and excellence. The problem is not that Rochdale lacks good companies, but that it lacks enough of them. It has good jobs, but there are too many of the low skill, low wage variety. The regeneration

north, would accelerate this process. The council is making improvements to the town centre and is marketing Rochdale as a good place to do business and to live. Richard Farnell, the leader of the council, says more could be done to exploit the fact that the town was the birthplace of the Co-op, John Bright and Fields ("the Madonna of her day").

Farnell adds that despite "the deep-

the town is fighting back". "We are not a forgotten wasteland, but a proud town with a great history and, I believe, an even greater future."

Ultimately, though, regeneration requires an increase in effective demand. The formerly run-down parts of London that are now buzzing have done so through an increase in spending power. Businesses have been created; people with money have been attracted in; wages have been driven up; bars and restaurants have opened up as a consequence.

Rochdale has a long way to go before it becomes the new Hoxton, but things could be done to hasten change. Local businesswoman Julie Bowmer says high business rates are contributing to the town centre's problems. "We have no real high street shops - not even a Starbucks or a Costa Coffee."

Danczuk says a Labour government would make a difference through the encouragement of regional banks, higher lending to business, a cut in business rates and the jobs guarantee for young people. But he is dubious about one way of raising demand - a big increase in the minimum wage. "I am not convinced about raising the minimum wage dramatically. There would be an impact on the private sector."

Bowmer is confident the town can make it. "Rochdale was an industrious town, one of the leaders of the industrial revolution, and it still is an industrial town. It's just that people have been battered down."

"The people gave up on the town. Taking away the town's industry left people without a purpose. The number one thing is the mood. Once people have their pride back hope will only grow."

"What's to stop Rochdale becoming an IT hub? I would love Rochdale to become a mini Silicon Valley. It might

“The private sector can get Rochdale going ... so we have to encourage entrepreneurialism”