

Manchester needs to adopt a global outlook

By Tom McKillop

Published: June 1 2008 19:18 | Last updated: June 1 2008 19:18

The received wisdom is that this will be the Chinese century and that UK prosperity depends overwhelmingly on the success of London.

Yet today, Manchester's gross domestic product is more than 25 per cent higher than that of Beijing. At the very least this means there is all to play for, and Manchester's ambition and belief in its future are among the reasons that persuaded me to chair the [Manchester independent economic review](#).

The Manchester School of Richard Cobden and John Bright invented the radical laissez-faire liberalism of free enterprise and civic activism that made Manchester one of first great global cities and led the way for Britain through invention, innovation and economic modelling. Prosperity then depended on sea trade – so the city built a ship canal to the ocean. It got ahead by analysing the future and taking dramatic action to connect to the world on its own terms.

The review is all about identifying the modern equivalents of that creativity and activism and building up the universities and colleges, the innovation structures, the pathways to finance and the know-how to win markets that can connect Manchester more competitively to the global economy.

In bringing together a group of academics, business leaders and economics consultants to oversee a series of analytical projects under a common economic umbrella, Manchester is seeking an independent input as it reshapes its strategic vision. That is what the Manchester independent economic review is all about: a recognition that the UK's second city needs a new plan and one that looks to the world, not only to the south.

The Manchester story of the last decade is an impressive one: of reinvention, of economic growth and of lasting landmarks, typified by the startling new Hilton hotel and some 37km of Metrolink light-rail track. For all that though, most Greater Manchester citizens' pay packets remain below the UK average and there is a growing realisation that recent growth, built largely on well-managed development, was leveraged from the UK's decade of economic boom and may not outlast it. So the question is, what will be the foundation of that future global competitiveness?

Finding the right answer is crucial for the country's whole economy, because if the UK is to have any chance of holding its own in the emerging [new world economic order](#), we need startling things to happen in places such as Manchester.

One part of the answer may already be discernible. It is Manchester itself that has established this review, raising more than £1m in funding for it, yet putting its management at arms' length – meaning people like me will ensure its evidence-based conclusions are genuinely independent and objective. This shows a maturity and a far-sightedness few expect.

The review is only one aspect of a larger story: a radical new governance structure is being put in place to manage problems across the boundaries of 10 local authorities in areas such as health, housing and economic development. In transport they have come together in a groundbreaking attempt to treble Metrolink's size. And there is deep thinking going on about the fit with surrounding areas that form a part of the broader economic city region. A "multi-area agreement" may sound obscure but, in putting Manchester at the cutting edge of pushing forward local co-operation, it is exactly what is needed if we are going to see strong regional development.

Right now, all this may not mean very much to the general public. In my experience, though, this is exactly the sort of strategic thinking that bears fruit down the line – in this case the long-term sustainable growth that every city wants. No other city, though, is going about it in such a developed way as the independent review to be officially launched on Monday by the chancellor, fittingly enough at Old Trafford, home of Manchester United, [Europe's football champions](#).

When it comes to the future, you can let it happen and then wonder what happened, or you make it happen. Manchester has decided to create its own future in the world – and the whole of the UK has a stake in its success.

Sir Tom McKillop, chairman of the Royal Bank of Scotland Group, heads the Manchester independent economic review, a commission of prominent economists and business leaders set up to inform decision-makers about creating long-term sustainable growth in the Manchester city region

[Copyright](#) The Financial Times Limited 2008