

# MIDLANDS ENGINE OBSERVATORY ACADEMIC INSIGHTS

## Learning from international examples of Levelling Up



This summary is from [this article](#) in The Conversation

### Theme:

Economic and governmental changes are required to make Levelling Up successful

### Area of Focus:

International examples show that four pillars are required to make Levelling Up policies effective.

### Key Findings:

The UK is one of the most centralised and regionally unequal nations. Other countries have undertaken work to tackle regional inequalities like Leipzig, in former East Germany. Today, the city has one of the fastest growing economies in Europe. Successful levelling up requires:

1. **Long-term investment** The UK's 2030 target means there is an 8-year timescale for investment. However, Leipzig needed 15 years of high-level funding for unemployment to start falling, and a further 15 years to bring it closer to the national average. Cleveland is working on a 20–30-year horizon. Germany committed €2 trillion between 1990 and 2014. The UK's funding commitment does not match this.
2. **Local Revenue Raising** Leipzig and Nantes have systems to redistribute funds across regions and cities to address inequalities. This is a good example of using tax powers to compensate areas with lower tax revenues, an idea which is missing from the white paper.
3. **Key Players and Anchors** Hospitals, universities, and other large employers have a role to play through philanthropic and procurement policies to support local growth. The Greater University Circle in Cleveland, for example, employs over 50,000 people. The white paper, however, does not set out how public procurement will be used effectively.
4. **Shared political will** Local authorities and regional governments need to be able to tailor strategies to their area, but it is unclear what powers will be devolved through London style devolution deals.

The limited time frame and funding in the UK's plan could limit the impact of levelling up policies.



### Midlands Engine Impact:

- The Midlands Engine requires significant funding across numerous areas to raise the levels of funding and outcomes to national averages. This includes a £82.3bn productivity gap, a lower employment rate, and underinvestment in transport.
- The Levelling Up white paper promises more powers for the WMCA and county deals for large parts of the East Midlands. The powers and attached funding should be complimentary to avoid creating a divide across the region.
- The missions and metrics of the levelling up paper offer opportunities to track and measure the impact the programmes and funding have in the region. The Midlands Engine may be able to shape how these metrics are used.

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