

# A Civil Economy for Manchester

*A new economic framework for the city*

Manchester's economy is a UK success story. Economic growth has reversed long term population decline and Manchester is a major economic influencer and the key economic driver of the north. However, there is still work to be done. There continues to be a 'productivity gap', with low levels of resident economic activity, a weak skills base and low levels of enterprise. Long standing and significant disparities in the prosperity and welfare of different communities across the city remain. The challenge of achieving economic success, coupled to higher levels of social justice and within environmental limits is shared by many cities around the world.

Our work, published in 'A Civil Economy for Manchester' builds the case for a new economic approach in which strong communities and social inclusion are acknowledged as both inputs to and outcomes of economic and business success.

Many businesses in Manchester already consider themselves as and want to be part of communities; therefore strengthening links between business and social sectors makes sense. As part of this work, CLES interviewed and surveyed 40 leaders from small businesses:

- 70% of businesses perceived their business as being part of the local community,
- 50% of the organisations surveyed already have transactional/ trading relationships with social sector organisations
- 50% have a corporate social responsibility (CSR) strategy or an active commitment to support the social sector
- 67% of those surveyed would like to provide in-kind help or support for the social sector in future

- 82% of respondents feel that their business has a role in supporting the local community.
- 87% think there is value to developing stronger relationships between local businesses and the social sector within Manchester, with the view to developing a stronger economy.

Interviewees from the private sector emphasised the important role which communities play in helping businesses succeed by providing skilled staff, a viable customer base and vibrant environments in which to conduct their operations.

The report couples this view with research into the scale and economic impact of the city's voluntary and community sector published by Macc in May 2013. Although the indirect economic benefits of the social sector are important, it does have a number of direct impacts. For instance

- income estimated at £477 million
- GVA estimated at £722 million (5.4% of the Manchester total).
- 12,400 FTE paid staff (higher than sectors such as ICT, Construction and Real Estate, and only 1,000 less than in Manufacturing.)

The report focuses on a set of core elements which will characterise the civil economy

- 1. Collective place leadership at the city wide and local level**
- 2. An equal access and benefit economy**
- 3. Fostering local social-private links**
- 4. Supporting pathways to work**
- 5. Promoting enterprise**
- 6. The social sector as part of the solution for public services**

## Fostering local social-private links

In particular, our work identifies great potential for building mutually beneficial relationships between private business and community organisations. We see the emphasis moving beyond transactional approaches such as Corporate Social Responsibility and towards ingrained behavioural change within both businesses and social sector organisations where the social is not perceived as a 'bolt on', rather incorporated into corporate attitudes and approaches. The report makes two key recommendations to develop this

- **Enhance relations between business and social sector infrastructure bodies:** Business network organisations to enhance their existing engagement with Macc to scope out potential for local collaborative working, and schemes for bringing the two sectors closer together.
- **Create a mechanism for matching businesses with small groups:** what private-social support requires is a coordination which effectively matches businesses and social sector organisations, to ensure that the right skills and attributes are being utilised depending on individual circumstances. Infrastructure organisations are well placed for this coordinating role.

The report was commissioned by Macc, the local infrastructure body for Manchester's voluntary and community sector. Chief Executive Mike Wild said:

"The key finding for me in this report is the importance of civic leadership: that it is everyone's responsibility to shape the destiny of Manchester by working together. This report starts (but does not and was never intended to conclude) a discussion of issues of poverty, equality and sustainable growth as the key factors in the challenge facing Manchester. It's my hope that this report will spark fresh inspiration amongst the civic leadership in Manchester to take on a new pioneering spirit, raising ambition beyond combating the effects of recession by building a new model for a vibrant and resilient city."



### Centre for Local Economic Strategies

Express Networks, 1 George Leigh Street,  
Manchester, M4 5DL

Tel: 0161 236 7036

info@cles.org.uk

www.cles.org.uk

CLES is a company limited by guarantee no 4242937 with charitable status no. 1089503.

### Macc

Swan Buildings, 20 Swan Street, Manchester  
M4 5JW

Tel: 0161 834 9823

info@mcrcommunitycentral.org.uk

www.manchestercommunitycentral.org

Macc is a registered charity no 1145921 and a company limited by guarantee 7788593.



**For a copy of the full report please visit  
[www.manchestercommunitycentral.org/civileconomy](http://www.manchestercommunitycentral.org/civileconomy)**