

Interview with Philip McCann



*Interview by Joan Fitzgerald,
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Philip McCann is Professor of Urban and Regional Economics at the University of Sheffield and is an Honorary Professor of Economic Geography at the University of Groningen, the Netherlands. He is also the Tagliaferri Visiting Fellow in the Department of Land Economy at the University of Cambridge, UK.



His most recent book in the Routledge-RSA Regions and Cities series is *The UK Regional-National Economic Problem: Geography, Globalisation and Governance*.

Joan Fitzgerald (JF): What are the key factors behind the rise of inequality in the U.K? Is it an urban-regional divide like in the U.S?

Philip McCann (PMc): The UK has the highest level of interregional inequality among the advanced OECD countries. It is a core-periphery problem in which London and its hinterland are doing well whereas much of the rest of the economy has been left behind. In the more peripheral areas of the Midlands and the North —both rural and urban localities are struggling, whereas in the UK's prosperous parts of the South and South East most rural and urban areas are doing well.

JF: Do you see any similarities in the rising inequality in the U.K. and the U.S?

PMc: The geographical issues in the USA and the UK are very different. Your urban-rural divide is our regional divide. You don't see the same differences over such a small geographic area as we do in the U.K. It would be like having Alabama and Mississippi on either side of Massachusetts. Almost half of the U.K. population now lives in regions poorer than Mississippi and yet many of these regions are little more than a couple of hours drive from London.

JF: What has been the political response to inequality in the U.K?

PMc: The geographical realities of the UK economy do not correspond to the governance system we have. The UK needs a fundamental governance reform. Our highly centralized and top-down governance system might work well if we were internally much more homogeneous because the expected outcomes of any policy settings would be similar throughout the country. But with the huge interregional disparities which are present today, it is unlikely that any top-down and centralized national policy will work very well - the UK governance system is uniquely ill-suited to the challenges we currently face. We are therefore now seeing a wider rethinking of public policy in the U.K. generally. For example, a national Industrial Strategy is being developed while at the same time new devolution arrangements are being initiated for the major city-regions.

JF: Can you give an example of how this is playing out in cities?

PMc: Manchester has taken on powers that were previously part of central government, such as social service and healthcare delivery, and is integrating

them at a city/regional level. Manchester and other municipalities are working collaboratively on transportation, energy and environmental policy that until recently would have been controlled directly from London. Manchester has been trying to better coordinate governance activities across region for 20 years. New elections for city-region mayors have taken place and other city-regions such as the area centred on Birmingham are now also catching up very quickly. However, it is too early to tell what the outcomes will be – it's a work in progress and mayors throughout the U.K are experimenting.

JF: Going back to the national level, what is the state of play with Brexit and how will the exit affect inequality?

PMc: We wrote about the mismatch between local voting and the local economic consequences of Brexit in the March 2017 issue of *Regional Studies*. We found that the regions that voted strongly for Brexit had the highest levels of dependency on European Union markets for their local economic development. The people who felt left behind by globalisation voted to leave, and as our journal abstract states: “Economic geography dominated the observed voting patterns, and geography will also certainly dominate the post-Brexit economic impacts, but not necessarily in a way that voters anticipated or wished for.” Our previous research plus a new paper we are publishing in the coming weeks, all suggests that Brexit will hit the UK's weaker regions much harder than its more prosperous regions, thereby making the current inequalities worse. However, it's hard to say precisely what will happen—because everything regarding the post-Brexit UK-EU relationship is still being negotiated.

JF: Who is reading your book?

PMc: It has a strong academic audience, of course. But it is also being read by people in government—senior people in the civil service, former prime ministers, deputy prime ministers and those in sub-national government. It also has an audience among journalists.