IDENTIFYING AND UNDERSTANDING LOCAL PRIORITIES FOR DEVELOPING AN ‘ECONOMY OF BELONGING’: A CASE STUDY OF EIGHT AREAS IN THE UK

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The recent outbreak of the Covid-19 pandemic has reanimated the discussion of socio-economic inequalities and livelihoods' insecurity across the UK. There is a clear disconnect between policy-making frameworks, macroeconomic theories, and empirical exercises using national and regional statistical data, on the one hand, with the lived experiences of individuals and communities at the local level, on the other. In this paper, we conduct a mixed qualitative and quantitative comparative analysis of eight local areas across four regions in the UK to understand the interconnecting factors affecting individuals’ and communities’ quality of life and prosperity. First, we examine data from the Understanding Society survey between 2009-2018 for the same eight local areas in order to explore individuals’ lived experiences. Second, we examine the eight case study areas across a series of datasets and indices at the local authority (LA) and lower-local super output area (LSOA) levels using an integrated analytical framework based on life outcomes, life opportunities and life together (LOOT). This research approach allows us to gain a better understanding of the main drivers of intra-regional variation and its consequences for macroeconomic policy.
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This paper sets out some of the challenges in developing an economy of belonging in the UK (Sandbu, 2020), and its contribution is that it explores what these challenges might be not just at the regional level, but at the intra-regional level. It starts from the premise that the economy must work for everyone, and that the role of good macroeconomic policy is to make that possible. Since the 1970s, and accelerating most forcefully through the 1980s, the UK has pursued economic policies that have shifted risk onto the most vulnerable members of society, and undermined the stability and solidity of sections of the population who once felt secure in their opportunities, outcomes and aspirations. The recent Covid-19 pandemic has revealed, and indeed amplified, systemic fissures and failures in the UK. The crisis hit the worst off hardest, foregrounding the fact that aggregate figures do not tell the full story, for while many people are affected, not all suffer equally (ONS, 2020a). The impact of the virus on Black and Minority Ethnic communities and those from deprived areas reignited earlier debates about the impact of austerity and reductions in public services on left behind regions in the UK, with rising inequality, economic insecurity, in-work poverty and declining mental health and life expectancy (ONS, 2020b; Wallace and Stephens, 2019; Marmot et al., 2020).

Responses to the Covid-19 pandemic are increasingly focused on how to identify and understand the priorities for building back better in the UK. It is evident that large discrepancies between regions exist and that they have been growing, and recent research shows a variegated pattern with little detailed understanding of what is driving this process of divergence beyond productivity deficiencies, deindustrialisation and neglect (IMF, 2018; McCann, 2018; 2020; Morris et al., 2019; UK2070 Commission, 2020). More troubling, it is becoming increasingly apparent that marked differences exist not just between regions, but within them, further underlining the point that aggregate figures reveal little about local realities and the day to day experiences of ordinary people. The result is a worrying disconnect between macroeconomic models, policy frameworks and lived social and economic experiences. The powerful anger of those left behind is evident, but exactly what to do about it, how to address the key issues and exactly what the priorities should be is altogether more challenging.

Macroeconomic policy faces a wholly new challenge and succinctly stated it is how to effectively reach those left behind through structural disadvantage. This is definitively different from policies formulated through demands to raise GDP, prevent overheating in the economy or determine labour market performance. It requires a new approach because its goals are fundamentally different; when the compass needle shifts you head in a different direction. This does not mean that demand and interest rate management, taxation, trade policy, and all the rest are not important, but that their overall management would have to be directed towards quality of life and long term prosperity of people and places.

There is now a well established case for looking beyond GDP (Helliwell et al., 2019; Kibasi et al., 2018; Ngamaba, 2017; OECD, 2009a; 2009b; Stiglitz et al., 2009; Stiglitz, 2011; 2019; World Bank, 2008; 2010a; 2010b) but this has had as yet very little impact on policy formulation, where economic and social policies are still operationalised within conventional policy frameworks that rely on national and regional aggregates and statistics (McCann, 2016; Jackson, 2017). In the UK, public policy planning has remained focused on larger national and regional levels at the expense of smaller regions and local areas (Haldane, 2019). This has led to the continued lack of understanding on how the various factors affecting the prosperity and well-being of individuals and communities interrelate at more local geographical statistical levels (Moore and Woodcraft, 2019; Zymek and Jones, 2020: 58-63), thereby making it impossible to understand the factors underpinning an economy of belonging. The goal of economic policy
is very often improved productivity across regions, and this is problematic both because productivity figures are based on GDP/GVA and because it is widely recognised that a series of factors including geography, institutions, culture, infrastructure and governance impact directly on productivity differences (Gennaioli et al., 2013; Rodríguez-Pose, 2013; Iammarino et al., 2019). The weight and significance of these factors are poorly understood, and this accounts in large part for the continuing frustration of the UK ‘productivity puzzle’. Martin Sandbu argues that an economics of belonging should be based on the pursuit of productivity growth in manufacturing and services harnessed to better jobs (Sandbu, 2020: 26). While he does acknowledge that such growth would need to be embedded in place-based policies deploying public services, infrastructure, connectivity and attraction (ibid: chapter 11), the fundamental assumption is that if we sort out the economics all else will follow. Sandbu, like others who deploy an inclusive growth agenda, is clear that precariousness, insecurity and unequal power are at the root of the problem, but still takes the view that economic growth and productivity should be the main goal of an economy of belonging (Rodríguez-Pose, 2018; Demertzis et al., 2019). While much of the ‘post-GDP discourse’ has successfully expanded understandings and measures of prosperity beyond economic growth and productivity, this has often remained focused narrowly on wellbeing and happiness as individual and isolated assets ignoring wider contextual and structural factors and their interrelations (Walker, 2015; White, 2015; Moore and Woodcraft, 2019), while existent relational analyses have been limited to correlations between levels of happiness or wellbeing with per capita GDP, wealth and income, or the modelling of prosperity based on conceptual frameworks that work at global, national or regional scale aggregates (OECD, 2009c; UN-Habitat, 2012; Legatum Institute, 2017; World Happiness Report 2018; Lima de Miranda and Snower, 2020).

Research conducted at the Institute for Global Prosperity at UCL (IGP) has focused on how to redefine prosperity for the 21st century by working with local communities to understand what prosperity means for them and how those local understandings relate to structural features of the economy, infrastructure, public services provision, and systemic social and political inequalities. This work therefore provides a new and innovative approach to analysing the lived experience of local livelihoods and communities within the complex set of interlocking systems and structures that make up the social, economic and political life of the UK (Moore and Woodcraft 2019; Moore and Collins, 2020). The prosperity of individuals and communities cannot be reduced to income, wealth or GDP; it is fundamentally a set of outcomes deriving from what we are able to create from the wealth we generate. Prosperity must also be more than individual well-being for well-being is too often characterised as a set of attributes pertaining to the individual, rather than a series of effects produced in specific times and places through the relationships established by living well together in functioning social, economic, and political systems and ecosystems. Most work on well-being takes little account of long run considerations of planetary sustainability and ecosystem health, even if it incorporates provision of green spaces and environmental assets in terms of their impact on individuals’ health. Prosperity understood broadly as quality of life and human flourishing is made up of a number of elements and components, with variable interrelations between the components, and variable stress on the values, purposes and validity of key components; notions of the good life and how to live it are diverse. There are two consequences which flow from these observations. The first is that prosperity is about understanding the relationships between individual experiences and lives lived and the larger systems and constraints within which they are embedded. The second is that these issues of scale cannot be considered outside the matter of scope: what is included within
the definition of prosperity, for whom, when and where? Matters of scope are of huge moment in contemporary society for they are always questions of politics. Consider the many terms which currently jostle in public debate in our struggle to reframe the broken relationship between economics and politics which is at the heart of an economics of belonging: ‘inclusive growth’, ‘new deal’, ‘green deal’, ‘great reset’, ‘build back better’, ‘left behind’. Some of these terms have more emotive resonance for citizens than others, and they also connect with a host of other terms more salient for policy makers and analysts, such as well-being, industrial strategy, innovation districts. It is easy to lose sight of the fact that how we define such things as well-being, what we consider to be their proper scope, has huge consequences in terms of policy and investment. One of the aims of this paper is to bring this point more sharply into focus as we explore how we might characterise an economy of belonging and the consequences this would have for understanding macroeconomic policy; one of which is a question about what is the proper domain of macro analysis.

Exploring how to integrate emerging macroeconomic analysis based with more local level knowledge, is a priority. Successive UK governments have sought to reduce regional disparities across the UK, and the industrial strategy published in 2017 aims to raise productivity, reduce regional disparities and create ‘prosperous communities throughout the UK’ (HMG, 2017). Many policy initiatives have been proposed and implemented, but historical returns to investment have been poor, with institutions and policies in flux, short-lived and subject to change (Rodriguez-Pose, 2018; UK2070 Commission, 2020). This is particularly worrying in light of the fact that low-performing regions have had significant investment relative to income in recent years (Kierzenkowski et al., 2017: 6). There has been a real push for place-based city and sector economic deals to tackle poverty and inequality through more fair and inclusive means of wealth distribution, increasing opportunities for ‘good jobs’, local businesses and SMEs (e.g. RSA, 2017; CPP 2019; Hawing 2019; LGA, n.d.). However, inclusive growth as a concept and a framework lacks definitional clarity and in practice is often sidelined in policy initiatives (Sissons et al., 2019). As a term inclusive growth is gaining in popularity, but in reality it has often translated into policy programmes that prioritise knowledge-intensive sectors and innovation districts to the detriment of other more foundational economic activities such as care, hospitality, retail or transport (FEC, 2018; Fothergill et al., 2017; Pendleton, 2017; Strauss, 2019). Moreover, inclusive growth strategies tend to lack shared vision between the different actors involved (Burch and McInroy, 2018; Lee, 2019; Hughes, 2019), and can lead to negative competition from spill-overs with one area benefitting more than its neighbour due to lack of coordinated strategies (Zymek & Jones, 2020). Additionally, local authorities lack the governance structures and fiscal autonomy to confront key challenges through the development of more localised policy programmes that might secure people’s livelihoods, capabilities and capacities to respond (Hunt, 2016; Tomaney, 2016; Wills, 2016; McCann, 2016; Coote and Percy, 2020).

In this paper, we conduct a qualitative comparative analysis of eight local areas across four regions in the UK to examine the interconnections of different factors underpinning variability in individual and community quality of life and prosperity. The particular value of this study is its focus on the drivers of intra-regional variation based on paired area comparisons within regions, and smaller area analysis within the pairs. We do this in two stages: First, we examine data from the Understanding Society survey between 2009-2018 for the same eight local areas in order to explore individuals’ lived experiences. Second, we examine the eight case study areas across a series of datasets and indices at the local authority (LA) and lower-local super output area (LSOA) levels using an integrated analytical framework based on life outcomes, life opportunities and life together (LOOT). The research allows us to collate existing indices and datasets that tend to be examined in isolation, while at the same time identifying the difference between aggregate indicators and individuals’ perceptions.
about life. The main objective of the research is to identify what infrastructures and mechanisms are necessary to develop an economy of belonging that improves the quality of life of individuals at the local level while enhancing their capacities and capabilities to participate fully and meaningfully in society and respond to change.
2. METHODS

2.1 CASE STUDY AREAS SELECTION

A qualitative multi-level case study analysis (Yin, 2017) of four pair wise comparisons across four regions in the UK examines how factors underpinning individuals’ and communities’ quality of life intersect at the local level. The areas examined include: Kingston upon Hull and Harrogate in the Yorkshire and the Humber (Y&H) region, Preston and Ribble Valley in the North West (NW), Blaenau Gwent and Monmouthshire in Wales, and Barking and Dagenham and Richmond upon Thames in London (see Figure 1 below).

Figure 1 Map of 8 areas under study.
What makes this analysis of particular interest is that the eight areas chosen comprise the most deprived and better off places of their respective regions, those most positively/negatively affected by the effects of globalisation, technological change and ‘austerity’ measures over the past ten years as evidenced by the indices and datasets utilised in this study. This allows us to examine intra-regional variation and its sets of drivers close up. The ‘worst-off’ group comprises the areas of Kingston upon Hull, Preston, Blaenau Gwent and Barking and Dagenham, while the ‘best-off’ group includes Harrogate, Ribble Valley, Monmouthshire, and Richmond upon Thames.

2.2 INDICES AND DATASETS ANALYSIS

All eight case study areas are examined at the Local Authority (LA) and Lower-local Super Output Area (LSOA) geographical statistical levels with data drawn from six indices, including the 2016 UK Legatum Institute Prosperity Index (UK LIPI), the 2019 Happy City Thriving Places Index (HC TPI), the 2019 Office for National Statistics estimates on Personal Wellbeing (ONS 2019a), the 2019 English Index of Multiple Deprivation (EIMD 2019), the 2019 Welsh Index of Multiple Deprivation (WIMD 2019), and the Understanding Society data waves for 2008-2018 (Understanding Society 2019).

In addition, when possible we have complemented the data from these datasets and indices with additional datasets, reports and academic analysis at the UK national, regional NUTS1, LA, and Middle Super Output Area (MSOA) levels1. This was done where data from the main datasets and indices was insufficient or to provide trend analysis. We summarise the examined indices and datasets, with their respective time-period and geographical coverage in Table 1 below.

<table>
<thead>
<tr>
<th>Data Source</th>
<th>Year coverage2</th>
<th>Geographical coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legatum Institute Prosperity Index for UK (2016)</td>
<td>2014-2016</td>
<td>Local Authority level</td>
</tr>
<tr>
<td>ONS estimates on Personal Wellbeing (2019a)</td>
<td>2011-2018</td>
<td>Local Authority level</td>
</tr>
<tr>
<td>Happy City Thriving Places Index (2019)</td>
<td>2019</td>
<td>Local Authority level</td>
</tr>
<tr>
<td>English Index of Multiple Deprivation (2019)</td>
<td>2019</td>
<td>Lower-local Super Output Area level</td>
</tr>
<tr>
<td>Welsh Index of Multiple Deprivation (2019)</td>
<td>2019</td>
<td>Lower-local Super Output Area level</td>
</tr>
<tr>
<td>ONS Registered suicides and suicide rates (2019b)</td>
<td>2002-2018</td>
<td>UK, NUTS1, LA</td>
</tr>
<tr>
<td>The Insolvency Service, Individual insolvencies per location (2019)</td>
<td>2000-2018</td>
<td>UK, NUTS1, LA</td>
</tr>
<tr>
<td>ONS Average Household Income, UK FYE 2017-2019 (2020a)</td>
<td>FYE 2017-2019</td>
<td>UK, NUTS1, LA, MSOA</td>
</tr>
<tr>
<td>Childcare and Adult Social Care (various sources) 3</td>
<td>2014-2019</td>
<td>UK, NUTS1 regions</td>
</tr>
</tbody>
</table>

Table 1 Main datasets and indices examined for this paper.
3. SETTING THE CONTEXT

The first step in the analysis was to understand how our four selected regions relate to the UK as a whole. The aim was to provide an initial benchmark to visualise regional and intra-regional variation, and to contextualise the 8 local area case studies. In Table 2, the UK LIPI 2016 aggregate standardised variables for variations in physical and mental health across the four regions did not diverge substantially from the UK standardised averages, with more minor variations for economic performance.

<table>
<thead>
<tr>
<th>Region</th>
<th>Physical Health</th>
<th>Mental Health</th>
<th>Economic Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yorkshire and the Humber</td>
<td>0.547</td>
<td>0.502</td>
<td>0.690</td>
</tr>
<tr>
<td>North West</td>
<td>0.574</td>
<td>0.507</td>
<td>0.684</td>
</tr>
<tr>
<td>Wales</td>
<td>0.660</td>
<td>0.548</td>
<td>0.758</td>
</tr>
<tr>
<td>London</td>
<td>0.677</td>
<td>0.535</td>
<td>0.751</td>
</tr>
<tr>
<td>UK</td>
<td>0.610</td>
<td>0.522</td>
<td>0.716</td>
</tr>
</tbody>
</table>

Note: UK LIPI 2016 standardised values with 0 (least prosperous) and 1 (most prosperous).

Table 2 UK LIPI Life Outcome variables - Source: UK LIPI 2016.

Table 3 below shows very poor ratings for the whole of the UK across material and perceived wellbeing, connectivity and communications, and living environment variables ranging between 0.3 and 0.4. Conversely, aggregate standardised averages for housing (affordability and costs) showed very positive ratings nationally and at regional level. The standardised averages for the 4 regions were congruent with those for the UK.

<table>
<thead>
<tr>
<th>Regions</th>
<th>Mat &amp; Perceived Wellbeing</th>
<th>Housing</th>
<th>Living Environment Connectivity &amp; Communications</th>
<th>Living Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y&amp;H</td>
<td>0.382</td>
<td>0.806</td>
<td>0.431</td>
<td>0.480</td>
</tr>
<tr>
<td>NW</td>
<td>0.384</td>
<td>0.761</td>
<td>0.500</td>
<td>0.466</td>
</tr>
<tr>
<td>Wales</td>
<td>0.420</td>
<td>0.763</td>
<td>0.430</td>
<td>0.537</td>
</tr>
<tr>
<td>London</td>
<td>0.415</td>
<td>0.732</td>
<td>0.470</td>
<td>0.450</td>
</tr>
<tr>
<td>UK</td>
<td><strong>0.398</strong></td>
<td><strong>0.765</strong></td>
<td><strong>0.463</strong></td>
<td><strong>0.486</strong></td>
</tr>
</tbody>
</table>

Note: UK LIPI 2016 standardised values with 0 (least prosperous) and 1 (most prosperous).

Table 3 UK LIPI Life Opportunities variables, 2016 - Source: UK LIPI 2016.
This pattern of poor performance was repeated across the UK in terms of social capital, social relations and safety and security, with Wales showing slightly improved scores as table 4 shows.

<table>
<thead>
<tr>
<th>Regions</th>
<th>Social Capital</th>
<th>Sense of Community: Social Relations</th>
<th>Sense of Community: Safety &amp; Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y&amp;H</td>
<td>0.566</td>
<td>0.426</td>
<td>0.647</td>
</tr>
<tr>
<td>NW</td>
<td>0.553</td>
<td>0.408</td>
<td>0.633</td>
</tr>
<tr>
<td>Wales</td>
<td>0.614</td>
<td>0.517</td>
<td>0.689</td>
</tr>
<tr>
<td>London</td>
<td>0.610</td>
<td>0.436</td>
<td>0.661</td>
</tr>
<tr>
<td>UK</td>
<td>0.580</td>
<td>0.481</td>
<td>0.653</td>
</tr>
</tbody>
</table>

*Note: UK LIPI 2016 standardised values with 0 (least prosperous) and 1 (most prosperous).*

Table 4 UK LIPI Life Together variables, 2016 – Source UK LIPI 2016.

To explore further evidence for intra-regional variation for our 4 regions as compared to England and Wales as a whole, we used data from the 2019 Happy City Thriving Places Index (HC TPI) which provides overall summaries per headline element (Local Conditions, Equality, and Sustainability) for each of England’s large regions, and overall for Wales at the LA level. These are summarised in Tables 5 a, b and c below.

<table>
<thead>
<tr>
<th>Regions</th>
<th>Total number of LAs</th>
<th>Lowest (&lt;3.5) % LAs</th>
<th>Low (3.5-4.5) % LAs</th>
<th>Average (4.5-5.5) % LAs</th>
<th>High (5.5-6.5) % LAs</th>
<th>Highest (&gt;6.5) % LAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y&amp;H</td>
<td>15</td>
<td>0%</td>
<td>66.66%</td>
<td>80%</td>
<td>13.333%</td>
<td>0%</td>
</tr>
<tr>
<td>NW</td>
<td>23</td>
<td>0%</td>
<td>13.4%</td>
<td>65.2%</td>
<td>21.7%</td>
<td>0%</td>
</tr>
<tr>
<td>Wales</td>
<td>32</td>
<td>0%</td>
<td>27.3%</td>
<td>36.4%</td>
<td>27.3%</td>
<td>0%</td>
</tr>
<tr>
<td>London</td>
<td>22</td>
<td>0%</td>
<td>12.5%</td>
<td>37.5%</td>
<td>40.6%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Total for England &amp; Wales*</td>
<td>172</td>
<td>0.6%</td>
<td>13.9%</td>
<td>54.1%</td>
<td>26.7%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

*Notes: The total number of LAs for England and Wales is based on HC TPI 2019 data. There are two separate HC TPI for England and for Wales. While scores and labels used are the same, certain headline elements, domains and sub-domains differ are different for the England and Wales TPIs. All percentage figures have been rounded-up.*

Table 5b HC TPI Equality headline element, % of LAs across scores for England and Wales, 2019 – Source: HC TPI 2019.

<table>
<thead>
<tr>
<th>Regions</th>
<th>Total number of LAs</th>
<th>Lowest (&lt;3.5) % LAs</th>
<th>Low (3.5-4.5) % LAs</th>
<th>Average (4.5-5.5) % LAs</th>
<th>High (5.5-6.5) % LAs</th>
<th>Highest (&gt;6.5) % LAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y&amp;H</td>
<td>15</td>
<td>0%</td>
<td>40%</td>
<td>46.7%</td>
<td>6.7%</td>
<td>0%</td>
</tr>
<tr>
<td>NW</td>
<td>23</td>
<td>4.4%</td>
<td>47.8%</td>
<td>34.8%</td>
<td>13%</td>
<td>0%</td>
</tr>
<tr>
<td>London</td>
<td>32</td>
<td>0%</td>
<td>18.7%</td>
<td>65.6%</td>
<td>12.5%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Wales</td>
<td>22</td>
<td>0%</td>
<td>31.8%</td>
<td>50%</td>
<td>18.2%</td>
<td>0%</td>
</tr>
<tr>
<td>Total for England &amp; Wales*</td>
<td>172</td>
<td>2.9%</td>
<td>28.5%</td>
<td>48.8%</td>
<td>17.441</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

*Notes: The total number of LAs for England and Wales is based on HC TPI 2019 data. There are two separate HC TPI for England and for Wales. While scores and labels used are the same, certain headline elements, domains and sub-domains differ are different for the England and Wales TPIs. All percentage figures have been rounded-up.*

Table 5c HC TPI Sustainability headline element, % of LAs across scores for England and Wales, 2019 – Source: HC TPI 2019.

The results show marked intra-regional variation, with many LA areas within regions falling at average or below, and very few high performing LA areas. This is also borne out by the deprivation figures from
English Indices of Multiple Deprivation 2019 where out of a total of 317 Local Authorities (LAs) and 32,844 Lower-layer Super Output Areas (LSOAs) across England, there are at least 260 LAs (82%) with at least one LSOA in the most deprived 20 per cent, and 194 LAs (61%) with at least one LSOA in the most deprived 10 per cent (EIMD 2019). For the Welsh Indices of Multiple Deprivation 2019, out of a total of 22 Local Authorities (LAs) and 1,909 Lower-layer Super Output Areas (LSOAs) across Wales, all LAs reported at least one LSOA in the most deprived 20 per cent, and only one did not report a LSOA at the most deprived 10 per cent (WIMD 2019). Overall, we concluded from this benchmarking exercise that our four selected regions and their degree of intra-regional variation could not be considered as outliers.
To explore individual variation in our 8 local area case studies, and to analyse how different individuals’ life outcomes, opportunities and well-being interact in each area, we used data from the Understanding Society survey (Understanding Society, 2019) and conducted a hierarchical multilevel analysis.4 An Appendix provides details on correlations. The Understanding Society survey is comprised of 11 waves (2009-2018) and approximately 550,000 observations when merging all waves together. The fully merged comparison with all regions and LSOAs is used for comparative purposes and the main part of the analysis focuses on about 9,000 observations located in the areas under study.5 Mapping exactly the same variables at the individual level is impossible, consequently the analysis in this section focuses on the key variables that can be traced at the individual level and mapped to the LSOA aggregates presented above: income; financial situation; employment; life satisfaction; health.

Figure 2 shows the evolution of household incomes in the 8 areas under study for the period 2009-2017 as a mean of all survey respondents residing in each of the 8 areas.6 The 8 areas show differences in gross monthly income over time, but follow similar trends and levels throughout the period 2009-2017, with the exception of Richmond upon Thames which appears to be distinct. However, when taking into account the whole of the UK, the relative placement of these areas is within the average part of the income distribution in comparison to the rest of the LSOAs of the UK.
To explore individuals’ livelihoods in these 8 areas more closely, we need to understand how respondents perceive their financial situation in comparison to their current needs. Figure 3 shows perceived financial situation across the 8 areas. Surprisingly, we find that despite what aggregate indicators in the previous section suggested, individuals perceive their financial situation positively, although caution needs to be exercised here since this could be a consequence of a number of other factors, including variation in prices and costs, especially housing costs, across the areas (see Zymek and Jones, 2020). The scale of this indicator ranges from 1-5 with higher values suggesting higher insecurity about current financial situation and all 8 areas under study are persistently similar across time.

The next step in the analysis was to look at the current labour market and labour market challenges in the 8 areas. A number of analyses have suggested that individual well-being and life satisfaction are strongly impacted by quality of work and stability of employment (e.g. Taylor et al., 2017). Figure 4 shows that in all areas reported working hours are fairly stable over time and very similar across places. This indicator is of course not a complete picture of the labour market status in these areas since it does not account for the type of employment, security of tenure and/or unemployment percentage. It does show however that there is no structural difference between full time and part time composition of the labour markets across the 8 areas. This is supported by Figure 5 which shows on a scale between 1-7 (where higher values indicate higher levels of satisfaction) that respondents in all areas reported similar levels of job satisfaction across time.
IDENTIFYING AND UNDERSTANDING LOCAL PRIORITIES FOR DEVELOPING AN ‘ECONOMY OF BELONGING’: A CASE STUDY OF EIGHT AREAS IN THE UK.

Figure 4 Hours in employment.

Figure 5 Satisfaction with employment.
Other domains where the Understanding Society survey can provide us with high quality data in order to examine the existence of structural differences between these 8 areas are those of life satisfaction, health satisfaction and wellbeing. Statistics on individuals’ responses to these questions in Understanding Society can be found in Figures 6, 7 and 8. As we can see respondents persistently rate their subjective health, life satisfaction and well-being quite highly in all areas under study. Here we arrive at a difficulty in the general analysis of well-being data with different studies reporting very different sets of correlations. The OECD reports that countries with greater average well-being also tend to be more equal (Llena-Nozal et al., 2019: 31), but acknowledges that across populations there are visible differences in well-being stories. As we have seen regional disparities in the UK are large in absolute terms and large in comparison with other developed economies (Zymek and Jones, 2020; McCann, 2020), and yet at the individual level these disparities do not seem to be salient in self-reported levels of satisfaction. One conclusion would be that neither the regional aggregate data nor the individual data are capturing differences in quality of life and prosperity accurately.

![Life satisfaction in 8 areas 2009-2017](image)

**Figure 6** Overall life satisfaction in the 8 areas under study between 2009-2017
Figure 7 Subjective satisfaction with health in the 8 areas under study between 2007-2019

Figure 8 Subjective wellbeing in the 8 areas under study between 2009-2017
A further possible argument is that the differences between reported individual quality of life and aggregate outcomes might relate to how these outcomes interrelate and interconnect in different ways across the 8 areas. A large body of literature exists to support the contention that place based approaches offer potential for understanding divergent pathways for prosperity, beyond the usual arguments about geographical assets, agglomeration and sorting. Here we should note that the definition of place becomes key. Areas defined for statistical or local governance purposes do not always constitute what we might understand as a community. What residents of such units do often share is a history of engagement with a specific local authority, its governance structures, policies and forms of implementation. There is therefore some value in taking residential units as places worthy of investigation, without having to assume that they correspond to communities with clear cultural, emotional and social boundaries. Many aspects of life satisfaction are connected to online communities or to membership of broader communities that are not physically contiguous, such as fans of Manchester United football club. Equally, not all determinants of quality of life and prosperity originate at the local level such as free primary education.

In Figure 9, we overlay the five main outcomes from the Understanding Society survey to explore whether aspects of their interrelation might be worth investigating. The results do suggest that there are systematic structural differences across the 8 areas that reflect differences in the aggregate data within the LSOAs. In the next section, we investigate these structural differences using the LOOT framework and map the factors that could be responsible for driving the differences in livelihoods, outcomes, opportunities and aspirations operative at both the LA, LSOA and individual level. This extensive mapping lays the foundations for how future quantitative analyses might be developed to understand what drives intra-regional variation.
5.1 ANALYTICAL FRAMEWORK: LIFE OUTCOMES, LIFE OPPORTUNITIES AND LIFE TOGETHER

When we are considering the relationship between an economy of belonging and quality of life and prosperity, we would expect to find differences in the data at different scales. Whatever quality of life might be for a community, it would have to be more than the sum of the quality of life of all relevant individuals. This is in contrast to much economic analysis which does not treat macroeconomics as simply the aggregate of micro economic processes and outcomes. We argue here that questions of scale are not just matters of reach, but also of scope, including the dynamics and interrelationships proper to the changed scales of analysis. The added complication here is that the manner in which individuals define and relate to different scales is part of cultural and social processes, and involved in their production and reproduction. Scale is very often a feature of such things as investment decisions and resource allocation. The valuations of scale are inherent in ordinary everyday language about north-south divides, the left behind, and underperforming regions, emergent narratives with economic and political consequences. What an economy of belonging speaks to most powerfully is the sense that many citizens have that they are not part of the larger whole, that their needs are not being attended to or even recognised. Indeed anxieties about globalisation are part of a response to deep structural transformations in the way economic and social life are structured, combined with a profound sense that such processes are outside individual and community control (MacKinnon et al, 2011). Politics is always an intrinsic part of scale.

However, this still leaves the question of how local level differences between LSOAs, or in our case here between our 8 case study areas, relate to individuals’ quality of life and to the experience of being left behind. In formulating a response, there is an important distinction to be made between personal subjective assessments (how is my life for me?) and evaluative assessments (how do I see the prosperity and quality of life in my local area?) (Lee and Kim, 2016:20).

Evaluative assessments of the quality and character of collective living are important, and are key to understanding the relationship between culture, identity and prosperity. Prosperity and quality of life are both situated (in some specific place) and relational (social and interconnected). Prosperity and quality of life are the outcome of both situated and relational effects which in their turn are dependent on the mobilisation of specific sets of resources, assets and infrastructures within specific social and spatial contexts.

Understanding the relationship between individual experiences, local conditions and larger national and supra-national determinants is the unresolved challenge of all social theory. It is not difficult to understand that prosperity and quality of life are the consequence of complex sets of relations or forms of relationality between people, places, material assets and non-material assets, such as value, culture and belonging. But, the issue rapidly becomes not one of scale (how does individual well-being add up to national well-being, for example), but of scope. All indices and forms of measurement are underpinned by categories, for example well-being, and those categories are made up of components, those components have variable interrelationships, where some components are more determinant than others. So the first point is that it matters whether we are trying to improve well-being, quality of life or prosperity, and how we define those things since that will determine what components makes up the categories, and even how they relate. When it comes to measurement, a series of indicators (objective, subjective and evaluative) will be nested within a series of domains. Across the large number of indices currently available, domains vary and so do the indicators that constitute them. Domains (e.g. health and well-being, economy, environment) frequently reflect established and emerging conceptual and policy frameworks. It is also generally assumed that the interrelations between factors within domains are denser and more complex, as opposed to interrelations...
between factors across domains. So the determination of domains and their scope (what they cover) has profound consequences for understanding the interrelations between elements in complex, open systems, and will likely determine what specific interrelations should take priority from a policy point of view. In short, we might ask are we dividing the world up into categories in ways that are optimising our ability to understand how we might best build an economy of belonging? This question is of particular relevance to this study since we make use of different data sets constructed for different reasons, deploying specific conceptual frameworks, and utilising different domains, as well as a wide variety of indicators within and across domains. The results of such studies are expressed using derived values both for domains and for indicators within domains that are actually made up of various metrics. Statistically speaking the data sets are non-comparable, but when used comparatively and cartographically they do provide a series of insights into the patterns underpinning intra-regional variation (see below).

On-going research at the Institute for Global Prosperity on its citizen-led Prosperity Index (PI) measures what local people say supports their prosperity and quality of life across five main domains (Anderson, 2018): foundations of prosperity; opportunities and aspirations; health and healthy environments; power, voice and influence; and belonging, identities and culture (Woodcraft and Anderson, 2019). A summary of IGP’s PI domains and sub-domains is shown in diagram 1 below.

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**Figure 10. IGP Prosperity Index Domains and sub-domains – Source: Woodcraft and Anderson 2019.**
The five domains and the elements of which they are composed are based on extensive interview, focus group and survey work. The PI itself is compiled from these detailed local investigations combined with indicators and metrics from data sets at LSOA, LA and national levels. The aim is to create a composite index that combines elements that make sense to local communities themselves, and are close to the life experiences of individuals and different groups, with structural and systemic economic, social and political resources and constraints. One of the key insights from this work is that it is not just the identification of domains and components that matters, but how they relate to each other, and the complexity and density of relations between elements. For example, in some settings the issue of political inclusion is strongly tied to that of belonging and culture creating a series of specific and cascading interrelations between other components of the two domains (see Diag 1). In the current moment in the UK, we have a reasonably clear idea of what elements add up to make things go badly, but rather less clue as to what adds up to make things go well. Current research recognises that we are dealing with complex ecologies or assemblages of relations (Llena-Nozal et al., 2019; Hidalgo and Hausmann, 2009), but there is still too much analytic focus on the individual elements of the assemblage (e.g. educational attainment) and not enough on the interconnections between elements, the forms of their relationality (Atkinson, 2017; WWW, 2017).

Recognising that relationality might be key to understanding the drivers of prosperity at the local level, we explored how we might build an analytic framework that would provide us with some insight into the forms of relations between key components and their complexity. It would not be possible without detailed empirical work to build PIs for all 8 case study areas, so we had to develop a framework that would work with the data available. Drawing on and deploying the research data from the PI work in the UK and based on an initial analysis of the data sets used in this study (see Section 2 above), we identified three key areas for understanding the intersections of individual and community wellbeing with social, economic and political structures and constraints: Life Outcomes, Life Opportunities and Life Together (LOOT). The aim was to use the insights from the detailed PI to create a tripartite analytical framework that made sense across scales, but was derived also from experience near concepts that make sense of life as it is lived, so as to build a picture of what might be essential for quality of life and prosperity for individuals and communities in specific places. To build the sub-domains and components of the LOOT framework, we extrapolated and remapped variables and indicators from across the various domains and sub-domains of the examined datasets, indices and additional sources, employing objective, subjective and evaluative indicators and metrics.

Life Outcomes are variables and indicators showing the ‘state of affairs of life’ and include the physical and mental health situations of the areas examined. Some of these consist of objective measures such as life expectancy at birth or registered suicides, while others are self-perceived metrics such as anxiety levels or health satisfaction. Outcomes also include economic performance, such as employment and unemployment conditions, individual insolvency rates, the availability of good jobs, and growth and productivity outputs.

Life Opportunities are variables and indicators that measure the conditions and resources necessary for people and communities to able to adapt and respond to socio-economic change. This theme includes material and perceived wellbeing (income inequality, job satisfaction), data on the material and social Infrastructure resources and conditions, their quality and accessibility (including housing costs and conditions, transport, connectivity and communications), and living environment variables (local physical environment, availability of green spaces, pollution levels and renewable energy).

Life Together refers to variables and indicators regarding individual motivations and aspects of civic and social responsibility. This includes social capital (including education, political participation, civic engagement) and sense of community variables (such as social relationships, levels of trust, crime rates, and feelings of safety).
Table 6 below summarises the LOOT framework with their respective sub-sets of variables and the indicators and metrics used, highlighting the datasets and/or indices they are drawn from.

<table>
<thead>
<tr>
<th>LIFE OUTCOMES</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHYSICAL HEALTH VARIABLES</td>
</tr>
<tr>
<td>Scale 1: LA level</td>
</tr>
<tr>
<td><strong>-2016 UK LIPI:</strong></td>
</tr>
<tr>
<td><strong>-2019 HC TPI:</strong></td>
</tr>
<tr>
<td>Scale 2: LSOA level</td>
</tr>
<tr>
<td><strong>-2019 EIMD:</strong></td>
</tr>
<tr>
<td><strong>-2019 WIMD:</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MENTAL HEALTH VARIABLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scale 1: LA level</td>
</tr>
<tr>
<td><strong>-2016 UK LIPI:</strong></td>
</tr>
<tr>
<td><strong>-2019a ONS</strong></td>
</tr>
<tr>
<td><strong>-2019 HC TPI</strong></td>
</tr>
<tr>
<td><strong>-2019b ONS</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ECONOMIC PERFORMANCE VARIABLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scale 1: LA level</td>
</tr>
<tr>
<td><strong>-2016 UK LIPI:</strong></td>
</tr>
<tr>
<td><strong>-2019 HC TPI:</strong></td>
</tr>
<tr>
<td><strong>-2018 UK Insolvency Service</strong></td>
</tr>
<tr>
<td>Scale 2: LSOA level</td>
</tr>
<tr>
<td><strong>-2019 EIMD:</strong></td>
</tr>
<tr>
<td><strong>-2019 WIMD:</strong></td>
</tr>
</tbody>
</table>

Table 6 (1) LOOT Framework: Remapping of databases and indices domains and headline elements for analysis (variables, sub-domains, sub-indices and measures examined)
### LIFE OPPORTUNITIES

#### MATERIAL AND PERCEIVED WELLBEING VARIABLES

**Scale 1: LA level**

- **2016 UK LIPI:**
  - Economic Quality domain (variables: median annual earnings, job satisfaction, feelings about household income); Business Environment domain (variables: business entrepreneurship, business survival rates)
  - **2019 HC TPI:** Equality headline element (sub-domains: income, income gender, social mobility); Work and local Economy (sub-domain: local businesses)
  - **2020a ONS:**
    - Average Household Income in the UK (measure: average household incomes at UK national and MSOA levels, FYE 2017-2019)

**Scale 2: LSOA level**

- **2019 EIMD:**
  - Income domain (income deprivation, income deprivation affecting children sub-index (IDACI), income deprivation affecting older people sub-index (IDAOPI))
- **2019 WIMD:**
  - Income domain (income deprivation)

#### MATERIAL INFRASTRUCTURE 1: HOUSING VARIABLES

**Scale 1: LA level**

- **2016 UK LIPI:**
  - Social Capital domain (variables: housing costs, housing affordability)
- **2019 HC TPI:**
  - Local Conditions headline element, Place and Environment domain (sub-domain: housing)

**Scale 2: LSOA level**

- **2019 EIMD:**
  - Barriers to Housing and Services domain (barriers to housing and services deprivation)
- **2019 WIMD:**
  - Housing domain (housing deprivation)

#### MATERIAL INFRASTRUCTURE 2: CONNECTIVITY AND COMMUNICATIONS

**Scale 1: LA level**

- **2016 UK LIPI:**
  - Business Environment domain (variables: logistics infrastructure, broadband speed, super-fast broadband access)
- **2019 HC TPI:**
  - Local Conditions headline element, Place and Environment domain (sub-domain: transport)

#### SOCIAL INFRASTRUCTURE: CHILDCARE AND ADULT SOCIAL CARE VARIABLES

**Scale 1: LA level**

- **2019 Coram Family & Childcare Trust:**
  - Childcare Survey Report
- **2018 National Day Nurseries Association:**
  - NDNA Annual Nursery 2018 Surveys for England and Wales
  - Figures, notes and commentary on Childcare services, including: weekly costs per type of service, levels of provision, quality of services
**LIVING ENVIRONMENT VARIABLES**

**Scale 1: LA level**
- **2016 UK LIPI:**
  Living Environment domain (variables: waste, landfill, air pollution, protected land)
- **2019 HC TPI:**
  Sustainability headline element (sub-domains: COs emissions, energy consumption per capita, renewables, land use); Local Conditions headline element, Place and Environment domain (sub-domain: green space)

**Scale 2: LSOA level**
- **2019 EIMD:**
  Living Environment domain (living environment deprivation)
- **2019 WIMD:**
  Physical Environment domain (physical environment)

*Data for Childcare and Adult Social Care is not consistently available at LA, district levels.*

**Table 6 (2) LOOT Framework: Remapping of databases and indices domains and headline elements for analysis (variables, sub-domains, sub-indices and measures examined)**
### LIFE TOGETHER

#### SOCIAL CAPITAL VARIABLES

**Scale 1: LA level**
- **2016 LIPI:**
  Social Capital domain (variables: civic engagement (voting turnout, volunteering, recycling); Education domain (variables: education attainment, formal qualifications, truancy)

- **2019 HC TPI:**
  Local Conditions headline element, Education and Learning domain (sub-domains: adult education, children education); People and Community domain (sub-domains: participation, culture); Sustainability headline element (sub-domain: household recycling)

**Scale 2: LSOA level**
- **2019 EIIMD:**
  Education, Skills and Training domain (education, skills and training deprivation)

- **2019 WIMD:**
  Education domain (education deprivation)

### SENSE OF COMMUNITY 1: SOCIAL RELATIONSHIPS VARIABLES

**Scale 1: LA level**
- **2016 LIPI:**
  Social Capital domain (variables: trust, rely on friends, rely on family)

- **2019 HC TPI:**
  Local Conditions headline element, People and Community domain (sub-domains: community cohesion, social isolation)

### SENSE OF COMMUNITY 2: SAFETY AND SECURITY VARIABLES

**Scale 1: LA level**
- **2016 UK LIPI:**
  Safety and Security domain (variables: perceived personal safety, perceived community safety, road safety, violent crime, theft)

- **2019 HC TPI:**
  Local Conditions headline element, Place and Environment domain (sub-domain: safety)

**Scale 2: LSOA level**
- **2019 EIIMD:**
  Crime domain (crime deprivation)

- **2019 WIMD:**
  Community Safety domain (community safety deprivation)

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*Table 6 (3) LOOT Framework: Remapping of databases and indices domains and headline elements for analysis (variables, sub-domains, sub-indices and measures examined)*
5.2 LIFE OUTCOMES

Figures 10 (a-d) and 11 show the Life Outcomes data for the eight local areas in four paired sets providing a detailed picture of how the eight areas relate to each other, as well as the differences in each region between the better off and worst off pairs. The data shows striking similarities across the four regions, with each of the four worst off areas performing poorly on physical and mental health and economic metrics. What is particularly noticeable is that life outcomes not only show marked differences at the LA level, but that the overall performance of the worst off areas is strongly impacted by variations at the LSOA level. Areas underperforming in terms of physical and mental health (subjective and objective), also did poorly in terms of employment figures, the availability of good jobs, levels of child poverty, insolvency rates and employment deprivation at the LSOA level (see Table 7 below).

However, while there is a clear pattern across the mental health, physical health, unemployment, and long-term employment across all eight areas, GVA growth shows a different pattern. Ratings for GVA growth were very poor for most ‘best-off’ areas, with the exception of Richmond upon Thames in London which showed very high (positive) ratings. GVA growth was higher in Blaenau Gwent than in its better off pair of Monmouthshire. Barking and Dagenham showed positive GVA growth most likely because of its location within the capital city, but very poor performances on other outcomes. Figures for child poverty corresponded very poorly with GVA growth rates in some areas like Ribble Valley and Monmouthshire where child poverty figures were positive (low), but GVA growth weak. Ribble valley and Preston as a pair showed very similar GVA growth rates, but different outcomes on other metrics, especially those relating to health.

<table>
<thead>
<tr>
<th>UK NUTS1 level regions</th>
<th>Local Authority</th>
<th>Health Deprivation and Disability*</th>
<th>Employment Deprivation</th>
<th>Total number of LSOAS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Deprivation decile</td>
<td>10%</td>
<td>20-30%</td>
<td>10%</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>Kingston upon Hull</td>
<td>65</td>
<td>46</td>
<td>71</td>
</tr>
<tr>
<td></td>
<td>Harrogate</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>North West</td>
<td>Preston</td>
<td>24</td>
<td>35</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Ribble Valley</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Wales*</td>
<td>Blaenau Gwent</td>
<td>7</td>
<td>19</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Monmouthshire</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>London</td>
<td>Barking &amp; Dagenham</td>
<td>12</td>
<td>29</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Richmond upon Thames</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: ‘The 2019 WIMD provides data for health deprivation domain.

Table 7 Number of LSOAs per Local Authority in the two most deprived deciles for Health Deprivation and Disability and Employment Deprivation domains – Source: EIMD 2019 and WIMD 2019.
Generally, the large gaps observed between the 8 areas at the LA level were much wider when looked at the LSOA level because of the concentration of small areas in the most deprived deciles with regard to health, disability and employment as shown in the LSOA level maps in the Life Outcomes infographics (see Table 7 above and Infographic 1(a-d) below). The 2019 EIMD and 2019 WIMD indicators for employment deprivation focus on data on the rate of various benefit claims for work-related benefits, with little information on the quality of jobs, productivity levels, household income, or job-satisfaction. The lack of data at the LSOA level on the quality of employment and the ‘good work gap’ present important challenges in understanding the interrelationships between physical and mental wellbeing and economic wellbeing at a disaggregated level. This is all the more important given the rise of anxiety and the deterioration of mental health in the context of rising economic insecurity, job precariousness and the widening gap of living standards between and within regions in the UK, recently exacerbated by the covid crisis (Wallace-Stephens 2019; Marmot et al., 2020a; 2020b).

The most deprived areas in terms of the availability of good jobs, as well as household income inequalities before and after housing costs, also show lower ratings in terms of life expectancy at birth and at 65 (Infographics 1 (a-d) and Figure 11). This is also correlated with data on mental health, where areas with lower ratings in economic performance variables also show lower ratings for personal wellbeing measures such as anxiety, mental health, and higher registered suicide numbers and suicide rates. Overall, there seems to be a clear pattern at LA and LSOA level linking income gaps, poor working conditions and economic outcomes to children poverty, and child physical and mental health. In his ten-year review, Marmot showed how socio-economic inequalities and inequalities in life expectancy and health life expectancy follow a certain ‘social gradient’; the more deprived an area in economic terms, the shorter the life expectancy and the poorer the latest years in life (2020a: 13). The same study highlights how despite increases in employment rates and overall income levels across the UK, the last ten years have seen increasing rates of unemployment, long-term unemployment, and child poverty, as well as a widening of the ‘good jobs’ gap and productivity levels at regional and sub-regional levels (Marmot et al., 2020a: 58). Our analysis not only confirms this, showing very big differences between our ‘worst-off’ and ‘best-off’ cases, but also clarifying how some of these dynamics play out at the local level.

Our analysis of life outcomes across the eight areas also relates to recent literature pointing to the importance of family background for child physical and mental health. For instance, research shows that children in families experiencing poverty and social and economic inequality experience reduced mental and physical development (Lai et al., 2019), and within those families there are rising rates of infant mortality (Taylor-Robinson et al., 2019) and an increased risk of child neglect and abuse (Featherstone et al., 2019). Levels of happiness and personal subjective wellbeing, and educational achievements in children are also affected (Clair, 2019; Children Society, 2019). Further evidence shows the positive effects of increasing the minimum wage and improving working conditions which are associated with large improvements in child health (Wehby et al., 2020). While research from the Children’s Society shows a clear relationship between household income and emotional and behavioural difficulties in children, with children in lower income households more likely to have higher emotional and behavioural difficulties (Moor and Rees, 2020). However, the data examined in this paper and current academic analyses are not granular enough to understand the nature of these relationships and how and to what extent these dynamics are manifested at the community and individual level. The National Institute of Economic and Social Research’s (NIESR) recent review on the factors and determinants linked to human capital accumulation (Samek et al., 2019), highlights the scarce data available in the UK at the local level to establish strong correlations between levels of education, health conditions and levels of earning, all three aspects acting as factors and determinants of one another in the creation and accumulation of human and social capital.8
IDENTIFYING AND UNDERSTANDING LOCAL PRIORITIES FOR DEVELOPING AN ECONOMY OF BELONGING: A CASE STUDY OF EIGHT AREAS IN THE UK.

Infographic 1(a). **LIFE OUTCOMES YORKSHIRE AND THE HUMBER REGION:** Kingston upon Hull & Harrogate

**LA level**

**PHYSICAL HEALTH**

**MENTAL HEALTH**

**ECONOMIC PERFORMANCE**

**LSOA level**

**ENGLISH INDEX OF MULTIPLE DEPRIVATION, HEALTH DEPRIVATION AND DISABILITY, 2019**

**ENGLISH INDEX OF MULTIPLE DEPRIVATION, EMPLOYMENT DEPRIVATION, 2019**
IDENTIFYING AND UNDERSTANDING LOCAL PRIORITIES FOR DEVELOPING AN 'ECONOMY OF BELONGING': A CASE STUDY OF EIGHT AREAS IN THE UK.

LA level

PHYSICAL HEALTH

MENTAL HEALTH

UK LEGITIMATE INSTITUTE PROSPERITY INDEX, 2016

ECONOMIC PERFORMANCE

LSOA level

ENGLISH INDEX OF MULTIPLE DEPRIVATION, HEALTH DEPRIVATION AND DISABILITY, 2019

ENGLISH INDEX OF MULTIPLE DEPRIVATION, EMPLOYMENT DEPRIVATION, 2019
Figure 11 Life Outcomes: Mental Health, Physical Health and Economic Performance variables at LA level – Source: adapted from UK LIPI 2016
5.3 LIFE OPPORTUNITIES

At the LA level, Life Opportunities variables point to large and widening gaps between ‘worst-off’ and ‘best-off’ areas, with wide gaps in average household income and average household income after housing costs between and within LAs. Preston in particular showed very large differences with a recorded MSOA bottom net household income before housing costs of £29,000 and a top MSOA of £35,900 (see Table 8 and Infographic 2(a-d) below) both of which increased substantially after housing costs (ONS, 2020a). In terms of material infrastructure, while ratings for housing showed Barking and Dagenham on an equal footing with Richmond upon Thames in terms of housing costs and housing

<table>
<thead>
<tr>
<th>UK Region</th>
<th>Local Area</th>
<th>Before Housing Costs</th>
<th>After Housing Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yorkshire and the Humber</td>
<td>Kingston upon Hull</td>
<td>£25,622 Bottom MSOA £20,600 Top MSOA 31,200</td>
<td>£32,447 Bottom MSOA £14,200 Top MSOA £29,700</td>
</tr>
<tr>
<td></td>
<td>Harrogate</td>
<td>£32,562 Bottom MSOA £29,000 Top MSOA £36,400</td>
<td>£31,248 Bottom MSOA £25,600 Top MSOA £36,100</td>
</tr>
<tr>
<td>North West</td>
<td>Preston</td>
<td>£27,712 Bottom MSOA £20,000 Top MSOA £35,900</td>
<td>£24,224 Bottom MSOA £14,800 Top MSOA £33,900</td>
</tr>
<tr>
<td></td>
<td>Ribble Valley</td>
<td>£30,825 Bottom MSOA £28,100 Top MSOA £33,000</td>
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<tr>
<td>Wales</td>
<td>Blaenau Gwent</td>
<td>£24,111 Bottom MSOA £23,000 Top MSOA £26,000</td>
<td>£21,211 Bottom MSOA £19,600 Top MSOA £23,000</td>
</tr>
<tr>
<td></td>
<td>Monmouthshire</td>
<td>£31,527 Bottom MSOA £27,500 Top MSOA £35,900</td>
<td>£29,273 Bottom MSOA £24,600 Top MSOA £34,900</td>
</tr>
<tr>
<td>London</td>
<td>Barking and Dagenham</td>
<td>£31,405 Bottom MSOA £29,200 Top MSOA £34,500</td>
<td>£29,273 Bottom MSOA £24,600 Top MSOA £34,900</td>
</tr>
<tr>
<td></td>
<td>Richmond upon Thames</td>
<td>£46,087 Bottom MSOA £37,100 Top MSOA £55,700</td>
<td>£40,526 Bottom MSOA £33,200 Top MSOA £48,400</td>
</tr>
</tbody>
</table>

Table 8 Average net household income per MSOA per Local Authority before and after housing costs, Financial Year Ending 2018 – Source: Authors calculation using ONS 2020a Income estimates for small areas for England and Wales FYE 2018 dataset.
Table 9 below shows the widening gaps between the best-off and worst-off local areas for Life Opportunities in terms of the number of deprived LSOAs in the bottom 10% and 20-30% deciles of deprivation in terms of overall income, barriers to housing and public services, and living environments. The figures are quite startling in their magnitudes. At LSOA, Barking and Dagenham has 75% of its population in the bottom 3 deciles for income deprivation, and recorded as many as 103 (of out a total of 110) small areas at the most deprived decile affected for housing deprivation and access to services, compared to none in Richmond which has a total of 115 LSOAs (EIMD 2019). Likewise, Preston has 48% of its residents in the bottom 3 deciles for income deprivation compared to its better off neighbour Ribble Valley which has none. These findings also highlight the important interrelations between income deprivation, barriers to housing and public services and overall quality of life, including environmental quality, protected land and green spaces. All these factors are correlated with poor levels in physical and mental health measures as shown for Life Outcomes variables (see Section 5.2 above). The figures on environmental deprivation were uniformly poor across the 8 areas, albeit with more positive ratings in the Happy City Thriving Places Index. At the LSOA level, Harrogate showed high levels of deprivation with 9 small areas at the 10% and another 21 at the 20-30% most deprived deciles in terms of environment deprivation and Richmond upon Thames had as many as 49 small areas in the bottom 20-30% deciles.

<table>
<thead>
<tr>
<th>UK NUTS1 level regions</th>
<th>Local Authority</th>
<th>Income deprivation</th>
<th>Barriers to Housing and Services deprivation</th>
<th>Access to Services Living Environment*</th>
<th>Total number of LSOAS</th>
<th>Total number of LSOAS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Bottom 10%</td>
<td>Bottom 20-30%</td>
<td>Bottom 10%</td>
<td>Bottom 20-30%</td>
<td>Bottom 10%</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>Kingston upon Hull</td>
<td>70</td>
<td>26</td>
<td>7</td>
<td>32</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Harrogate</td>
<td>1</td>
<td>2</td>
<td>17</td>
<td>12</td>
<td>-</td>
</tr>
<tr>
<td>North West</td>
<td>Preston</td>
<td>18</td>
<td>23</td>
<td>1</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Ribble Valley</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Wales*</td>
<td>Blaenau Gwent</td>
<td>5</td>
<td>25</td>
<td>5</td>
<td>14</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Monmouthshire</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>London</td>
<td>Barking and Dagenham</td>
<td>5</td>
<td>78</td>
<td>103</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Richmond upon Thames</td>
<td>0</td>
<td>8</td>
<td>0</td>
<td>8</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: *The 2019 WIMD provides data for health deprivation domain. Notes: *The Welsh IMD provides data in terms of Housing Deprivation and Access to Services Deprivation as separate domains, while the Welsh equivalent for the EIMD 2019 Living Environment Deprivation domain is the Physical Environment Deprivation (WIMD 2019).

Table 9 Number of LSOAs per Local Authority in the two most deprived deciles for Income Deprivation, Barriers to Housing and Services Deprivation, Access to Services Deprivation (Wales), and Living Environment Deprivation domains – Source: EIMD 2019 and WIMD 2019.
Data from MSOA and LSOA levels shows income deprivation strongly affecting children and older populations, with areas such as Kingston upon Hull having 60% of children in the bottom 3 deciles affected by income deprivation and 64% of older people, and the figures for Barking and Dagenham are even worse (Table 10, see also Figure 12 below). In terms of Adult Social Care, across the UK the issue is not only affordability but provision, with one in five local authorities having insufficient provision in their area to meet demand. Over 4.3 million people aged 75 and over live in areas where there is not enough social care to meet demand. The biggest consequence is the impact on working families which end up needing to balance work commitments with caring for their loved ones, as they cannot afford professional services. In 2018, there were about 9 million working parents in the UK and 2 million working carers, representing a third of the UK workforce (Cottell and Harding 2018b). This does not only have significant effects on peoples incomes, but also mental health as they are having to cope with rising precariousness and insecurity of jobs and the inflexibility of the work place.⁹

Recent studies find that children from families experiencing poverty and housing problems (in terms of insecure tenure, overcrowding, quality of living conditions, and affordability) are affected across a range of life outcomes as spending on rising housing costs from the private rented sector crowds out spending on other essentials such as food, clothing and educational resources (Clair 2019), which then impact on children and young people’s health (physical and mental), educational achievements and wellbeing. The long term consequences of under investment in children are clear.

If we examine UK LIPI 2016 variables as remapped through our LOOT framework (see Figure 12 below), we can see that all areas underperforming in such measures as median annual earnings,

### Table 10 Number of LSOAs per Local Authority in the two most deprived deciles for Income Deprivation, IDACI and IDAOCI domains – Source: EIMD 2019 and WIMD 2019.

<table>
<thead>
<tr>
<th>UK NUTS1 level regions</th>
<th>Local Authority</th>
<th>Income deprivation domain</th>
<th>IDACI** sub-index</th>
<th>IDAOCI** sub-index</th>
<th>Total number of LSOAS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Deprivation decile</td>
<td>Bottom 10%</td>
<td>Bottom 20-30%</td>
<td>Bottom 10%</td>
<td>Bottom 20-30%</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>Kingston upon Hull</td>
<td>70</td>
<td>26</td>
<td>63</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>Harrogate</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>North West</td>
<td>Preston</td>
<td>18</td>
<td>23</td>
<td>12</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>Ribble Valley</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Wales*</td>
<td>Blaenau Gwent*</td>
<td>5</td>
<td>25</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Monmouthshire*</td>
<td>0</td>
<td>3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>London</td>
<td>Barking &amp; Dagenham</td>
<td>5</td>
<td>78</td>
<td>6</td>
<td>69</td>
</tr>
<tr>
<td></td>
<td>Richmond upon Thames</td>
<td>0</td>
<td>8</td>
<td>0</td>
<td>7</td>
</tr>
</tbody>
</table>

Notes: IDACI (Income Deprivation Affecting Children Index) and IDAOCI (Income Deprivation Affecting Older Population Index) are not collected by the Welsh IMD 2019.
job satisfaction, feelings about household income, and entrepreneurship and business survival rates, also did poorly in terms of broadband access and speed, and in terms of the logistics index which covers key business infrastructure, and access to road, rail, ports, and airports (UK LIPI 2016). This is particularly important when we look closely at the relationship between entrepreneurship rate and broadband access; while most worst off areas had poor ratings for both, the better off areas of Hargrave and Monmouthshire showed little correlation between the two, and Barking and Dagenham had high broadband access with low entrepreneurship rate. These findings emphasise that it is not just a matter of one or two key determinants for life opportunities, but a complex ecology of multiple determinants that need to work well together to make an impact. Our analysis also shows the divide between more and less deprived areas in terms of how digital exclusion acts as a major barrier to low-income households participating in social and economic life (Quinio and Burgess, 2019). This has become particularly exacerbated during the Covid-19 pandemic (Holmes and Burgess, 2020). UK Government lockdown measures, and in particular the expectation that households can shift to homeworking and schooling has highlighted and exacerbated how digital exclusion prevents online access to social security services and vital public health information, to job search, skill training and homeworking, and amplifies the inability to access food parcel schemes, socialise virtually with friends and family, and invest and sustain small to medium enterprises. These issues have prompted renewed political dialogue about importance of universal access to critical services such as digital infrastructure to allow people to participate fully in society (Cullinane and Montacute, 2020; Holmes and Burgess, 2020), and have underpinned work in the IGP on the importance of Universal Basic Services for building individual and community capacities and capabilities to manage the next stage of structural transformation in the economy (IGP, 2017; 2019; Coote and Percy, 2020).

The life opportunities data set is designed to give us insight into the conditions and resources necessary for people and communities to be able to adapt and respond to socio-economic change, most especially the changing nature of work and automation. It also provides information on some of the features that will enhance or restrain future capacities and capabilities. These include the health and well-being of children, and environmental quality and sustainability. On these criteria, the data provide little optimism. Before the covid crisis, employment was at an all-time high in the UK, but as these results show many are not earning enough to make life or work worthwhile. In the UK around 56% of people in poverty are in a working family, compared to 39% 20 years ago. Of the 14 million people living in poverty, 2 million are pensioners and 4 million are children (JRF, 2019). The long term effects of poverty in childhood are well known. Figures on deep poverty in the UK (the bottom 10% of the income distribution) reveal the highly racialised and gendered nature of austerity and the continuing failure of the benefits system. The proportion of Black people in deep poverty has increased by 11% since 2010 (Edmiston, 2020). The full distributional effects of labour market change and structural transformation in the economy need to be carefully disaggregated for different groups and communities. Many communities in the UK do not have the resources or capacity to take advantage of opportunities offered to them, and systemic racialised and intergenerational injustice is further embedding and deepening their inability to claim a future. In addition, these areas and communities have poor physical and social infrastructure. The level of environmental deprivation – over 70% of the UK’s deprived areas have poor environmental quality (NCB, 2012) - with long term consequences for individual life outcomes and the environmental sustainability of the UK itself (Bell, 2019).
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**Infographic 2(a). LIFE OPPORTUNITIES**

**LA level**

**MATERIAL & PERCEIVED WELLBEING**

- Happy City Thriving Places Index, 2019
  - Kingston Upon Hull
  - Harrogate
  - Income Equality
  - Gender Pay Gap
  - Social Mobility
  - Local Business

**MATERIAL INFRASTRUCTURES**

- Housing Connectivity & Communications
  - UK Legatum Institute Prosperity Index, 2016
  - Housing Costs
  - Housing Affordability
  - Housing Conditions
  - Transport Conditions

**LIVING ENVIRONMENT**

- Happy City Thriving Places Index, 2019
  - CO2 Emissions
  - Energy Consumption Per Capita
  - Renewables
  - Land Use
  - Local Environment

**LSOA level**

**English Index of Multiple Deprivation, Income Deprivation, 2019**

- Kingston upon Hull
- Harrogate

**English Index of Multiple Deprivation, Barriers to Housing and Services, 2019**

- Kingston upon Hull
- Harrogate

**English Index of Multiple Deprivation, Living Environment Deprivation, 2019**

- Kingston upon Hull
- Harrogate
IDENTIFYING AND UNDERSTANDING LOCAL PRIORITIES FOR DEVELOPING AN 'ECONOMY OF BELONGING': A CASE STUDY OF EIGHT AREAS IN THE UK.

**LA level**

**MATERIAL & PERCEIVED WELLBEING**

- Happy City Thriving Places Index, 2019
  - Preston
  - Ribble Valley
  - Income Equality
  - Gender Pay Gap
  - Social Mobility
  - Local Business

- UK Legatum Institute Prosperity Index, 2016
  - Median Annual Earnings
  - Job Satisfaction
  - Feelings About Income
  - Entrepreneurs
  - HP Rate
  - Business Survival Rate

**MATERIAL INFRASTRUCTURES**

- Housing | Connectivity & Communications
  - Housing Costs
  - Housing Affordability
  - Housing Conditions
  - Transport Conditions

- Happy City Thriving Places Index, 2019
  - Preston
  - Ribble Valley

- UK Legatum Institute Prosperity Index, 2016
  - Average Broadband Speed (Mbps)
  - Superfast Broadband Access (more than 24 Mbps)

**LIVING ENVIRONMENT**

- Happy City Thriving Places Index, 2019
  - Preston
  - Ribble Valley
  - CO2 Emissions
  - Energy Consumption
  - Onshore Renewables
  - Land Use
  - Local Environment

**LSOA level**

**English Index of Multiple Deprivation, Income Deprivation, 2019**

- Preston
- Ribble Valley

**English Index of Multiple Deprivation, Barriers to Housing and Services, 2019**

- Preston
- Ribble Valley

**English Index of Multiple Deprivation, Living Environment Deprivation, 2019**

- Preston
- Ribble Valley
IDENTIFYING AND UNDERSTANDING LOCAL PRIORITIES FOR DEVELOPING AN 'ECONOMY OF BELONGING': A CASE STUDY OF EIGHT AREAS IN THE UK.

Infographic 2(c). LIFE OPPORTUNITIES

WALLES: Blaenau Gwent & Monmouthshire

Infographic 2(c). LIFE OPPORTUNITIES

LA level

Material & Perceived Wellbeing

- Happy City Thriving Places Index, 2019
- Income Equality
- Gender Pay Gap
- Social Mobility
- Local Business

UK Legatum Institute Prosperity Index, 2016

- Median Annual Earnings
- Job Satisfaction
- Feelings about Inclusivity
- Entrepreneurs Hip Rate
- Business Survival Rate

LIVING ENVIRONMENT

- CO2 Emissions
- Energy Consumption Per Capita
- Renewable Energy
- Land Use
- Local Environment

Infographic 2(c). LIFE OPPORTUNITIES

LSOA level

Welsh Index of Multiple Deprivation, Income Deprivation, 2019

- Blaenau Gwent
- Monmouthshire

Welsh Index of Multiple Deprivation, Housing Deprivation, 2019

- Blaenau Gwent
- Monmouthshire

Welsh Index of Multiple Deprivation, Physical Environment Deprivation, 2019

- Blaenau Gwent
- Monmouthshire
Figure 12 Life Opportunities: Material and Perceived Wellbeing, Material Infrastructure (Connectivity and Communications), and Living Environment variables at LA level – Source: adapted from UK LIPI 2016
5.4 LIFE TOGETHER

What the analysis of the Life Together variables shows is the challenge of understanding quality of life issues using survey data alone. The interactive nature of social life does not translate well into data from single points of time derived from single issue questions. Part of the problem is how categories or domains such as social cohesion or solidarity are constituted, and what indicators are used to act as proxies for their various components. While we have recombined various elements and indicators within the LOOT framework we have not had the access to the disaggregated data from the other constituent surveys, and this likely explains the conflicting and contradictory nature of some of the findings. However, it also emphasises the point that the definitions of such terms as social capital, social cohesion and so on do not necessarily reflect the values, purposes and institutions (networks etc) that are significant for people on the ground nor their interrelations.

As shown below at LA level (Infographic 3 (a-d) and Figure 13), and at LSOA level (Table 11), most ‘worst-off’ case study areas showed very low ratings in educational attainment at 16 (with and without GCSE core subject results) and formal qualifications. This was also the case for adult and child education measures from the HC TPI 2019 (see Infographic 3(a-d) below). At LSOA level, ‘worst-off’ areas showed much lower ratings than their counterpart ‘best-off’ areas with very high numbers of LSOAs in the 20-30% most deprived deciles in terms of education, skills and training deprivation (Table 11 below).

<table>
<thead>
<tr>
<th>UK NUTS1 level regions</th>
<th>Local Authority</th>
<th>Education, Skills and Training deprivation*</th>
<th>Crime Deprivation*</th>
<th>Total number of LSOAS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Deprivation decile</td>
<td>Bottom 10%</td>
<td>Bottom 20-30%</td>
<td>Bottom 10%</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>Kingston upon Hull</td>
<td>8</td>
<td>40</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>Harrogate</td>
<td>0</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>North West</td>
<td>Preston</td>
<td>10</td>
<td>28</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>Ribble Valley</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Wales*</td>
<td>Blaenau Gwent</td>
<td>8</td>
<td>20</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Monmouthshire</td>
<td>0</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>London</td>
<td>Barking and Dagenham</td>
<td>13</td>
<td>25</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Richmond upon Thames</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

*Notes: The Welsh IMD equivalent domains for these variables are the Education Deprivation and the Community and Safety Deprivation domains.

Table 11 Number of LSOAS per Local Authority in the two most deprived deciles for Education, Skills and Training Deprivation, and Crime Deprivation domains – Source: EIMD 2019 and WIMD 2019
There was a clear correlation between low levels of education and crime related variables both at the LA and LSOA level. At the LSOA level, (see Table 11), there were negative ratings for both education, skills and training deprivation and crime deprivation for all of the ‘worst-off’ areas and very large gaps between ‘worst-off’ and ‘best-off’ areas within each region. At the LA level, areas with poor ratings in educational attainment and formal qualifications, also showed low ratings in safety and security variables such as personal safety, violent crime, and theft (see HC TPI data in Infographic 3(a-d)), with the exception of the Welsh cases where crime ratings at the LA level were positive. Areas with low ratings in safety and security variables such as violent crime, theft (UK LIPI 2016), and safety (HC TPI 2019), also reported low ratings for physical health variables (including mortality rates, life expectancy, premature deaths caused by CVD, overall health), and mental Health variables (anxiety, mental health, and suicide rate) (see life outcomes above Figure 2 a-d). This was also observed at the LSOA level, with those areas with high levels of small areas concentrated in the bottom most deprived deciles for crime deprivation also showing high levels for health deprivation and disability (WIMD, 2019; EIMD 2019).

Voter turnout and trust in the government has been declining in the UK for some time (Uberoi and Johnston, 2019), but the data here relate only to local elections which often have a poor turnout. Most areas studied, particularly those underperforming on education metrics, also underperformed on local political participation measures. However, low ratings in participation at local elections were not matched by other civic engagement measures; volunteering and household recycling rates for instance showed high ratings for most small areas. Overall measures for trust were comparable across all areas and showed no significant variation between better and worse off areas. However, when sense of community variables were taken together, there were no clear relationships between trust and relying on family and friends, nor between trust and community cohesion. Overall, participation rates (including political, social, sports societies and clubs) were higher for the better off areas. But, there was no clear pattern correlating levels of education with political participation, or political participation with other forms of civic engagement. At the LSOA level (see Table 11), there were negative ratings for both education, skills and training deprivation and crime deprivation for all of the ‘worst-off’ areas and very large gaps between ‘worst-off’ and ‘best-off’ areas within each region. Areas with low ratings in safety and security variables such as violent crime, theft (UK LIPI 2016), and safety (HC TPI 2019), also reported low ratings for physical health variables (including mortality rates, life expectancy, premature deaths caused by CVD, overall health), and mental Health variables (anxiety, mental health, and suicide rate) (see life outcomes above Figure 2 a-d). This was also observed at the LSOA level, with those areas with high levels of small areas concentrated in the bottom most deprived deciles for crime Deprivation also showing high levels of deprivation in health deprivation and disability (EIMD 2019) and health deprivation (WIMD 2019).
Kingston upon Hull is one of the poorest areas of the UK (UK2070; 2020) with very poor outcomes across many metrics, and yet it showed positive ratings in terms of adult education and % of adult population with formal qualifications, and participation in certain social norms and civic engagement activities such as volunteering, recycling and culture (UK LIPI 2016; HC TPI 2019). Metrics for educational attainment at 16 (UK LIPI 2016) were also poor and this was compounded by high levels of education, skills and training deprivation at the LSOA level with 48 small areas in the lowest 3 deciles. Social capital and social cohesion can often be high in communities facing adversity and in those where in-group/out-group boundaries are strong. However, in terms of variables related to sense of community, the area showed high ratings for trust and perceived community safety (UK LIPI 2016), but ratings for community cohesion (HC TPI 2019), family and friendship safety-net networks, and perceived personal safety (UK LIPI 2016) were all very poor. Its comparator case Harrogate showed high and very positive ratings across most social capital variables, including community cohesion (UK LIPI, 2016; HC TPI, 2019).

In contrast the findings in the North West were somewhat different. Social capital variables for Preston showed predominantly average ratings across most metrics, with very negative results for % of adult population with formal qualifications (UK LIPI 2016), and at the LSOA level, there were a high number of small areas in the bottom 3 deciles in terms of education, skills and training deprivation (EIMD 2019). Preston showed low ratings for community cohesion (HC TPI 2019) and family/friends safety-net and networks, and poor ratings for most metrics linked to safety and security, (UK LIPI 2016), while at LSOA level crime deprivation was very high (EIMD 2019). However, its comparator case Ribble Valley showed only average to positive ratings for most social capital variables at LA level and at LSOA level, while recording positive results for the % of the population with formal qualifications, and no small areas within the bottom 3 deciles for education, skills and training deprivation (EIMD 2019). Yet, social relationship variables actually showed a very similar picture to Preston with low ratings for perceived personal safety and community safety (HC TPI, 2019), and family and friends safety-nets (UK LIPI 2016), although unlike Preston, Ribble Valley scored much higher for community cohesion (HC TPI 2019).

What the life together data does reveal is the importance of sets of intersecting variables which together shape the character of a particular place. More crucially, they shape not just its character, but the process of its making and the potential for changing it. Place making is formed through processes of different scale and temporality, the time of social networks is not the same as the time of culture, for example. Activities like volunteering have a quite different potential impact if they are organised around sports clubs as opposed to workplaces. Understanding how the actions of individuals, institutions, culture and embedded assets and resources make places is key to understanding how the environment individuals and communities inhabit is shaped, and the constraints and possibilities through and under which it and they can be transformed. This underscores a key point of this article that we need to move beyond understanding institutional, cultural and social capital assets as just a series of arrangements. People’s co-operation will always be associated with moral values and social interests and purposes, and these alter not just the relations within and between social networks, for example, but the character of the relationality of the components of those networks. This is why education is such a key component of life together because it determines how narratives, frameworks and ideas shape existing commitments, and social and economic purposes. Democracy depends on the character of public discussion and on how issues are framed and debated, and how change and continuity are envisaged and valued.
IDENTIFYING AND UNDERSTANDING LOCAL PRIORITIES FOR DEVELOPING AN 'ECONOMY OF BELONGING': A CASE STUDY OF EIGHT AREAS IN THE UK.

LA level

**Social Capital**

Happy City Thriving Places Index, 2019

- Adult Education
- Children's Education
- Participation
- Culture
- Household Recycling

Kingston upon Hull
Harrogate

The NCPI 2019 score range between lowest (0.5 points) and highest (1 point). The index is measured on 10 indicators, which include income, health, social isolation, trust and volunteering, sense of community, education attainment at 16, education attainment at 16 (GCSE core subject), formal qualifications (% of population without), home truth and recycling.

UK Legatum Institute Prosperity Index, 2016

- Voter Turnout (Local Elections)
- Volunteering
- Recycling Rates
- Education Attainment at 16
- Education Attainment at 16 (GCSE Core Subject)
- Formal Qualifications (% of Population Without)
- Truancy Rates

Kingston upon Hull
Harrogate

The UKPI 2016 summary values range from 0 (least prosperous) to 1 (most prosperous).

**Sense of Community**

Happy City Thriving Places Index, 2019

- Community Cohesion
- Social Isolation
- Safety

Kingston upon Hull
Harrogate

The NCPI 2019 score range between lowest (0.5 points) and highest (1 point). The index is measured on 10 indicators, which include income, health, social isolation, trust and volunteering, sense of community, education attainment at 16, education attainment at 16 (GCSE core subject), formal qualifications (% of population without), home truth and recycling.

UK Legatum Institute Prosperity Index, 2016

- Trust
- Relying on Friends
- Relying on Family

Kingston upon Hull
Harrogate

The UKPI 2016 summary values range from 0 (least prosperous) to 1 (most prosperous).

**LSOA level**

English Index of Multiple Deprivation, Education, Skills and Training Deprivation, 2019

Kingston upon Hull
Harrogate

Relative level of deprivation

English Index of Multiple Deprivation, Crime Deprivation, 2019

Kingston upon Hull
Harrogate

Relative level of deprivation

The LSOA (Lower Super Output Area) is a geographical area used by the ONS for small area statistics. It is the smallest area for which the ONS produces statistics. The LSOA is defined as a geographical area of approximately 1500 people, which is the median population of all areas used by the ONS for small area statistics.
IDENTIFYING AND UNDERSTANDING LOCAL PRIORITIES FOR DEVELOPING AN ‘ECONOMY OF BELONGING’: A CASE STUDY OF EIGHT AREAS IN THE UK.

**Infographic 3(b). LIFE TOGETHER**

**NORTH WEST REGION: Preston & Ribble Valley**

**LA level**

**SOCIAL CAPITAL**

- Happy City Thriving Places Index, 2010

- **Happy City Thriving Places Index, 2019**

**SENSE OF COMMUNITY**

**SOCIAL RELATIONSHIPS, SAFETY & SECURITY**

- Happy City Thriving Places Index, 2019

**UK LEGATIUM INSTITUTE PROSPERITY INDEX, 2016**

**LSOA level**

**ENGLISH INDEX OF MULTIPLE DEPRIVATION, EDUCATION, SKILLS AND TRAINING: DEPRIVATION, 2019**

**ENGLISH INDEX OF MULTIPLE DEPRIVATION, CRIME DEPRIVATION, 2019**

The GFO 2019 scores range between lowest (0) to highest (10) for each measure. For safety, the GOFO measures violent crime, domestic abuse, and robbery. For financial risk, the LSOA measures deprivation, education, skills, and training.
IDENTIFYING AND UNDERSTANDING LOCAL PRIORITIES FOR DEVELOPING AN ‘ECONOMY OF BELONGING’: A CASE STUDY OF EIGHT AREAS IN THE UK.

**LA level**

**SOCIAL CAPITAL**

**HAPPY CITY THRIVING PLACES INDEX, 2019**

- **Adult Education**
- **Children Education**
- **Participation**
- **Culture**
- **Household Recycling**

**UK LEGAL INSTITUTE PROSPERITY INDEX, 2016**

- **Voter Turnout (Local Elections)**
- **Volunteering**
- **Recycling Rates**
- **Education Attainment at 16**
- **Education Attainment at 18 (GCSE Core Subject)**
- **Formal Qualifications (% of Population without)**
- **Truancy Rates**

**SENSE OF COMMUNITY**

**SOCIAL RELATIONSHIPS, SAFETY & SECURITY**

**HAPPY CITY THRIVING PLACES INDEX, 2019**

- **Community Cohesion**
- **Social Isolation**
- **Safety**

**UK LEGAL INSTITUTE PROSPERITY INDEX, 2016**

- **Trust**
- **Rellying on Friends**
- **Rellying on Family**

**WELSH INDEX OF MULTIPLE DEPRIVATION, EDUCATION DEPRIVATION, 2019**

- **Blaenau Gwent**
- **Monmouthshire**

**WELSH INDEX OF MULTIPLE DEPRIVATION, COMMUNITY SAFETY, 2019**

- **Blaenau Gwent**
- **Monmouthshire**

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**Infographic 3(c). LIFE TOGETHER**

**WALES: Blaenau Gwent & Monmouthshire**
Life Together: Social Capital and Sense of Community (Safety and Security) variables at LA level

Figure 13 Life Together: Social Capital and Sense of Community (Safety and Security) variables at LA level — Source: adapted from UK LIPI 2016
6. DEVELOPING AN ECONOMY OF BELONGING:
A QUESTION OF PLACE, SECURE LIVELIHOODS AND NEW INFRASTRUCTURES.

The data presented in this article support the growing body of work that stresses the importance of spatial inequality. A number of authors have argued that policies need to focus on places and be sensitive to their characteristics, culture and contextual legacies (e.g. Gordon, 2018; Rodríguez-Pose, 2018; Iammarino et al., 2019). These arguments mark a definitive move away from the previously dominant assumption that spatial unevenness is the price to pay for efficiency and productivity maximisation in the economy and the pursuit of GDP growth (Iammarino et al., 2019). However, the larger part of this new work focuses on inter-regional variation, and where this article makes its contribution is in concentrating on the importance of understanding and collecting adequate data on intra-regional variation (Zymek and Jones, 2020). The results of the analysis presented here also support a parallel trend in recent literature which can be broadly glossed as a move from individual well-being to community flourishing. The costs of neglecting place are large, and once we shift the scale of analysis from inter- to intra-regional variation this becomes alarmingly clear because we are forced to mesh the realities of lives lived with the structural determinants of the economy. It is not that individual well-being is not important, but that we need to focus not just on single agents, but on individuals embedded in networks of complex ecologies of place, people, material resources and cultural constraints. It is an irony that much of the best work on productivity recognises this, ultimately citing governance, cultural and institutional reasons for the productivity puzzle in the UK (e.g. Zymek and Jones, 2020). The same recognition is also there behind the various explanations for the failure of convergence as a policy. Leaving aside the arguments about self-interest, white elephants, deflection of resources and corruption, the fact remains that very often provision in the poorest areas (for example in such things as education) can outstrip demand. This draws attention to one of the key arguments of this paper and that is that opportunities are insufficient without addressing issues of capacity and capability. The capacities and capabilities of individuals and communities are frequently neglected in policy and investment decisions in favour of innovation, high value activities and transformations in local labour markets. But such interventions often founder because they are not offering what local communities need to flourish. These few facts are already well known, but rarely form the governing principles for macroeconomic policy. The shift that is required is simple to state, but difficult to achieve: macroeconomic policy needs to start with what is of benefit to society rather than what is of benefit to the economy: the goal must be equipping both people and places with quality of life and the means to thrive.

How might this be achieved? Many interventions have been tried and most have been found wanting. The first step is to shift the focus of policy intervention in the poorest sub-regions from job
creation to secure livelihoods. Getting people into jobs is no longer enough to ensure individual and community flourishing, and not least because of the structural transformations in the economy and the labour market already well underway. Average figures mask the fact that structural changes to the economy have meant it is those of working age who have experienced the most shift in income inequality in the last 10 years, and different groups of people in the economy have been affected in different ways, notably Black, Asian and Minority Ethnic groups, young people, those with disabilities, and older people. Until the devastation of Covid-19, unemployment was not the predominant concern, but rather the quality of work which for many is precarious, badly paid and involves very long hours. Around 7 million people in the UK are in precarious employment (Taylor, 2020), and those at the bottom are poorly served by the labour market (Bosworth and Warhurst, 2020; Woodruff, 2020). In short, it is not that there is no work, but that the returns to work are very poor, and this creates instability, resentment and ill-health.

Focusing on the most prosperous regions and on high innovation jobs to drive GDP growth is not, as many have pointed out, equity enhancing. Intergenerational inequality and inequalities between different groups in society are creating politically toxic and potentially explosive situations. If the 20th century was a time of conflict between countries, the defining conflicts of the 21st may turn out to be those within national borders; the signs of political fissiparousness are everywhere (Rachman, 2018; Brown, 2019). If governance is about how societies manage their collective affairs then it is easy to see why culture, institutions and identities are so key to addressing the issues of insecure livelihoods in a time of change. The onset of austerity measures after 2008 saw a sharp downturn in the redistributive power of taxes and benefits in the UK, and the Covid-19 crisis has shone an uncomfortably bright light on a situation we belatedly discover has been evolving since the 1970s. Government policies on regional convergence, including the recent industrial strategy (HMG, 2017), tend to favour hard infrastructural investment; this most often comes at the cost of reduced attention to social infrastructure and questions of care (FEC, 2018; De Henau and Himmelweit, 2020). There are two key points to make here and both relate once again to the question of scale and its relationship to a raft of key policy goals, including carbon neutral living, infrastructural provision, enhanced leverage from public services spend, good employment, social care and sustainable business models.

The first relates to the complex relationship between individual and community well-being, our analysis of the Understanding Society data, and work by other researchers (Rodríguez-Pose, 2018; Sandbu, 2020) demonstrates that the effect of being left behind is more visible at the community than the individual level. Part of this is undoubtedly an artifact of the measures and methodologies used, but it is also a
consequence of the fact that individuals are located in specific places whose capacity to provide quality of life, handle transformations in the economy and develop pathways to prosperity is not just a function of the sum of total individual well-being or satisfaction. This connects to a second point which is that assisting individuals – through benefits, job creation schemes, etc. – will not necessarily shift the context of embedded constraints within which they are situated, unless something is done more proactively to address area and community deficits – like environmental deprivation – as well as the capacities and capabilities of individuals to respond to transformation and change (personal resilience). The elements that make up secure livelihoods as we have described them in our LOOT framework comprise life outcomes, life opportunities and life together. These 3 elements consist of both structural and systemic constraints and individual attributes, well-being, capacities and capabilities. This framework of analysis is intended to suggest a means to avoid the problem of those analyses that assume that individual and community well-being are a direct outcome of certain economic factors. It also specifically focuses on the inter-relations between components across the LOOT framework, so as to privilege the meso level of analysis, instead of the individual and larger aggregate levels. As the earlier analysis showed, it is the area/community analysis that is crucial for understanding intra-regional variation and this meso level remains relatively understudied, and most especially in terms of the interrelations of key elements in context specific locales. The contribution that the analysis presented here makes to understanding an economy of belonging is that it suggests a framework for specifying the constituent elements of such an economy based on key aspects of community/area functioning (life outcomes, life opportunities, life together) demonstrating that they must be addressed simultaneously if we are to improve quality of life and create an economy of belonging.

Using the LOOT framework based on the IGP’s Prosperity Index work and a remapping of various datasets and indices at the local authority (LA) and lower super output areas (LSOA), we were able to see differences and similarities between low and high performing areas within regions. What the analysis suggests is that applying the LOOT framework of analysis, using both objective and subjective variables at different geographical levels of granularity from across datasets and indices, allows us to see more clearly patterns of interaction between factors that are not immediately evident to the individuals living in a specific region (as reflected in the results of the Understanding Society data analysis) nor well captured at the macroaggregate level which focuses on inter-regional variation. For example, our LOOT analysis in Section 5 finds several strong correlations between the low levels of income and material and perceived wellbeing variables within life opportunities, on the one hand, and lower ratings in physical and mental health, and economic performance variables within life outcomes, on the other hand. What we might term people’s capacities. We also find correlations at LA and LSOA levels between differences in household income, median annual earnings, and income deprivation within life opportunities, on the one hand, and educational attainment, formal qualifications and education, skills and training deprivation within life together, on the other hand. These correspond to capabilities.

Capacities are largely formed by context, and can be broadly glossed as assets, whereas capabilities are aspects of agency that can be deployed in context. Capacities and capabilities are interwoven and interdependent to a significant degree, but they are not reducible the one to the other. They also offer quite different forms of potential in terms of developing and managing resilience in the face of challenge and change. For example, economic insecurity and precariousness is not just a matter of income or real earnings differences alone. It is also crucially connected to insecure housing tenure, lack of political participation, skills attainment and the gap in ‘good work’ in terms of low-paid, part-time, casual job contracts, precarious work conditions, inflexible working patterns, overworking, and job losses (Wallace-Stephens 2018) and without these elements in place there is little quality of life or
Prosperity understood as flourishing. Our analysis points to the fact that these factors go hand-in-hand with increasing levels of poverty and deprivation of life outcomes measures in physical and mental health, as well as detrimental effects on life together with educational outcomes, social networks impacting on motivations for managing change as evidenced by further education, training and formal qualifications (see section 5 above). At both LA and LSOA levels for most of the 8 areas studied poor ratings in economic performance (e.g. life outcomes measures such as GVA growth) and material and perceived wellbeing (e.g. life opportunities measures such as income, good jobs, and business and entrepreneurial environment) were matched with very poor ratings in terms of material infrastructure such as connectivity and communications (e.g. life opportunities measures of access to fast broadband services, logistic index measures) and social capital variables (e.g. life together measures on educational attainment, formal qualifications, community cohesion and crime rates). Less strong, but still persistent correlations were observed between levels of physical and mental health, and economic development and productivity, on the one hand, and living and physical environment, on the other hand. In other words, areas that underperformed economically showed poorer health profiles, higher levels of air pollution and reduced availability of and access to protected land and green spaces.

Concentrating on what might be meant by an economy of belonging and on what sets of interrelations within complex sets of interlocking systems have to shift in order to achieve it is a first step towards retargeting macroeconomic policy. It provides some initial ideas in answer to the question: what is an economy of belonging? And in response to a further question: what is the relevance of macroeconomic policy for building an economy of belonging? It is quite evident that in the UK much public spending is dealing with the consequences of failing to tackle spatial imbalances rather than creating conditions for future success (UK2070, 2020), and this has consequences for macroeconomic policy which ought to be creating those conditions. Focusing on the situated nature of secure livelihoods and the capacities and capabilities communities and individuals have to manage change and transformation would, as recent work has suggested, mean targeting the specific developmental potential of each place (Iammarino et al., 2017). This meso level approach would involve a much clearer understanding of how the elements of the LOOT framework intersect with each other, and which elements of that framework have particular strengths and weaknesses in specific locales (Moore and Collins, 2020). Yet this is no easy task. It requires us to abandon analyses that remain solely focused on economic outcomes, and move towards more comprehensive and relational analytical frames that interrogate questions of inequality, place, difference and sense of belonging alongside material conditions in terms of individuals’ and communities’ outcomes, opportunities and aspirations to thrive in life. This means designing social and economic mechanisms that not only place a premium on social justice and prosperity beyond material wealth redistribution, but that also help identify those ‘engines of investment’ (Moore and Collins, 2020), including assets, stakeholders, and practices necessary for developing an economy of belonging. Recently, local level industrial strategies as potential engines of success have been proposed for the UK, and a number have been published (Zymek and Jones, 2020: 49-56). What marks these new approaches out is a focus on identifying bottle necks and constraints – the factors that need to shift – rather than looking just for opportunities (e.g. high growth businesses), and this is very welcome because it focuses attention on what areas and communities – what we have termed the meso level – are able to bring to processes of transformation based on an assessment of existing assets and resources. These local strategies also underline the importance of scrutinising and specifying future challenges, as well as experimentation and evaluation within multistakeholder frameworks (WWC, 2018). The approach suggested in this article goes one step further, and begins with the reframing of the purpose of macroeconomic policy towards quality of life for people and places as outlined above. It therefore shifts the direction and purpose of change, as well as the potential mechanisms for
transformation. Both scale and relationality are key to understanding the shift required.

Human societies and economies are open systems embedded in living systems that are themselves open and non-linear. Change in an open system implies changes in its constituent elements and in the connections between the elements. As discussed earlier, reducing analysis to a list of components and the correlations or determinants between them is not of much use if what turns out to be crucial involves not just the interrelations between elements in context, but the significance and magnitude of their relationality – how they collide and align, why and with what force (Atkinson, 2017; WWC, 2018; WWW, 2020). Specific times and places are made up of elements, processes and relations; taken together they form a conjuncture or assemblage (Hart, 2002; Ong and Collier, 2004; Li, 2014; Hart, 2018; Campbell, 2019). Conjunctures are dynamic and open, but not random. There are broader trends of structural change in the economy and other factors that create forms of path dependency. However, the character of relations between elements in any specific time and place sets the conditions for the possible forms of future elements and conjunctures in changing configurations over time. This means, we suggest, that the meso level is the privileged site of change (Dopfer et al., 2004) for transforming the quality of life and long term prosperity of individuals and communities. It is the scale at which action is most urgently needed and the divergent configurations of people, places and assets with their specific interconnected trajectories of change mean that no one size fits all. This diversity of agents, communities and areas is potentially a powerful level for future innovation (Iammarino et al., 2019), but it has to begin with enhancing the participation of individuals and communities in processes of change, rather than focusing on how they might ‘catch up’.

The development of innovative and transformative strategies that are locally situated and co-ordinated is challenging, but it cannot begin with deracinated policy goals that are theoretically and methodologically identified, such as improved productivity and rising GDP, for these are often insufficiently engaged with the potential local drivers of change. The analysis and co-ordination of change must take place at the meso level, and from a policy point of view the co-ordination of the micro (individual well-being and satisfaction) with the macro (labour market policy, trade, fiscal policy, infrastructural investment) has to proceed through the meso (Dopfer et al., 2004). It is not possible here to provide a detailed account of how this would work for a specific local, but the principles of such an approach and its potential implications for macroeconomics can be outlined. What the analysis here has provided is an indication of the depth and breadth of the disadvantage and deprivation experienced by individuals and communities in the UK. It is equally evident that structural transformations in the economy (e.g. deindustrialisation, declining wages) have interacted with specific characteristics of place to produce the current conditions. Macroeconomic policy in the UK has mostly focused on the means of change (income/employment, GDP) rather than the ends (quality of life, secure livelihoods).

Concentrating on quality of life and secure livelihoods for individuals and local communities sets a different set of policy targets, and not least because after covid a series of plans needs to be put in place to achieve these goals under long term trajectories of low and even zero growth in the economy (Dijkstra et al., 2020: 751). Looking across the data provided in this report, and taking account of the experience of the pandemic, the perilous state of the care economy in the UK is a cause for serious concern and unremedied this will have deleterious long term effects on health, well-being and productivity. It is clear that for the long term resilience of the UK we need a greater proportion of people working in the care sector. The UK has 1.4 million older people with unmet care needs, only 57% of local authorities in England and 43% in Wales have enough childcare for parents working full time (Coleman and Cottell, 2019), and 2 million workers balance paid work with caring for an adult (Cottell and Harding, 2018b). Investment in care workers who are better paid, with improved training and qualifications, and integrated
with the health service would create a significant number of jobs in the UK. Recent research suggests that an investment in care in the UK would produce 2.7 times as many jobs as an equivalent investment in construction (De Henau and Himmelweit, 2020). New approaches to the health and care of the country are now being seriously discussed (Hawking, 2019), and Manchester is one city whose local industrial and prosperity strategies include such proposals (Coyle et al., 2019; Coyle et al., 2020).

The care of people is only one aspect of quality and life and secure livelihoods, the high levels of environmental deprivation outlined in this report show urgent need for housing, cheaper energy, green spaces, environmental regeneration, reduction in toxicity levels and a host of other activities where training, implementation and new jobs could be created at local area level to improve the local area itself, and move towards carbon neutral living, green energy, improved food quality and environmental sustainability for the long term. What is of value in such an approach is the motivation of people retraining and developing new skills for direct improvement in the quality of life and secure livelihoods in their own area. Such an approach would require new investment models and sustainable business models developed across sectors, and there are many such experiments springing up around the UK already. This would involve a new ethic of care as part of transformation in the economy, and it is urgently needed if we are not to leave more individuals and communities in desperation and neglect as the eFFects of further structural transformation (AI, robotics) take more secure hold. This new approach to care infrastructures would need to leverage public services spend for greater impact in terms of its ability to increase the capacities and capabilities of individuals and communities to shape, manage and thrive in these new economies. A strong component of these new care structures would have to be directed investment aimed at repairing social capital and social solidarity at the local and national levels; acting to improve people’s quality of life and livelihoods at the level of community flourishing would be a step forward.

However, the key point of this report is that whatever macroeconomic policies are pursued solutions will need to be found to large scale social, economic and political dissent, and to the distinctive intra-regional inequalities in the UK that are holding back economic development and thriving right across the country. This entails taking the issues of scale more seriously and designing and developing appropriate analysis and data sets that work at the meso level. We have suggested here that the micro, meso and macro levels are connected through the workings of meso trajectories, and such trajectories are currently understudied. It is change at the meso level that has the greatest potential both for improving outcomes and also for destabilising individual life chances and national economic and political strategies.
In this report we have argued that if we want to build an economy of belonging we must attend to what is happening at the intra-regional level, and that macroeconomic policies that focus only on aggregate gains in productivity, GDP and innovation will not shift the deeply embedded structures and constraints experienced by many local areas in the UK. This has serious consequences for any evaluation of return to investments, but it also generates a potential challenge to macroeconomic theory and policy. The long term sustainability of people, place and planet are now driving different considerations and potentially reformulating policy goals. In this report, we have attempted to suggest why this is and what some of these challenges may be about and entail.

We have compared a number of existing data sets to show that an economics of belonging has to be built at the meso level, and that existing micro and macro perspectives do not provide sufficient understanding of what is happening at that level. The suggestion is that the meso level is the privileged site of change, and that new approaches to data collection and analysis are needed to capture such change. We have offered an experimental framework (LOOT) based on a reconceptualised notion of prosperity that is made up of life outcomes, life opportunities and life together in the hope that this will prompt further work. Deploying the framework also demonstrates that current work exploring the relationship between economic policy and well-being concentrates almost exclusively on the impact of one set of factors on another, often dividing economics from well-being and social institutions in an attempt to generate information on their interrelations. We have tried to demonstrate that an alternative approach which reframes prosperity as an assemblage of elements that are heterogeneous, partial and situated has the advantage of allowing us to think about the interrelations between elements and the complexity and significance of their relationality. In such an approach, it is the relationality that is key rather than simply the elements, and prosperity emerges as the effects of certain interrelations in a specific place rather than as the outcome of a single economic logic such as GDP.
1. Local government in the UK is administratively divided into two-tier local authorities (LAs): counties and districts. As of 2016 there were a total of 391 LAs (UK LIPI 2016). In this paper, LAs refer to all four different local government configurations in the UK (Greater London boroughs, non-metropolitan two-tier counties ‘shires’, metropolitan counties, and unitary authorities). Lower-Layer Super Output Areas (LSOAs) are a standard statistical geography designed to be of a similar population size, with an average of approximately 1,500 residents or 650 households (1,600 residents for LSOAs in Wales). As of 2019 there were 32,844 LSOAs in England (EIMD 2019), and 1,909 in Wales (WIMD 2019). Middle Super Output Areas (MSOAs) have a mean population of 7,200 and a minimum population of 5,000. They are built from groups of Lower layer Super Output Areas (LSOAs) and constrained by the local authority boundaries used for 2011 Census outputs. Nomenclature of Territorial Units for Statistics (NUTS, Nomenclature des unités territoriales statistiques) refers to the European Union geocode standard for referencing sub-divisions of countries for statistical purposes. The UK NUTS1 regional level refers to England, Scotland, Wales, Northern Ireland, and the 9 England regions: North East, North West, Yorkshire and the Humber, East Midlands, West Midlands, East of England, London, South East, and South West (Eurostat, 2020).

2. Source years are latest available data at the time of the dataset or index published date.

3. For Childcare and Adult Social Care data is drawn from various sources including Coram’s Family Childcare Trust Annual Surveys (Cottell and Harding 2018a; Coleman and Cottell, 2019), National Day Nurseries Association Annual Surveys for England and Wales (NDNA 2018a; 2018b), House of Commons Treasury Committee (HoC, 2018), and Institute for Public Policy Research (IPPR) (Blakeley and Quilter-Pinner 2019; Quilter-Pinner 2019; Quilter-Pinner, and Hochlaf 2019).

4. Understanding Society, the UK Household Longitudinal Study, is a longitudinal survey with approximately 40,000 households (at Wave 1). Households recruited at the first round of data collection are visited each year to collect information on changes to their household and individual circumstances. Interviews are carried out face-to-face in respondents’ homes by trained interviewers or through a self-completion online survey. The survey contains various sections, building up data on both household and individual characteristics and attitudes. This allows for a loose approximation of the demography of the UK, as well as giving insight into the culture within the UK (of both natives and immigrants. For a more in-depth overview of Understanding Society see Understanding Society user guide.

5. A problem that arises with surveys such as the Understanding Society, is interdependency of responses between nested observations. To overcome dependency among them, a multilevel analysis of the data is deployed since the data are in a hierarchical form (individuals nested into survey waves nested into regions of the UK). Besides statistical reasoning there are also theoretical reasons behind the justification of using multilevel analysis in hierarchical datasets. The simplest to conceive and most crucial theoretical aspect is that since multilevel analysis' objective is to examine the relationships between individuals and their surroundings, one can assume that individuals that share the same surroundings will most probably be affected by them and therefore partly share the same livelihood trajectories. Therefore, observations that are close in space or time are more likely to be similar in some ways than observations apart (Mehmetoglu, 2017). Multilevel analysis is considered the compromise between complete and no pooling at all. In that way, both cross sectional and across time effects can be explored in order to account for the variance in a dependent variable measured at the lowest level by analysing information from all levels of the analysis. These advantages of the method

NOTES
fit well with the characteristics and needs of this sample.

6. Household income is captured as an OECD equivalent. The OECD equivalence scale refers to the conversion of household incomes in such a way that it accounts for the growing needs a household has with each additional member. Due to economies of scale the needs to not increase in a proportional way. A way to measure that is through this equivalence which This assigns a value of 1 to the first household member, of 0.7 to each additional adult and of 0.5 to each child. This scale (also called “Oxford scale”) was mentioned by OECD (1982) for possible use in “countries which have not established their own equivalence scale”. For this reason, this scale is sometimes labelled “(old) OECD scale”.

7. Density plots for Figures 2-8 are available at the Appendix in order to facilitate cross LSOA comparisons.

8. As the report suggests, one of the main obstacles are the privacy and data protection concerns to access data linking health records, levels of education and earnings over long periods of time.

9. The IPPR has published several reports calling for a reform of Adult Social Care with various proposals ranging from free personal social care at the point of need, more oversight and coordination of providers, encouraging provision from non-profit specialised charities, as well as alternative approaches to the financialisation of adult social care to improve provision and affordability, and reduce the gaps between life expectancy and health life expectancy (Quilter-Pinner 2019; Quilter-Pinner and Hochlaf 2019; Blakeley and Quilter-Pinner 2019).

10. The theoretical framework developed here draws on the work of Sen (2010) and Nussbaum (2011), but departs from it in significant ways.
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APPENDIX

Difficulties with current financial situation in 8 areas

Hours in employment the week before the survey in 8 areas
IDENTIFYING AND UNDERSTANDING LOCAL PRIORITIES FOR DEVELOPING AN ‘ECONOMY OF BELONGING’: A CASE STUDY OF EIGHT AREAS IN THE UK.

Satisfaction with employment in 8 areas

Life satisfaction in 8 areas
IDENTIFYING AND UNDERSTANDING LOCAL PRIORITIES FOR DEVELOPING AN 'ECONOMY OF BELONGING': A CASE STUDY OF EIGHT AREAS IN THE UK.

**Subjective wellbeing in 8 areas**

- Barking and Dagenham
- Blaenau Gwent
- Harrogate
- Kingston upon Hull
- Kingston upon Thames
- Monmouthshire
- Preston
- Ribble Valley
- Richmond upon Thames

**Satisfaction with health (subjective) in 8 areas**

- Barking and Dagenham
- Blaenau Gwent
- Harrogate
- Kingston upon Hull
- Kingston upon Thames
- Monmouthshire
- Preston
- Ribble Valley
- Richmond upon Thames
DESCRIPTIVE STATISTICS

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CORRELATIONS

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<td>Satisfaction with health</td>
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<td>Financial situation now</td>
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<td>Wellbeing</td>
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<td>0.2675</td>
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<td>Job satisfaction</td>
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<td>-0.0125</td>
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<tr>
<td>Income</td>
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<td>-0.0246</td>
<td>0.0640</td>
<td>-0.0247</td>
<td>0.0091</td>
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Research at the Institute for Global Prosperity at UCL aims to generate new insights about sustainable and inclusive prosperity and provide new models for developing and interpreting evidence.

Underlying our research is a rethinking of what we mean by prosperity. Prosperity must mean enabling people to flourish in ways beyond financial growth – and doing so equitably and sustainably, for humankind and the planet. We work with businesses, NGOs and citizens to produce interdisciplinary methodologies and problem-focused research.

For more information about our wide range of current projects and our innovative Masters and PhD programmes please see: www.ucl.ac.uk/bartlett/igp/