



Change and Renewal in the economy of Birmingham and Solihull

CIGB AGM June 10.201

Dr Glynn Jones, Head of Economics and Strategy, Advantage West Midlands, spoke from a high level economic development perspective & Barbara Hayes, CIGB's team leader spoke from the perspective of the chaplaincy team. Both ended by offering challenges for the future.

Dr Glynn Jones - 4 key challenges

- 1. Achieving a rebalanced economy**
- 2. Creating sufficient jobs for – those without qualifications; younger people and a rapidly growing workforce**
- 3. Maintaining the momentum on regeneration and sustainable communities.**
- 4. Assisting communities and individuals to adapt.**

Barbara Hayes - steps which may contribute to renewal.

- 1. A renewed understanding of the economy, informed by biblical insight ,**
- 2. Leadership to champion that understanding**
- 3. Specific actions e.g. training for low skilled workers, developing green & social enterprise**

Corporately and individually Christians will be able to act on some of these.

Summary

Dr Glynn Jones

Background

The nation has experienced deepest recession since the 1930's, especially affecting construction and manufacturing. The West Midlands has been particularly vulnerable and until recently had the highest unemployment rate of any English Region.

However, the regional economy has been performing poorly over a much longer period being below the national average Gross Value Added [GVA] in every year since 1975 with 87% GVA in 2008. From 2000 – 2007 the West Midlands had the lowest average growth in GVA per head in the UK

Birmingham and Solihull

Birmingham and Solihull make up a quarter of the regional economy but recent growth has been driven by the public sector, whilst employment in the private sector has shrunk. The performance of the financial and business services has been particularly poor.

Apart from Nottingham, Birmingham had the lowest growth in Gross Value Added [GVA] of the English core cities and although Solihull has had strong growth, this is beginning to plateau.

Birmingham has very high rates of worklessness. In September 2009 approximately 180,000 adults of working age were economically inactive and 80,000 were unemployed. This high rate of worklessness in part reflects Birmingham's demography, with all non white groups experiencing higher levels of worklessness than the white population. Birmingham has 4 wards with the highest claimant proportions in the UK, while Solihull has 4 Super Output Areas [SOAs] in the top 1% most deprived.

Economic Futures

Whilst conditions are improving the recovery from recession is likely to be slow and fragile. *Initial recovery may be 'jobless'* as companies use existing resources.

This has implications for those most impacted by recession i.e. those with no qualifications – about 12% in Solihull and 22% in Birmingham. Also, 16 – 24 year olds, and Birmingham has a very young population creating a demand for new jobs.

Birmingham is now vulnerable to public sector cuts, affecting many 'under represented groups, as the public sector makes particular efforts to be 'inclusive'. In the first quarter of 2009 the public sector represented 6% of notified redundancies, Dec 09 – Feb 10 the public sector represented 39% of notified redundancies and that is likely to worsen.

Solihull is forecast to see job growth but this is largely off set by decline in Birmingham.

The four key challenges – as above

Barbara Hayes - the CIGB/ Chaplain's perspective

Change

Chaplains have seen a great deal of change in the last 18 months as individuals and organisations have faced redundancy, short time working, outsourcing etc. Business models have had to be re-thought. Those still in work are often feeling insecure and stressed and cannot see when more recruitment will take the pressure off.

It has been a painful and difficult year for companies and for the chaplains who support both managers and staff in all this and the changes are not over.

Renewal

Individually, some people do get new posts and corporately companies are surviving and looking to the future. The Solihull chaplaincy team has worked to set up a drop in for unemployed people and we have helped raise awareness of the Future Jobs Fund. Greener products and social enterprise are being encouraged

BUT – is this renewal or just more of the same with slightly different products & forms of employment.

Renewing 'communities of work'

People are re- assessing the role of work in their lives.

Despite the talk of trust, respect, honesty at work it seems that employers really need as much productivity from staff as possible and employees just want a reasonable job on fair terms.

Despite all the work on business ethics and corporate responsibility over many years it's hard to see how values have impacted the wider economic system/ world view. The cardinal virtues were not much evident in the corporate cultures & group think that lead to the financial crisis.

How do we renew communities of work where values influence culture and humanity survives economic pressure?

Renewing the economy

Renewing the economy is not just about getting people back into jobs and companies back into profit. We need to understand the purpose and nature of the economy.

Economy shares the same Greek root as household. The economy is always relational, even if we deny those relationships, and it's purpose is that all may flourish.

Economy begins with people acting on & in the environment. Sabbath and Jubilee are made for humanity not vice versa, and both involved the whole creation.

The economic frameworks we develop come much later and are influenced by the social structures and values of the time. Companies as we know them have only been around for about 200 years

CTBI's 'Prosperity with a purpose' [2001] stated that economic growth could be part of God's purpose if it included

1. Human solidarity – national and international
2. Environmental safeguards
3. The integration of wealth creation and social justice – it's not just about distributing profits
4. Regulation in support of community.

Since the financial crisis there has been further reflection. Themes to emerge include – mutuality & the common good, trust based in honesty & accountability, our relationship to money, wealth & abundant life, recognising risk.

Many of these are 'middle axioms' – moral truths derived from the Bible which have wide relevance in policy making.

Three things that can help – as above

We can all influence, or do some of these.

Discussion followed on - the inability of graduates/ qualified people to find work
- the future role of volunteering as purposeful activity

Dr Jones presentation and Barbara Hayes script are attached.