

INTERNATIONAL INEQUALITIES INSTITUTE (LSE), UNITED KINGDOM



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Dr. Luna Glucksberg studies inequality, elite reproduction, family offices, and local wealth building strategies. She is widely published and her most recent work focuses on the intersections of gender, kinship, and capital in the reproduction of dynastic elite families (Glucksberg, L. [2018] "A gendered ethnography of elites: women, inequality, and social reproduction" *Focaal* 81).

The International Inequalities Institute (III) was launched in 2015 with enthusiastic support from across the LSE. It provides coordination and strategic leadership on the interdisciplinary analysis of inequalities. It aims to connect research on inequality across LSE, facilitating research synergies and support for innovative research programmes. Further, it seeks to engage with the public and policymakers, offering guidance on inequality debates in the UK and globally, and developing links with leading NGOs and INGOs. Finally, it supports new world-class research on inequalities.

Like other developed countries, the UK has seen wealth increasingly concentrated in large corporate hands, generally based in metropolitan areas. In the British case, growing deindustrialisation and London's role as a major global financial centre have combined to produce a highly uneven economy featuring acute geographical divisions.

Spearheaded by the Centre for Local Economic Strategies (CLES), exciting recent initiatives in the UK seek to establish "local wealth building" strategies (LWB) to counter inequality trends (e.g. CLES 2018). LWB seeks to reorganise economic development, recognising that investment in poor areas is too often siphoned back to metropolitan centres, rather than generating sustainable local development in terms of multipliers, demand stimulation, etc. Based on broad cooperative models and aims of building a "local social contract", these initiatives seek to reorganise the local economy, putting control back into the hands of local communities, so that wealth is broadly held, locally rooted, and recirculates.

These projects have attracted significant media interest, viewed as possibly the most important recent interventions to redress the shift of wealth and resources to large metropolitan centres. For example, the Lancashire city of Preston (in northwest



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England) has been at the forefront of this work — now sometimes referred to as the “Preston model”.

Analysing the success of local wealth building

Still, not enough is known about the effectiveness of these strategies to build local wealth. With the support of the Julius Baer Foundation, our research project will provide the first systematic analysis of the interventions. Working closely with CLES, we will conduct a systematic social review of LWB interventions, also considering their broader potential to address wealth inequality in different countries.

More specifically, our project has three key goals. First, we seek to review the take-up and adoption of LWB strategies in the UK, dissect the key components, and highlight the specific locations where these initiatives have been most successful in economic, social, and environmental terms. Second, we aim to explore the wider resonance of “local wealth building” strategies where they have been adopted, especially examining whether they generate wider senses of well-being and effectiveness. Third, we wish to highlight the possible implications of LWB for projects in other countries, particularly those with towns that have experienced similar industrial decline and related loss of investment and wealth.

Facts and figures: United Kingdom

- The UK has seen major growth of economic inequality since the 1980s. Though income inequality has somewhat stabilised since the 2008 financial crash, there is ongoing recognition that the wider social and political implications of inequality have grown.
- Inequality in the UK has an unusually strong spatial dimension, which intensifies the experience of inequality for many. The primary axis differentiates between London and the rest of the UK, with the capital city enjoying much higher rates of economic growth.
- A secondary axis differentiates between the large regional cities — such as Manchester, Leeds, or Newcastle — and areas on their periphery, which have seen much less economic investment.
- The result is that residents of small towns at the periphery of metropolitan centres, which were once central to manufacturing in Britain's industrial heyday, often feel excluded and marginalised. They make up a pool of “left behind” communities that feel they have little stake in society. At the same time, many highly educated workers abandon these areas and relocate to metropolitan centres where there is more demand for their skills, as well as greater social and cultural dynamism enabling more positive community identities. This feeds a self-reinforcing process of economic, social, and spatial polarisation.
- The UK has shifted from being one of the more equal nations in Europe in the 1970s to being amongst the most unequal.

For more information about the International Inequalities Institute, visit: www.lse.ac.uk/International-Inequalities

“It is not great wealth in a few individuals that proves a country is prosperous, but great general wealth evenly distributed among the people.”

Victoria Woodhull, first woman to run for President of the United States, 1872