

Global Crises, Mega Trends and Regional Development

Welcome and Introductory Remarks

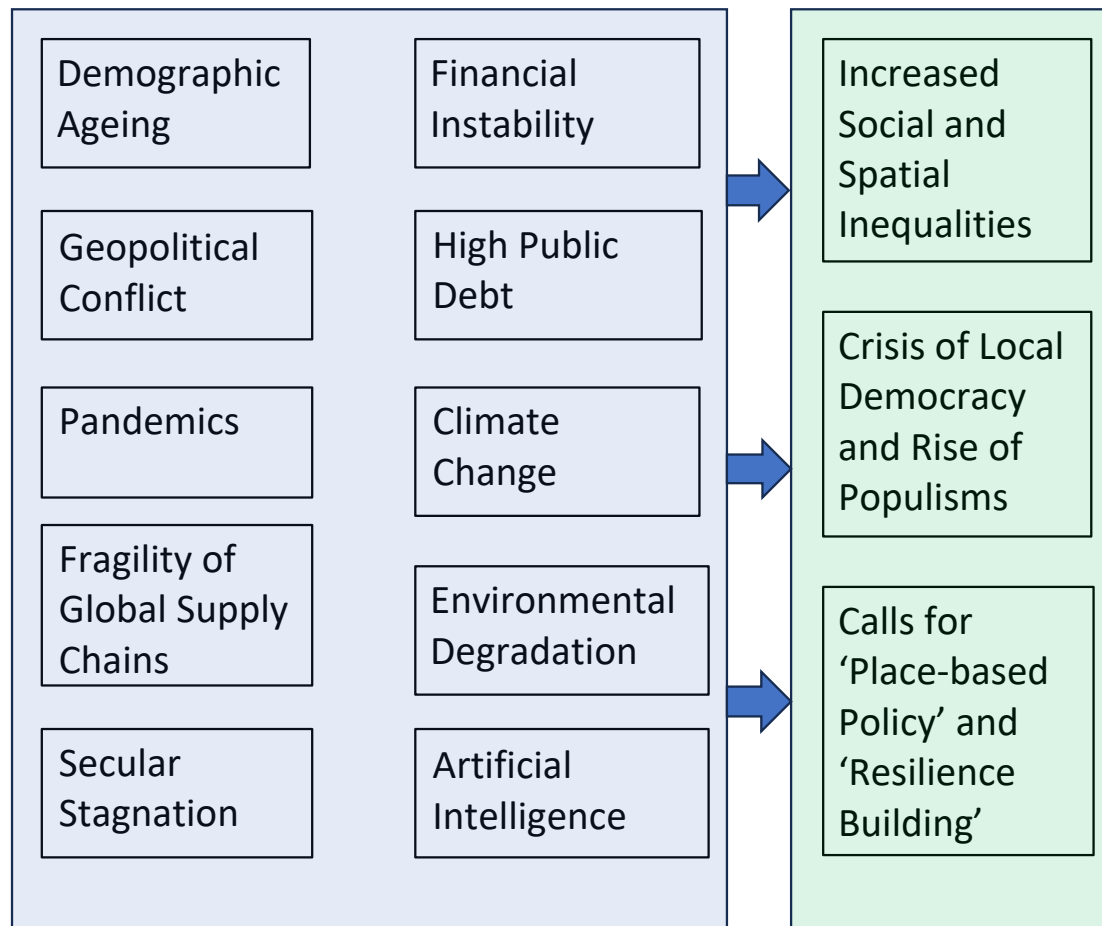
**Professor Ron Martin
University of Cambridge**

- Capitalism is in the throes of another of its historical climacterics or 'hinge points'
- Conjunction of several cumulative longer-run 'mega' trends and extreme disruptive crises
- For some, an era of 'polycrisis'; for others, 'permacrisis'; for yet others, a 'crisis of democratic capitalism', and still others a 'new age of catastrophe'
- Crisis of a neoliberal hyper-globalized, financialized mode of political economy

Global Crises, Mega-Trends and Regional and Urban Challenges

Mega-Trends, Crises And Disruptions

Impacts on Cities and Regions

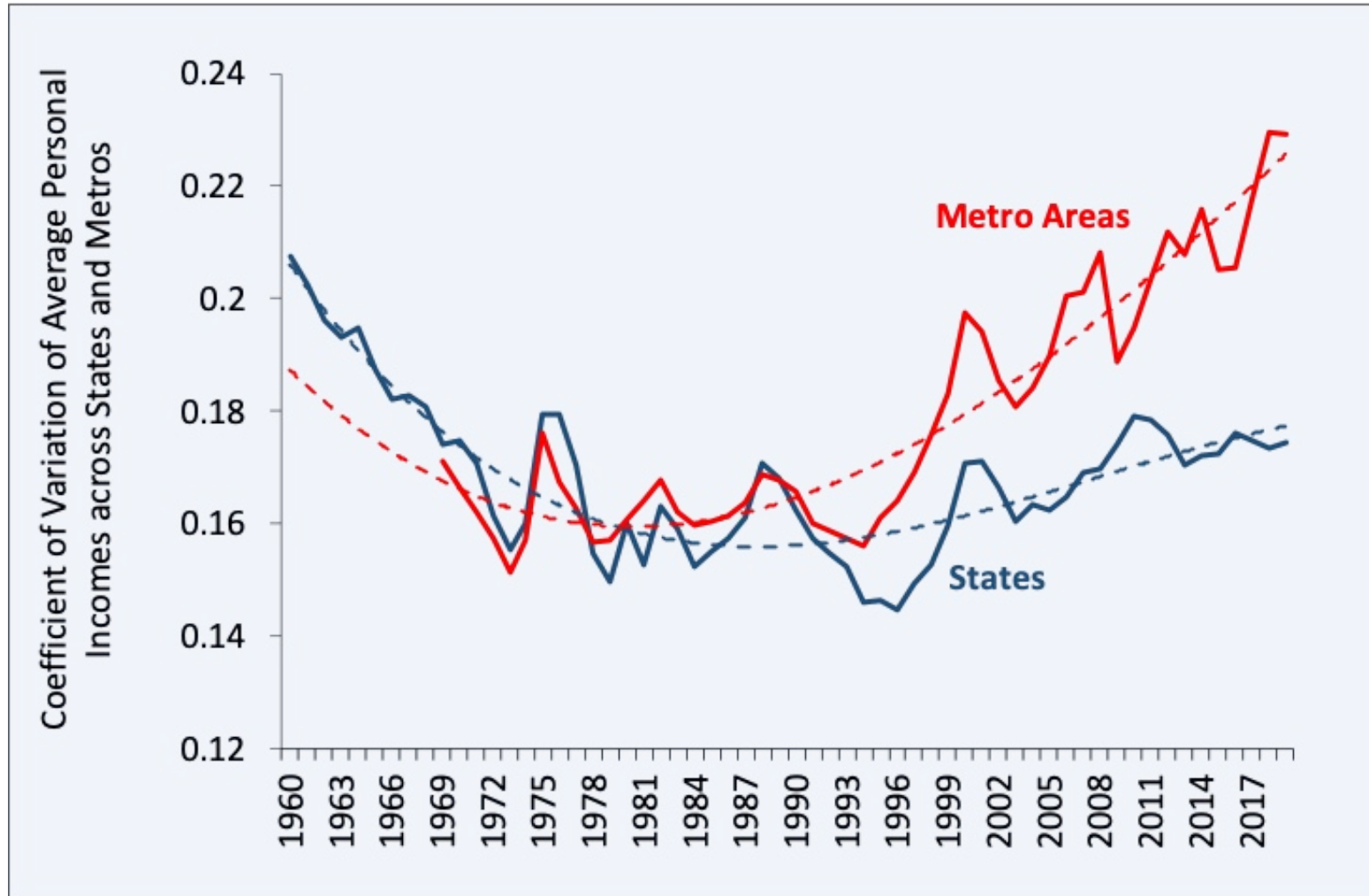


- Impacting different countries differently
- But within many, also having, highly uneven social and spatial impacts and implications
- While some places have weathered change and prospered, many others have been 'left behind'
- This has fostered social and political discontent in those left behind social groups and places
- And prompted new discourse of 'place-based' policy making and concern with 'resilience building'

The Growth of Geographical Inequalities

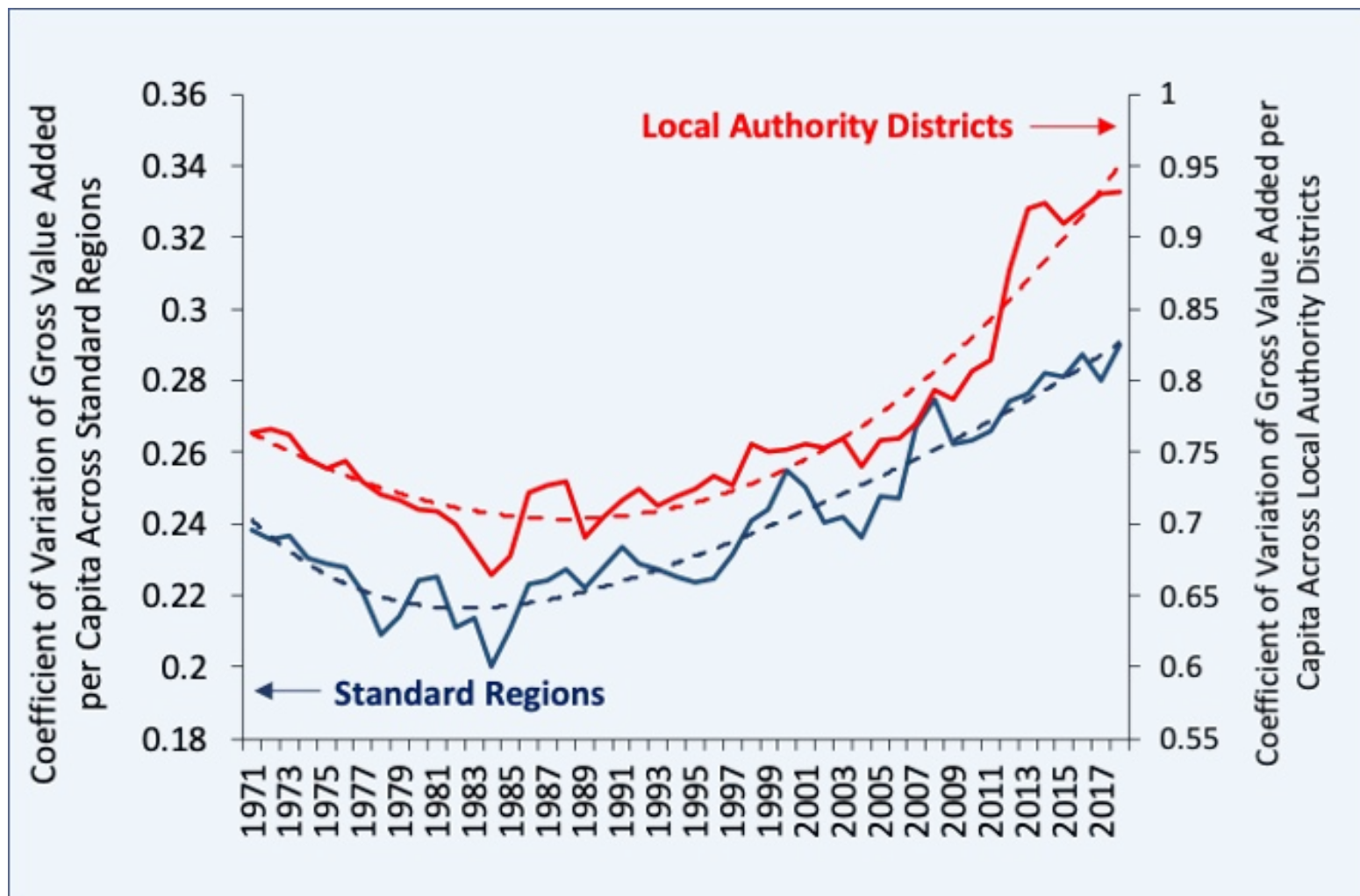
“Within their own borders. OECD countries are witnessing increasing gaps in GDP per capita between higher performing and lower performing regions... The gaps within countries between the top 10% regions with the highest productivity and the bottom 75% has grown on average by about 60% over the last two decades” (OECD, *Regional Outlook, 2018*)

The Great Divergence: Coefficient of Variation of Per Capita Incomes Across US States and Metros, 1960-2019



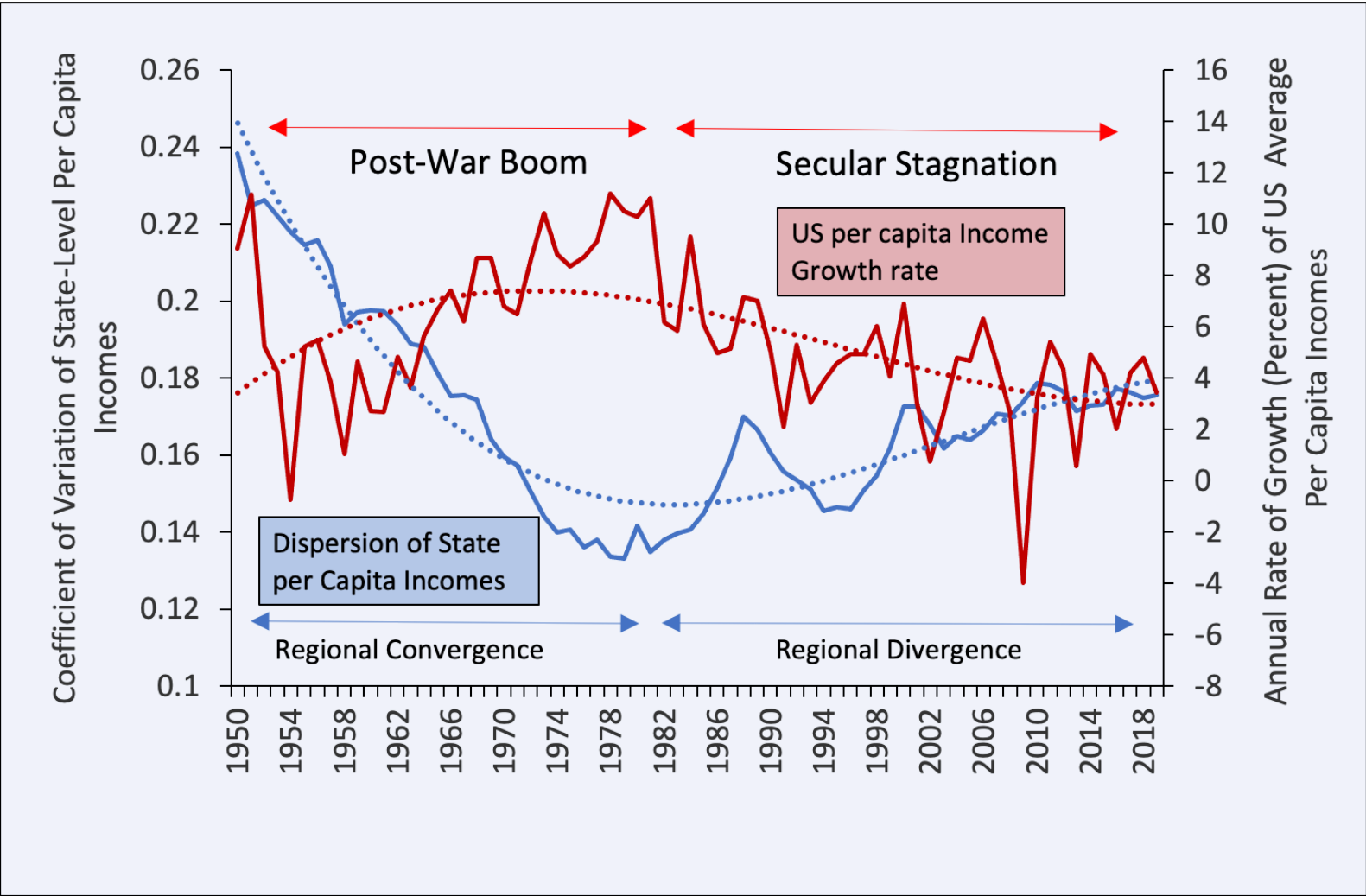
Data Source: Bureau of Economic Analysis

The Great Divergence: Coefficient of Variation of Per Capita GVA Across UK Regions and Local Authorities, 1971-2018



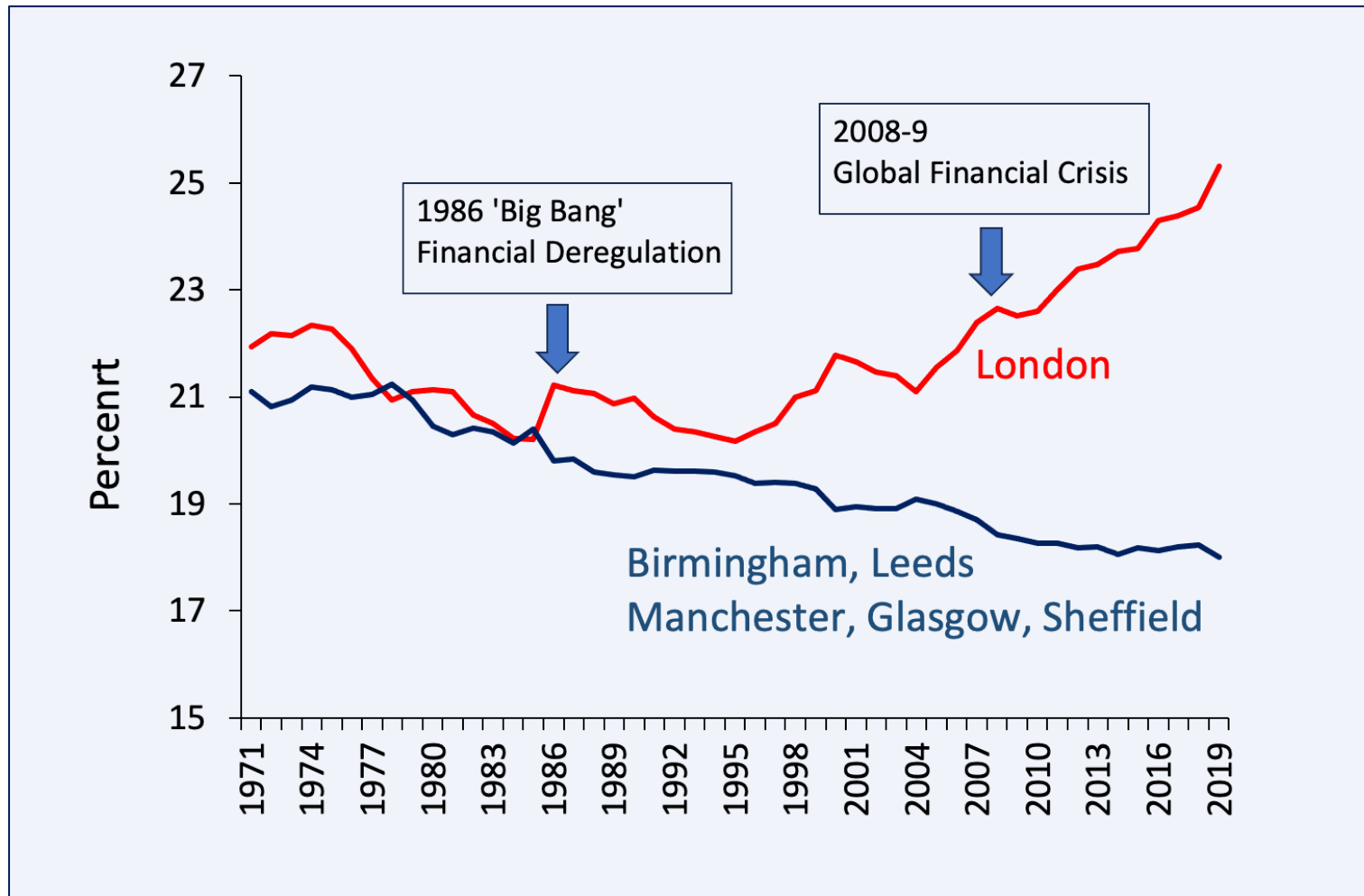
Data Sources: Cambridge Econometrics, ONS, Martin et al (2021)

Secular Stagnation and Growth of Regional Inequality, US States, 1950-2019

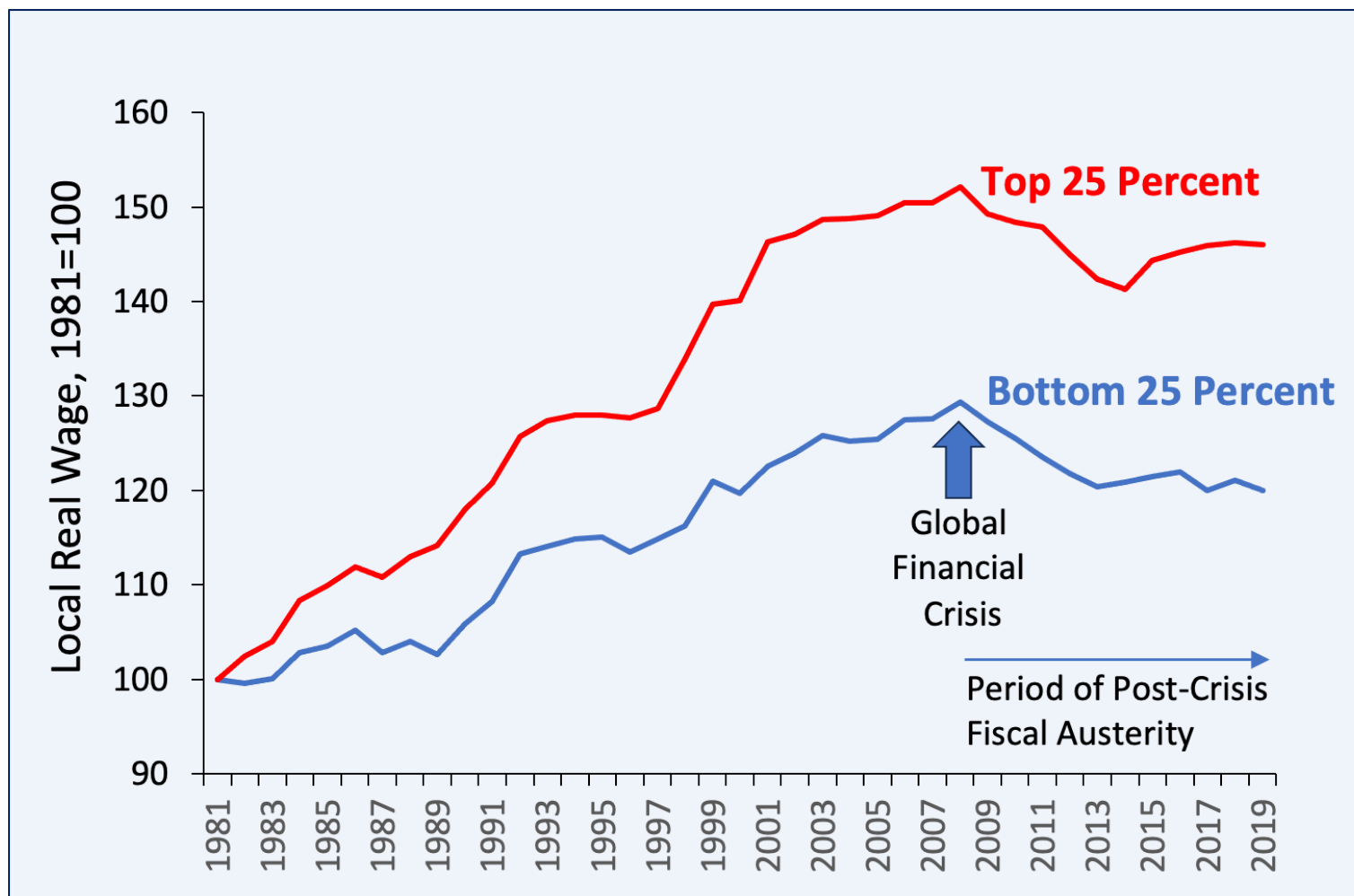


Data Source: Bureau of Economic Analysis

London's Share of the UK's Economy has Risen, while Other Major Cities' Share has Declined



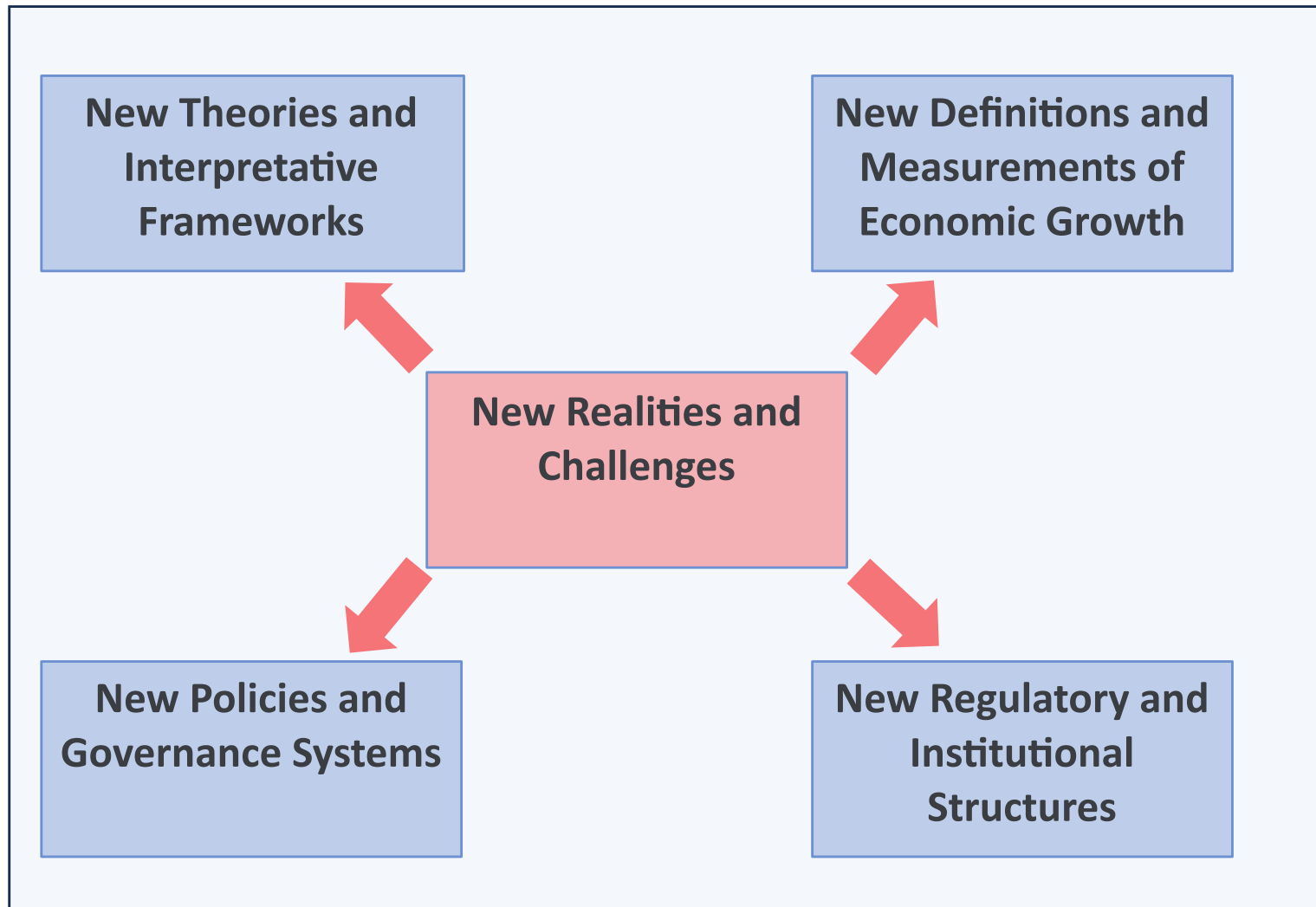
Real Wage Divergence and Stagnation, Local Authority Districts, UK, 1981-2019



Data Source: ONS

- Key issue – are our existing theories and explanatory frameworks adequate to grasp the contemporary upheavals and challenges?
- Or do ‘new realities’ require new ways of thinking, new interpretative schemas?
- And new policy and political agendas?
- Can we take the opportunities of the current conjuncture to address the growth in social and spatial inequality that has occurred over past four decades or so?

The Need for New Ways of Thinking



- It was exactly 100 years ago, in the highly turbulent times of the early-1920s, that Keynes argued for new ways of thinking, new theory, new policy and new institutions:

“Economists set themselves too easy, too useless a task if in tempestuous seasons they can only tell us that when the storm is past the ocean is flat again”, John Maynard Keynes (1923) *A Tract on Monetary Reform*.

- We are now, once again, in need of a new political economy to replace the failed neoliberal model of hyper-globalised, hyper-financialised, under-regulated capitalism
- A more socially and spatially inclusive, and environmentally sustainable model
- A more locally accountable and democratic model
- Otherwise, the upheavals and disruptions of our contemporary ‘tempestuous season’ will exacerbate social and spatial inequalities still further.