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Spatial Economics Research Centre

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Bradford West a symptom of the North-South Divide?

Writing in yesterday's Guardian, Larry Elliot suggests that [the result in Bradford West was a symptom of the North-South divide](#). I don't intend to comment on that particular hypothesis but I was struck by his broader point: 'Britain is not alone in having depressed regions, but nowhere else is the problem so big and the desire to fix it so small'.

Ignoring the hyperbole, is it true that regional problems in the UK are particularly pronounced? This is a surprisingly difficult question to answer because differences in area outcomes are driven by a complex interaction between the extent to which (i) areas drive outcomes (wages, employment) and (ii) individual characteristics determine outcomes. The UK has high individual income inequality and poor educational performance at the lower end of the skills distribution. Even in the absence of any particularly strong area effects on outcomes we could still see very high area differences if all of the high skilled, well paid people tended to live together in specific parts of the country (and vice-versa).

Indeed, evidence from [recent SERC research](#) suggests that this 'sorting' is a far more important driver of individual wage inequality than anything to do with areas. In short *if* regional disparities are more pronounced in the UK it likely to be driven by sorting combined with factors that exacerbate individual inequalities (e.g. pay structures and school performance) in the UK relative to elsewhere. Consistent with this, we see large *within* area disparities in the UK.

If the desire to tackle this problem has decreased under the coalition (and just as with the unique scale of disparities, that's a big 'if') is that desire so 'small' compared to other countries? It's hard not to think of Detroit, for example, as providing a pretty big challenge to this assertion. Interestingly, in the US, it is the case that a smaller proportion of the population live in areas that fall a long way below the national average. However, it's a long jump from that fact to concluding that this is because regional policy is so much more effective in the US. Indeed, a more likely explanation is that when things go bad in the US people tend to move away.

Could UK regional policy be better? Almost certainly (and true for Labour as much as the Coalition). Are we unique in the scale of our problems and our willingness to fix them? I don't think so ...

Posted by [Prof Henry G. Overman](#) on [Tuesday, April 03, 2012](#)

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