



## Manchester/Liverpool Region

**Erik Bichard**  
 University of Salford  
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While the rivalry between the two great Northwest English cities of Manchester and Liverpool is often discussed, their histories and fortunes were more often historically intertwined. Separated by just 30 miles, the cities have tackled post-industrial challenges in different ways and on different timelines, but the themes underlying their innovative approaches could hold solutions for other linked conurbations.

Liverpool was granted a town charter by King John in 1207 who wanted his own gateway to Ireland. The commercial importance of the Americas transformed the port because of its strategic place on the triangular trade route (with Africa and the Caribbean). By the time slavery was abolished in 1807 Liverpool was arguably one of the most important and wealthiest places in the world.

Manchester's charter dates from 1301. The wool trade was the sources of the city's wealth and by the end of the 18th century it was a thriving centre of commerce. However, it was the industrial revolution that secured Manchester's place in history. Heavy industry and manufacturing, added to the existing and increasingly mechanized textile trade propelled the city into a global market leader. The cost of exports led Manchester to pay for a new canal that by-passed Liverpool thus avoiding handling fees. Completed in 1894 the Manchester Ship Canal confirmed the rivalry between the two cities.

Just 50 years later, both cities were in decline from a combination of a shrinking British Empire, cheaper completion from abroad and (in Liverpool's case) the containerisation of marine freight.

### **Economic Backdrop to the Decline of Two Mighty Conurbations**

Long term trends created by rapid deindustrialization, low skills and a lack of competitiveness reinforced through the neo liberal approach to economic renewal adopted by UK Governments since the Eighties have produced deep seated economic and social issues for the two cities.

The seismic shift in the geographic shape and nature of the UK economy over the past 150 years is clearly shown in the table below. Liverpool and Manchester are the two dominant cities in the North West region of England.

**Table 1: UK Regional per capita GDP**

Regional GDP (UK=100)	1871	1911	1981	2001	2007
London	141.9	165.6	126	133.9	164.9
Rest of SE	89.5	86.3	108.4	119	101.3

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East Anglia	97	76.8	94.7	109.1	91.9
South West	88.6	85.7	91.8	88.4	89.3
East Midlands	106.2	90.6	91.9	91	86.2
West Midlands	84.8	78.4	95.6	89.7	83.4
North West	106	97.2	89.1	89.3	83.9
North	94.1	89.5	92.9	85.5	75.2
Yorkshire and Humber	91.3	76.2	90.2	75.6	81.6
Variance (%)	10.8	15.8	11.4	16.9	17.7

Source: Crafts (2005)

Liverpool and Manchester did not suffer alone in the post-industrial decline. Between 1981 and 1996 all UK cities lost 5% (or 500,000) of their jobs. During the downturn the whole country suffered, but those regions that were dependent of industrial output and mining were particularly affected. The policies of the Thatcher administration to replace manufacturing with service sector jobs amplified problems for northern cities like Liverpool and Manchester. In the absence of an aggressive and active regional economic policy service jobs gravitated to the south. The profound legacy of low level and outdated skills, relatively poor productivity and reliance on public funding is still present in the region today.

There have been some job volume gains in non-manufacturing sectors in Liverpool, but manufacturing fell 3.8% year on year between 2003 and 2008. Today the Ford plant in Halewood and a number of pharmaceutical installations are the remaining highlights of this policy the 1970's policy of incentivisation to the regions. By March 2011 40% of Liverpool city region's workforce was still categorized as low skilled but the city's employment growth of 9.9% between 1998 and 2011 has outpaced the UK growth rate of 7.8%.

During the 1980s and early 1990s Manchester's economic output also fell reflecting the broader restructuring of the economy. In the 1980s, Manchester had become synonymous the rapid flight from industrialization. Factories closed and unemployment rose with all the attendant social impacts. Parts of Manchester's inner city areas had more than 50% on State benefits and crime soared. The effects of the 1987 UK recession and the global slowdown between 1990 and 1991 reinforced these economic problems. However, around 1995 (earlier than Liverpool), the Manchester city region started to turn a corner and economic growth began to outstrip the Northwest average. Almost 90% of the net increase in the Northwest's population, and almost half (48%) the net increase in the Northwest's employment, were related to Manchester's growth in recent years.

### Steps Towards Revival

Both Liverpool and Manchester started their modern revival under very different circumstances. In Liverpool, the regeneration is often credited to a controversial Thatcher era intervention which led to the renovation of the Albert Dock; a vast continuous architecturally listed complex of riverside brick buildings dating from 1845 and derelict since 1972. The Albert Dock effect was a slow burning fuse,

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but today the riverside area houses first provincial extension of the Tate gallery, a new arena and exhibition hall, a range of hotel choices, the Maritime Museum, a new and striking Museum of Liverpool, and hundreds of leisure-focused business that complement the UNESCO world heritage site that is the Liverpool waterfront. Today, much is also made of the contribution of the \$1.5 Billion Liverpool One shopping and commercial development to the city's revival. The city centre complex was completed in 2008 and now boasts a footfall of more 26 million. But perhaps more important was that at the same time the city participated in a yearlong festival celebrating Liverpool as the European Capital of Culture. This not only provided much needed income from international visitors, but injected a confidence in the city which has led to more ambitious projects and the first net in-migration figures in almost 50 years.

Manchester's revival is often dated from an explosion that occurred in the city centre in June 1996. The bomb was planted by Irish republicans and tore apart a number of key buildings in the main shopping area which had been suffering from underinvestment for decades. The economic assistance for repairs, coupled with the opportunity to make radical changes to the area due to the severe nature of the damage acted as a springboard for central growth and iconic architecture for years to come.

The city hosted the Commonwealth Games in 2002 and this opened a new front in the plans to regenerate the city. Land to the east of the centre had been cleared of long since dormant heavy industry and the sports city development was to be a focal point for new community housing and commercial projects. City planners and elected representatives would say that regeneration of Manchester was accelerated by the bomb, but they would also point earlier work in the 1980s (including the same Thatcherite intervention that led to two new exhibition and area spaces (G-MEX, and the MEN Arena), the quay-focused Castlefield development, the new Bridgewater Hall, and the Spinningfields commercial development. Most recently MediaCity on old 'city port' land of Salford Quays leading to the relocation of a significant parts of the BBC has added to the attraction of existing development on that site in including the Lowry Arts Centre and the Northern Imperial War Museum.

Describing these iconic developments helps to show tangible progress, but it does not really tell the full story of innovation needed to produce post-industrial regeneration in either city. Both have thriving knowledge economies with very large University sectors. Both have tried various governance models to bring out the combined power of their city-regions. Both have excellent transportation links although they have had differing fortunes in exploiting these. Now both are considering potentially transformational proposals which could re-characterize them in both national and global terms. Liverpool-Manchester can perhaps be said to be the original industrial cities, and may be showing signs of leading in the post-industrial revival.