



MANIFESTO FOR GROWTH

#GE2017

Win the Education Arms Race

Foster and extend our international 'value-add' economy

Embrace the Digital Revolution to improve productivity

Radically devolve power and opportunity to communities across the UK

Conduct Brexit negotiations in a spirit of partnership and mutual advantage

INTRODUCTION



Alan Leaman
Chief Executive



Paul Connolly
Deputy Chief
Executive and Think
Tank Director

The 2017 General Election will be about Brexit. The Prime Minister, Theresa May, is seeking a personal mandate to lead the negotiations and secure British interests.

Our focus should be wider. Even without Brexit, the UK faces numerous challenges. Digital disruption is transforming business. Thousands of jobs are threatened by automation. UK productivity is poor. Our education system needs urgent overhaul to prepare people for the AI Revolution. Britain is a divided nation. Wealth, power and opportunity are concentrated disproportionately in the South East. We rely for our economic success on London's international standing and our openness to new ideas, investment and talent from overseas. Yet many people seek tighter curbs on immigration.

Brexit is critical to the UK's future, but not just as a process to get right. The Article 50 negotiations should be assessed by how far they help facilitate a prosperous future for the UK. Yet the Government's negotiation objectives lack detail. Our March 2017 report [New Economy 2020 and Beyond](#) argues that a successful Brexit and a strong Industrial Strategy are linked. But the Government's Industrial Strategy is unambitious. How its realisation relates to Brexit is unclear. And animosity currently characterises the UK's relationship with the EU 27, hardly a recipe for success in an economically interdependent world.

Our new *Manifesto for Growth* sets out five priorities we would like to see any incoming Government pursue. It should:

- Coordinate and fund a step change in education resourcing, to ensure the UK wins the global education 'arms race'
- Foster and extend the UK's position as the world's leading internationalised 'value-add' economy
- Embrace the disruption of the Digital Revolution in a rational and targeted fashion to drive productivity and promote opportunity
- Radically devolve power and opportunity across the nations and regions of the UK
- Conduct the Brexit negotiations in a constructive spirit of partnership, to promote mutual economic advantage for the UK and EU.

These priorities are interlinked.

The changing nature of work demands a classroom revolution. Graduates and school-leavers will need to be highly skilled and adaptable to cope with the advance of automation and AI. We anticipate an education arms race across the world in the coming decades. The UK must win it.

Meanwhile, we must also protect and enlarge our unique position as the world's best 'value-add' economy. We make comparatively little *wholly* ourselves that the rest of the world wants to buy. We could do better at that. But we are great exporters of services and components that add value in complex supply chains and products. That is an advantage

in interdependent global markets. We must cherish it, while also adding new economic arrows to our quiver, especially in infrastructure and digital.

We must embrace the worldwide Digital Revolution, while developing a shared digital culture to ensure technology is deployed to create and enhance business value and productivity, as well as opportunities for citizens and consumers.

And we will only retain our international advantage if we remain open to skilled migrants and new ideas. The Brexit vote was the latest manifestation of frustration about globalisation and immigration. For many, globalisation's benefits are excessively concentrated in London and the South East. We must devolve opportunity while upskilling our home-grown talent. That way all our regions and people can participate confidently on the global stage, share in the benefits of our international model, and contribute to meeting our skills needs.

The priorities are also in the right order.

A successful Brexit outcome is not an isolated matter. It is an enabler. It would protect and foster existing successes, not least our 'value-add' pre-eminence. It would help lay the foundations for future success. A constructive negotiating tone would confirm that we are open for business and dispel any notions that we harbour ambitions of autarky. An unsuccessful and fractious outcome could isolate and impoverish us, impairing our ability to do the important things – transform our education system, digitise our economy, devolve opportunity.

We hope that the forthcoming party political manifestos set out a similar vision of how Brexit is linked to their economic goals. A campaign solely focused on who is best placed to lead otherwise goalless negotiations will leave an incoming PM with a majority, but little mandate.

OUR FIVE-POINT GROWTH MANIFESTO

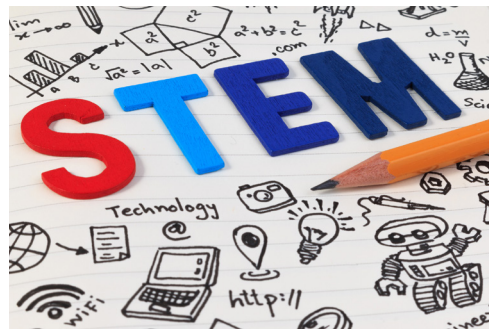
1. Win the education Arms Race

To meet future challenges (including Brexit), the UK needs a radical and transformational approach to education. It should:

- Target a major increase in public and private spending on education and research, to win the global education 'arms race', by setting the goal of a 50% uplift in education spend by the midpoint of the next decade
- Include a strong emphasis on STEM and non-graduate attainment, but set within a more rounded and creative approach overall
- Acknowledge creativity and adaptability as the key ingredients for the contemporary workforce, likely to prove even more important with increased use of AI and automation
- Root out damaging early specialisation and encourage the use of baccalaureate models in secondary and subsidiary courses in tertiary education
- Emphasise the acquisition of soft skills to combat STEM graduate unemployment
- Promote soft skills, adaptability, and learning environments that encourage teamwork and problem-solving in the next generation of non-graduate technical courses
- Recognise the equal importance of lifelong learning to pre-work education for future competitiveness by converting the Apprenticeships Levy into an Industrial Learning Fund
- Recognise that world-class theoretical research in tertiary institutions underpins world-class practical output
- Foster mutual understanding and mutually supportive ecosystems between world-class tertiary institutions (including theoretical research bodies) and business
- Review the purpose and curricula of business schools, while supporting them in developing their collective research capability (potentially through a focus on an Industrial Modernisation Study)
- Facilitate a rounded examination of the UK's forward skills and capacity needs, in line with the aims of its Industrial Strategy, thereby linking the themes of upskilling domestic workers, productivity gains, and migrant labour needs, in a single, rounded approach



Soft skills



Science, technology, engineering and mathematics



University lecture

2. Bolster the Value-Add Economy and Support New Opportunities

The new Government should replace the Industrial Strategy Green Paper with significantly more transformational ambition. The new strategy should:

- Protect the UK economy's strong fundamentals
- Occasion a fundamental re-examination of the UK's economic model
- Bolster the UK's position as an intermediate, value-add economy, providing service and component value to international supply chains, manufactures and propositions, and help extend these offers to new markets
- Target a high-value, high wage economy
- Help root out hidebound aspects of UK corporate culture
- Encourage a diverse business environment
- Initiate a fundamental review of the regulatory environment under the heading Best Regulation
- Develop a strategic, prioritised and targeted approach to infrastructure
- Set an ambition for the UK to become the Greenest Economy in the World
- Set an ambition to create the most modern and digitised transport infrastructure
- Outline how it intends to lift the calibre of procurement and project management professionals and structures to ensure Government procurement supports innovation
- Help policymakers articulate sharp messages about R&D priorities for investors
- Promote a digital revolution in manufacturing
- Promote changes in the culture of venture capital (including learning from

abroad) to bring it closer to the realities of building successful businesses

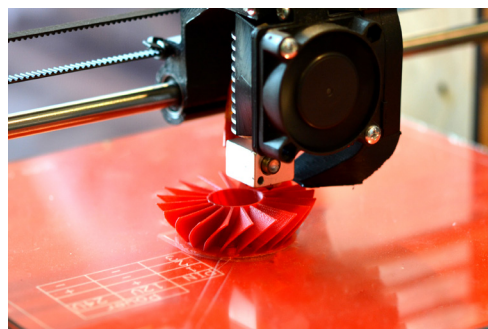
- Encourage further extensions in UK share ownership
- Foster reputation-bolstering ethical commitments across all UK economic sectors.



Edinburgh Waverley Station



The City of London

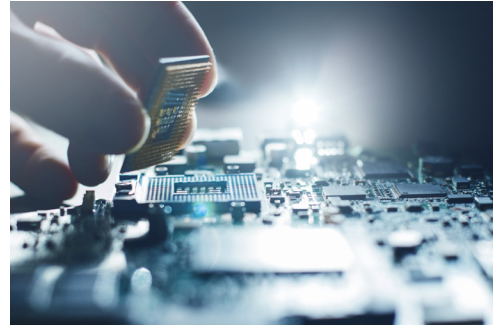


3D Printing

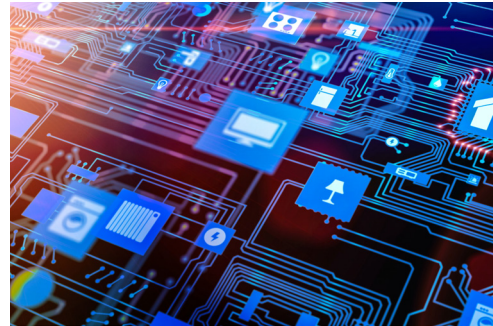
3. A targeted revolution in Digital for outcomes, productivity, consumers and citizens

The future of the economy is digital. We will not prosper as second-class citizens in a digital world. To exploit new technology and business models effectively, the new Government must help ensure that the UK:

- Develops a common digital culture, embracing the tech sector and the digital ambitions of other sectors
- Has the necessary mix of digital skills
- Has a culture that understands how digital can be deployed to promote business outcomes
- Adopts a Digital Strategic Primacy Principle across all sectors to encapsulate the importance of digital as the main driver of transformation, while ensuring that the transformation itself is what counts
- Deploys the right blend of human resources and automation to secure productivity gains
- Deploys public service digitisation in line with an explicit service philosophy to support best outcomes for citizens
- Measures economic output in ways that fully recognise the impact of digital
- Has a regulatory system that is fit-for-purpose for digital entrepreneurs.
- Leads the way on data ownership, instigating a Citizens Data programme to transfer ownership of public data to citizens and supporting measures to give consumers power over their data to help drive competition and innovation
- Maximises the devolution of digital business outside London and the South East
- Targets investment towards the most advanced and growth-supporting digital prospects



Embracing the UK tech sector



Digital deployed to promote business outcomes



Empower citizens with public data

4. Radical devolution of power and opportunity

We must spread the benefits of our international business model to all our communities to ensure the forces of protectionism and isolation do not prevail. The new Government should develop a radical localism and economic devolution plan. To that end, it must:

- Face up to and debate the historic consequences of economic modernisation frankly and imaginatively
- Help forge a common understanding of the link between local economic regeneration and local political devolution
- Promote a step-change leading to the devolution of all currently nationally administered local spend to local governance and control. All English local authorities should be unitaries
- Create a Professionalisation Fund through a partnership between Central Government and the leadership of local government, to support local governance
- Establish a presumption in favour of relocating all Government functions that do not have to be in London to the regions
- Put in place incentives for complementary levels of business relocation
- Specify the infrastructure needed to encourage skilled people to commute or relocate to new opportunities outside the South East
- Target regional infrastructure investments to improve opportunity, by extending value chains, markets and enlarging labour supply
- Acknowledge the international ambitions of regional growth initiatives and foster structures to involve local people in debates that link tangible local growth opportunities to both upskilling local workforces and inward migration

- Consult local government representatives on the Article 50 negotiations
- Support the revival and modernisation of regional manufacturing with targeted incentives



National Assembly of Wales



Manchester city centre

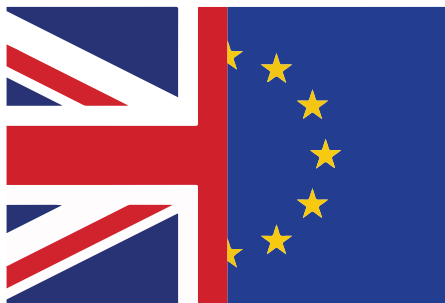


Scottish Parliament

5. Article 50 Negotiations: Partnership and Mutual Advantage

The Article 50 negotiations must help support a strong economic destiny for the UK, maintaining our position as a significant player on the global stage. To that end, negotiations should be conducted:

- To help deliver a successful Industrial Strategy
- With a prioritised sector strategy that accents emerging industry and existing successes
- With the utmost clarity and openness
- So as to reinforce the UK's position as a 'value-add economy', embedded in interdependent, global value chains
- With empathy and the principle of partnership
- With a pragmatic and imaginative approach to regulatory compliance





For more information, please contact:

Management Consultancies Association
5th Floor, 36-38 Cornhill,
London, EC3V 3NG

www.mca.org.uk

T: +44 (0) 20 7645 7950

E: info@mca.org.uk

Twitter: [@TheMCA_UK](https://twitter.com/TheMCA_UK)

A MANIFESTO FOR GROWTH

Five Pledges for Growth a new Government would commit to:

1. WIN THE EDUCATION ARMS RACE



2. FOSTER AND EXTEND OUR INTERNATIONAL 'VALUE-ADD' ECONOMY



3. EMBRACE THE DIGITAL REVOLUTION TO IMPROVE PRODUCTIVITY



4. RADICALLY DEVOLVE POWER AND OPPORTUNITY TO COMMUNITIES ACROSS THE UK



5. CONDUCT BREXIT NEGOTIATIONS IN A SPIRIT OF PARTNERSHIP AND MUTUAL ADVANTAGE

