

A time and a place



Professor Frank Peck of the University of Cumbria's Centre for Regional Economic Development writes for in-Cumbria on the big issues of the day and the economic data behind them. This month, he asks about a 'place-based' Industrial Strategy for Cumbria.

Consultation on the UK Government's Industrial Strategy Green Paper is now closed and we await the response to feedback received. This document, according to the preface, "is a critical part of our plan for post-Brexit Britain". We are encouraged to think that regions will be considered as part of the solution, not just a problem. The Strategy, we are told, will create a stronger and fairer society across all regions and "not just in the more prosperous places in London and the South East".

The regional message is picked up in the strategy under pillar 10 – "creating the right institutions to bring together sectors and places". This use of the word "place" rather than "region" or "sub-region" is intriguing. "Place" has been dropped into the policy lexicon in a variety of guises and contexts in recent years and its precise meaning is more than of passing academic interest.

On April 19, John Stevenson, MP for Carlisle, posed a pertinent question in the House of Commons on the role of regions and sub-regions in industrial strategy: "Will the Prime Minister agree that any industrial strategy in the next Parliament must take into account regional and sub-regional factors, and will she be receptive to a Cumbrian industrial strategy that works within a national one?"

This is an excellent question that carries with it the inference that a national strategy is unlikely to be a success if it does not take account of regional difference. But more than that, it also implies that bottom-up strategic thinking from within the regions can contribute towards providing solutions to economic problems at a national level. Regions may have many needs, but they also have capacity to provide solutions.

These points have much to do with the issue of "place" and its increased use in economic policy. "Place-based" policy has been debated at length in



the context of EU regional policy. Experience in Europe over many decades has shown that "place-blind" economic strategies which are "top-down" and predominantly driven by specific stated national priorities (be it selected key sectors, particular key technologies, specific types of skills, certain types of business cluster) and central policy delivery prescriptions that are subsequently 'rolled-out' across the country often have unintended negative consequences:

- Inappropriate bandwagon effects as regional actors are compelled to compete with one another in order to draw resource to their area.
- Unrealistic transfer of models that have worked in other places (e.g. high tech clusters).
- Regional economic development strategies that all look very similar
- Lack of engagement with regional actors and partnerships.
- Disaffected local communities that feel that policy is imposed from outside.

'Regions may have many needs, but they also have capacity to provide solutions'

The word "place" in the context of the economy signals a way of looking at policy that involves an acceptance that regional differences matter not just because places are different (which is obviously true) but also because successful strategies depend on engagement with regional actors in the design as well as the delivery of interventions. National strategies need to be based on realistic assessments of regional assets and resources and provide a framework within which "places" can respond and collaborate.

There are certainly positive signs in the Industrial Strategy Green Paper on this issue. It states for instance that "Central government must play its part, but it will never have the information it needs to identify the opportunities that emerge from different areas".

The Green Paper also states that Central Government alone cannot "provide the continuity and level of focus needed to develop a strong cluster or specialism over the long term".

These statements seem to accept some key points of principle:

- National policymakers do not have a monopoly on good ideas.
- National policymakers may not be best placed to decide what will work in any region.
- National policymakers need to be informed by local actors regarding regional assets and know-how.
- National strategies need to be based on realistic assessments of regional opportunity and capability.

The Prime Minister's response to the question perhaps revealed some sympathy with the idea of place in policy; that there is a need "to tailor the industrial strategy according to the needs of particular areas of the country". However, we wait with interest to see how government responds to the consultation and how these "place-based" principles will translate into policy design as well as delivery.