

Designing effective local industrial strategies



what works centre for
local economic growth

1. What is the state of the local economy?

- Appropriate mix of policies will vary across places
- Do not focus on high-level numerical targets
- Improve sectoral analysis, and understand its limitations
- Make the right comparisons
- Develop a more granular understanding

2. How is the local economy evolving?

- Balance the old and new
- Scenarios not forecasts
- Accommodate uncertainty

3. Supply side or demand side?

- Distinguish between supply and demand
- Avoid build it and they will come
- Pay attention to market signals

4. Target the policy response

- What's the market failure?
- Identify a range of options
- Consider the distributional consequences

5. Impact on competition

- Distorting competition can have a negative impact on productivity and growth
- Preferencing large sectors or employers

6. Experimentation

- Experiment to find what's more cost effective
- Share plans, and results of, experimentation

7. Independent experts

- Use independent panels to scrutinise evidence and policy priorities

8. Sharing the risk

- Find ways to share the risk
- Find the right balance in working with private sector

9. Evaluation and feedback

- Think about evaluations right from the start
- Focus on specific programmes where good evaluation is feasible
- Build in sunset clauses

10. Co-ordination

- Across stakeholders, levels of government, and policy areas

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