



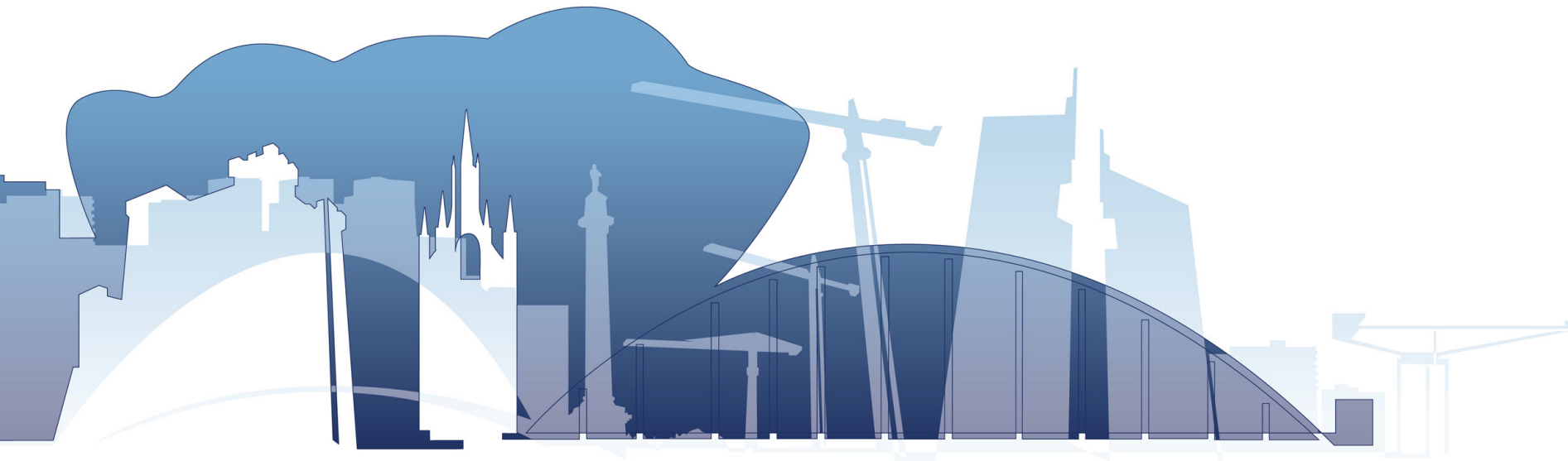
# Local responses to economic shocks and planning for economic recovery

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# Policy briefing

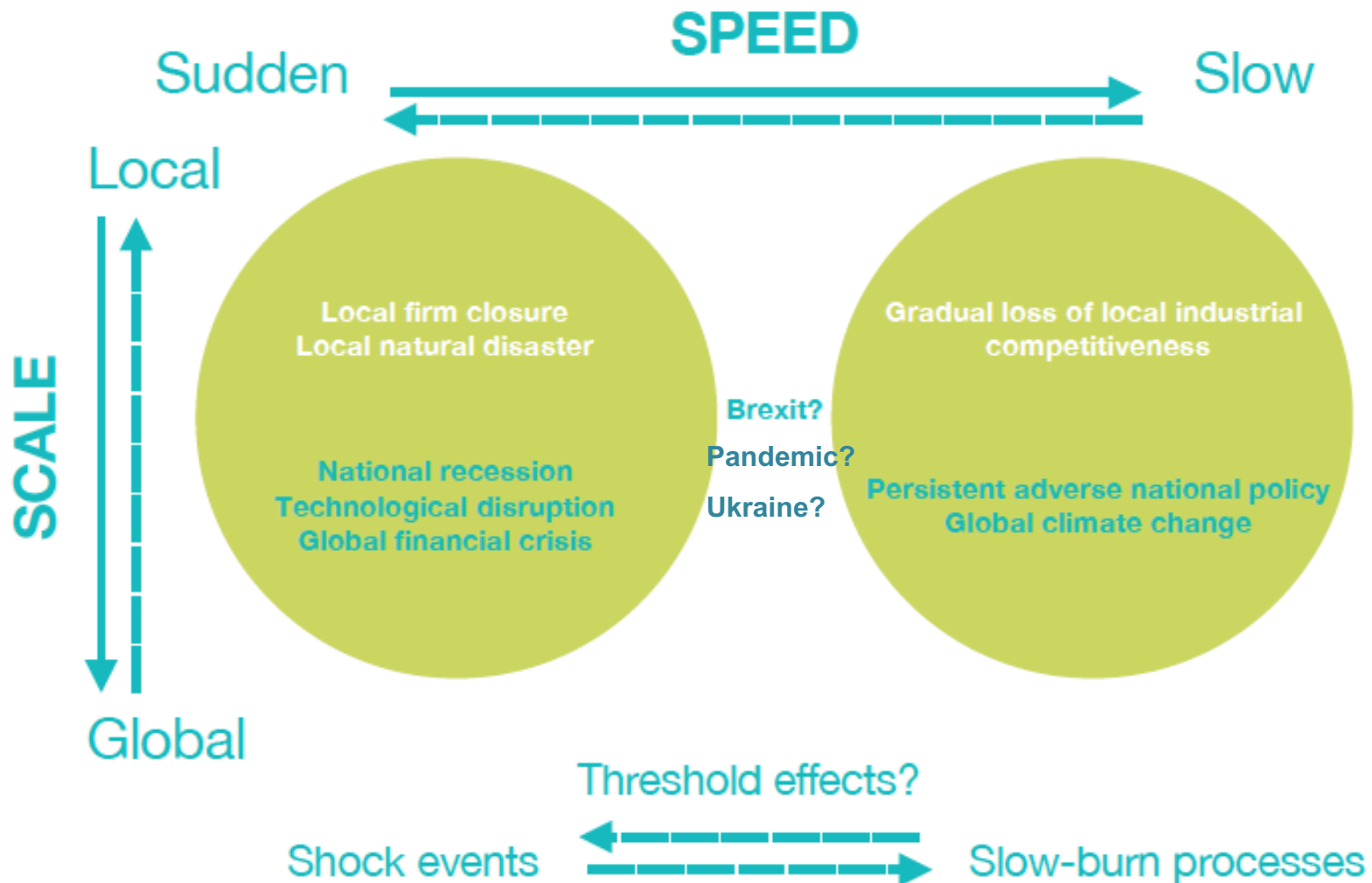


## Local responses to economic shocks

# Outline

- What is an economic shock?
- Short, medium and long-term responses
- The 'Task Force' model
- Key issues

# What is an economic shock?



# Short, medium and long-term responses

Short-term	Medium-term	Long-term
<p><b>Local economy:</b> assess immediate/likely impacts</p> <p><b>Business:</b> refinancing, new owners, receivership</p> <p><b>Employees and labour markets:</b> redeployment, redundancy pay, employment and financial information and guidance, job shops, outplacement, self-employment advice, subsistence allowances</p> <p><b>Equipment, facilities and sites:</b> sale, re-use, mothballing</p> <p><b>Supply chains:</b> capacity and employment retention</p>	<p><b>Local economy:</b> new FDI, support for expansion of growing sectors</p> <p><b>Business:</b> refinancing, new owners, exiting receivership</p> <p><b>Employees and labour markets:</b> counselling and psychological support, education and (re)training, self-employment and entrepreneurship support</p> <p><b>Equipment, facilities and sites:</b> sale, re-uses, changes of use</p> <p><b>Supply chains:</b> diversification</p>	<p><b>Local economy:</b> re-assess ED strategy with focus on economic adaptation and identification of new growth pathways, monitoring and evaluation of responses and local business dynamics</p> <p><b>Business:</b> diversification, innovation support, tax breaks</p> <p><b>Employees and labour markets:</b> education and (re)training, entrepreneurship and enterprise support</p> <p><b>Equipment, facilities and sites:</b> sale, re-uses, changes of use</p>

# The 'Task Force model'

- Multi-agent selected membership
- Strategic, co-ordination and/or implementation roles
- Temporary, task-limited lifespan
- Non-statutory
- Employer, sectoral and/or territorial
- Flexible, 'rapid response'

# Potential benefits

- Responsive and regenerative
- Focus, co-operation and co-ordination mechanism
- Adaptable to local context
- Innovative
- Multiple, hybrid varieties and evolution
- Transition to proactive and developmental



# Potential costs

- Reactive over-use and proliferation
- Contingent establishment criteria: shock, crisis, slow-burn...?
- Fragmented and limited (new) funding
- Public sector reliance
- Lacking accountability and transparency
- Limited evaluation

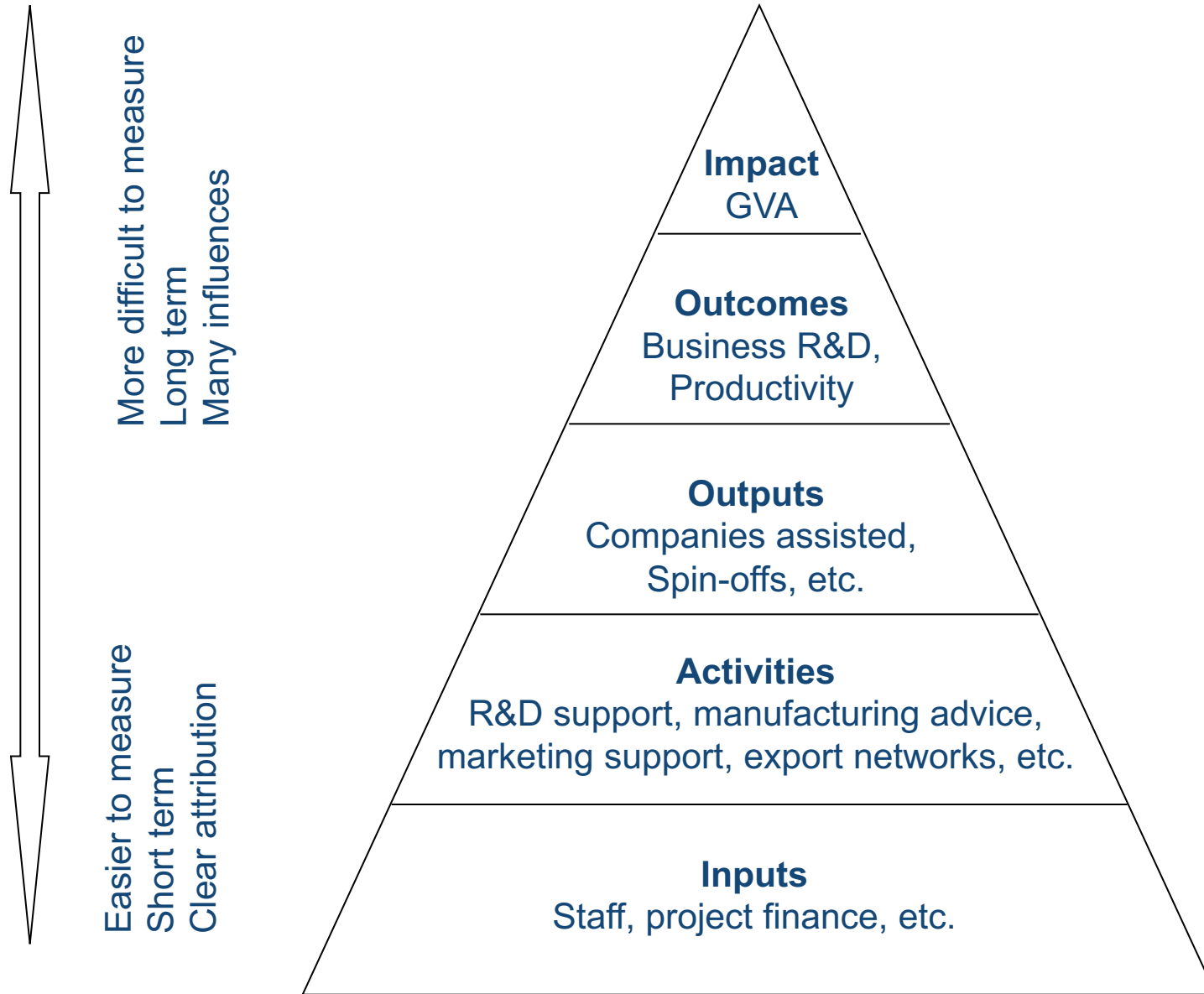
# Key issues for local responses to economic shocks I

- Emergence of new types of shocks (pandemic, Brexit, Ukraine): sudden *and* slow, stop/start, local to global
- Highly uneven evidence base
- What would have happened without these (under-evaluated) interventions?

# Key issues for local responses to economic shocks II

- National and local political-economic imperatives: no strong evidence = no policy response?
- Tension: shorter-term, direct and narrow outcomes versus longer-term, indirect and wider outcomes
- Locally tailored policy to shape adaptive pathways – slowing down > speeding-up for adaptation

# Measuring the difference: from inputs to impact



Source: Adapted from Neil MacCallum, Office of Project Advice and Training, London, UK; OECD LEED Evaluation Workshop, Trento, 2006.