

## **‘Industrial Strategy White Paper: Building a Britain fit for the future?’**

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So, ten months after the government trailed its set of initial ideas for a ‘new’ approach to industrial policy in the UK, the long-awaited Industrial Strategy White Paper has been published today. In seeking to navigate a course through the choppy waters of an uncertain Brexit, diminishing productivity and widening regional and local economic disparities, the White Paper is, to some extent, seeking to lay out a long-term framework for building on some of the opportunities and addressing some of the structural economic challenges facing the UK.

At 254 pages long, the White Paper is a lengthy tome. In an echo of previous attempts by government to address the UK’s productivity challenges, the Industrial Strategy outlines five foundations of productivity where public and private interventions and investment should be corralled and directed towards: Ideas; People; Infrastructure; Business Environment; and Place. These themes are said to provide the ‘pillars’ upon which the UK is best positioned to tackle four grand societal challenges: Artificial Intelligence and Data Economy; Future of Mobility; Clean Growth; and an Ageing Society. The White Paper outlines a series of national and local measures that will be required to move these proposals forward.

For universities in Yorkshire, the Strategy recognises the importance of universities and the higher education (HE) sector as place leaders and in driving the conceptualisation of ideas, but also illustrates how the government is keen for universities to extend the scale and partnership of commercialisation knowledge transfer activity between HE and the private and public sectors. The proposed major increase in public investment in research and development (R&D) is seen as a means to underpin greater levels of innovation. For Yorkshire, higher spending on R&D not only has to come from the public sector, but also from business, where the region lags behind other places.

Of interest to YU members will be the proposals to increase significantly the level of Higher Education Innovation Fund resources to £250 million a year and the outline of a new £115m ‘Strength in Places Fund’ to support local areas and partnerships build science bases. There are

welcome references in the Industrial Strategy to the University of Huddersfield's 3M Buckley Innovation Centre, the University of Sheffield's Advanced Manufacturing Research Centre and the recent Science and Innovation Audits where YU members have led developments. However, it is disappointing to see that the White Paper only offers the tantalising prospect of future discussions of possible options for the UK to retain its participation in the Horizon 2020 research programme once the UK leaves the EU. Above and beyond the direct investment in R&D that would be foregone should the UK no longer participate in Horizon 2020, of equal significance would be the absence of UK researchers from future collaborative international projects and programmes, which could undermine the UK's science base.

One of the major challenges facing the Industrial Strategy, given Whitehall's traditional penchant for centralisation and diffusing spatially-blind interventions, has been to recognise the importance of place-based industrial policy. This is even more acute given the nature and scale of the UK's uneven patterns of growth and development (by international standards) and the clear statement given at the EU referendum in June 2016 by voters in the many towns and cities said to have been 'left behind' under the current economic model. Into this space has emerged growing research and policy interest into concepts, such as 'inclusive growth'. While the Industrial Strategy represents a welcome shift towards the notion of place, the section on 'Place' is under-developed in two particular areas. First, it fails to recognise and reflect the importance of diverse but accountable, place-based institutions at local and regional levels as key influencers of growth. Second, there are limited policy prescriptions in the White Paper about how to support those places struggling economically. The government indicates that they are piloting new approaches and leaving local partnerships to identify the barriers to growth in towns facing particular challenges, which appears to suggest that 'more research is needed'.

The development of local industrial strategies by March 2019 should be welcomed, and YU and its members will work closely with the Local Enterprise Partnerships, Combined Authorities, local authorities, business and other actors in Yorkshire and the Humber to develop and implement these strategies. However, given what is missing in the White Paper it may be the case that local partnerships, through their respective industrial strategies, will themselves have to identify innovative measures to address the challenge of inequality, which is increasingly recognised internationally as the underlying cause rather than outcome of slow growth and weak productivity.