LSE Spatial Economics Research Centre

Wednesday, 8 February 2012

Portas Pilots

I am not sure what to make of the Portas Pilots. The government competition will see 12 "winners benefiting from a share of £1 million to help turn around their unloved and unused high streets." The amount of money is fairly small, but the scheme does seek to implement some of the better recommendations from the Portas Review (those concerned with the management of high streets).

Given the small amount of money available it's presumably important that government learns the maximum amount possible from the pilot. According t Grant Shapps we need to "try new things, experiment [to learn] lessons and help communities across the country breathe new life into their own towns The issue, of course, is that we don't know what, if anything will work.

As I have discussed before, most government evaluations don't allow us to learn lessons about whether policy works, because we don't know what would have happened in the absence of the policy. The Portas Pilots are likely to provide another example if government officials use a whole lot of criteria to select 'the very best bids'. If high streets in the pilot area then do better how do we know if this is anything to do with the Portas process? Perhaps these areas were doing a good job on lots of other policy areas (remember they were capable of writing the 'best bids') and the high streets happened to benefit as a result of that and not the Portas process. Alternatively, perhaps they would have done many of these things anyhow, without the government providing them money. In addition, to these concerns about assessing the impact of the pilots, it is worrying that centralised rankings o bids may have a tendency to kill the very experimentation that government says they want to create.

If government wants to be truly innovative on Portas pilots then there is a way to solve this problem. Assuming that the government gets lots of good b why does it need to try to pick 'the very best'? Why not, instead, just pick a random selection of 12 bids from all of those that seem good enough to get funding? Randomness helps solve the selection problem so that we can learn more from the pilot (by comparing the lucky winners to the unlucky loser It will encourage creativity because bidders will not be trying to guess exactly how officials will rank bids. It will also save on central government resources in having to produce those rankings (which is a pretty difficult task anyhow given that we don't know what works). There's a cost, of course - ministers will feel like they have less 'control'. But given the uncertainties about what works this 'control' is an illusion anyhow (at least in terms of the economic impact). In short, in keeping with the overall philosophy, some experimentation in the selection process might help us learn a lot from the 'Portas Pilots'.

Posted by Prof Henry G. Overman on Wednesday, February 08, 2012   G+1 Recommend this on Google

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