



Spatial Economics Research Centre

Wednesday, 17 November 2010

Local Procurement for Local Authorities?

Someone suggests to me that Local Authorities are increasingly interested in local authority procurement as a way to create or sustain local jobs.

I hope that this isn't true, but worry that it might be. Let me put it bluntly: Local procurement is a pretty silly policy. One LA doing it might have some benefits but at the cost of higher procurement costs (if they could be lowering costs by procuring locally, why aren't they already doing it?). If many LA's try it, how will that help? LA1 stops buying from firms in LA2 and vice-versa? That would appear to be a recipe for costs up with no obvious benefits (again, assuming that LAs are sourcing for their particular needs at lowest cost currently).

Tit-for-tat protectionism (may have) contributed to prolonging the great depression. With finances tight and the economy struggling, surely not a good moment to start encouraging protectionism at the LA level?

Posted by [Prof Henry G. Overman](#) on [Wednesday, November 17, 2010](#)



1 comment:

TomA said...

I've heard another economist put it this way: "we tried buy local: it was called the middle ages"

[24 November 2010 at 11:00](#)

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