Local Economic Development, Human Development, and Decent Work

Summary
Paper 2: Best practices and trends

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The paper intends to provide a review of the best practices\(^1\) in the field of local economic development. In particular experiences occurred in developed countries are analyzed, as well as practices implemented by some international organization which are now considering LED strategies as a powerful means to trigger those processes on which developing countries could base their development.

In the first part of the paper the experiences of some international organizations directly involved in LED strategies and interventions will be reviewed. In particular the experience of the European Union, which fostered LED based actions through the Territorial Employment Pacts, through the realization of some Community Intervention Programs (CIP), and through the anti poverty Programme “Poverty 3” will be described. The Local Economic Development Agencies (LEDA) set up by UNDP/UNOPS/ILO with the support of the Italian Government will be analyzed as well as some smaller experiences of the Food and Agriculture Organization, which have fostered the concept of Sustainable Livelihood, and of UNDP in Indonesia. The new strategy in terms of Local Economic Development of the World Bank and the Inter American Development Bank will be outlined as well. The analysis of the above-mentioned themes will be accompanied by the description of good practices on the field where these are available.

The second part of this paper will contain the cases of national policies on local economic development, and it regards United Kingdom, Spain, and South Africa.

The third part illustrates experiences carried out without the direct imprimatur of an international organization, sprung by the necessity of responding to specific economic conditions of a territory where a LED approached strategy has proved to be successful in Europe, Latin America, Africa, and Indonesia.

The paper does not intend to be comprehensive of all the best practices existing in the world. A first selection was done on the basis of the criteria illustrated in the next chapter, but even so we are sure that many other experiences could fit into the selection. Nevertheless the aim has been of choosing cases, which can be considered representative of typical approaches, as well as of the new trends occurring in the local economic development approaches.

\(^1\) The sources of information have generally been documentation and consultation of web sites. In some cases direct contact were used to complete the information.
Twenty-eight experiences and initiatives are analyzed, although obviously not representing the universe of the local economic development efforts, nevertheless provide a significant picture of the new trends that are going on in the international scenario.

Some of them are dated on time (the European LEDAs, Rafaela in Argentina, Shannon in Ireland, SOPRIP in Italy), some comes from the necessity of facing emergent economic and employment crisis (ABC in Brasil, the territorial pacts of Parma and Naples in Italy) after the ’80s, other ones come from more or less recent initiatives of international bodies (European Union, Ilo, Undp, Fao, World Bank, Inter-American Development Bank, Oecd), some are related to national policies (U.K., Spain, South Africa), other ones are the result of local efforts (Porto Alegre and ABC in Brasil, Rafaela in Argentina, Shannon in Ireland, Parma in Italy, Harrismith in South Africa, Faro in Portugal).

The following table shows the comparative features of the above-mentioned experiences and initiatives.

What do these experience have in common?

The most significant item that characterizes them is the participatory approach.

The concertation, the planning and participatory programs, and the development partnership committees of the European Union initiatives; the direct membership into the Local Economic Development Agencies of the Italian Cooperation, United Kingdom, Spain, ILO, Undp and Unops; the people partnership program of Fao; the public-private concertation recommended by Oecd, by the Government of South Africa and practices by the European LEDAs and by PLED in Indonesia; the local steering committees suggested by the WBG and Ilo, the social capital fostered by IADB; the Local economic council of the ABC, the participation of people in the planning exercises in the comarcas of Galicia; the economic development secretariat of ABC; and the participatory budgeting methodology in Porto Alegre, represent a clear sign that participation is now considered the base, the condition sine-qua-non for fostering local economic development strategies and actions.

A new trend is, however, coming along: participation is not seen as an instrument for building consensus, but as a way of good governance. The accent on good governance, in fact, is more and more evident in the most recent initiatives, such as the Ilo, Undp and Unops Ledas, the World Bank, South Africa and it, in fact, also responds to the human development aims of United Nations.

Objectives, strategies and tools, of course, vary from case to case.

Also in this case “traditional” objectives could be recognized in the improvement of employment, when job creation, promotion of micro and small local enterprise, attraction of external investment, territorial revitalization are mentioned. However a new typology of advanced objectives is recognizable: the improvement of the quality of life of the citizens in a more integrated approach, which includes human development, decent work, inclusion of the socially excluded people and the protection of the environment.

One interesting case, in this respect, is that of Galicia. Until the 80’s, in fact, one of the main objectives of the local administrators was to attract external investment and to build infrastructure. When they realized the scarce results of this approach, at the beginning of the 90’s, they changed completely direction, investing on the local capital resources for the future development.
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<tr>
<td><strong>European Union Territorial Pacts</strong></td>
</tr>
</tbody>
</table>
| Participation | q Planning and Partnership Programs  
q Concertation for Public and Private sectors | q Development Partnership Committees | q Participation to planning and execution  
q Good Governance  
q Local Economic Development Agencies membership of public and private sector | q People Partnership Programme  
q People centred and holistic approach |
| Objectives | q Quality of Life  
q Employment  
q Environment | q Regeneration of areas in crisis  
q Quality of Life  
q Employment  
q Environment | q Job creation  
q Enabling environment for SMME  
q Social inclusion | q Sustainable Livelihood |
| Strategies | q Development of endogenous resources  
q SME  
q Integration of local and extra-local resources | q Policy Innovation  
q Development of endogenous resources | q Use of local potential  
q Promotion of local milieaux  
q SMME | q Broaden domestic markets for rural areas |
| Tools | q Specialised Knowledge of local/Regional Bodies | q LAG (Local Action Groups)  
q Transnationality  
q Coordination Local/Regional/National | q Local Economic Development Agencies  
q Territorial marketing  
q Integration financial-non financial services  
q International networking | q Participation of informal groups  
q Development projects |
| Inclusion | q Weakest areas of Union | q Job opportunities to vulnerable groups  
q Anti-exclusion and anti-discrimination explicit policies | q Priority to vulnerable groups | q Based in the weaker areas of the region |
| Sustainability | q Relying on local efforts after the phase financed by the Union | q Relying on local efforts after the phase financed by the Union | q Leda are self sustainable (financial engineering, project financing, services) after the first start up funded by Unops/ILO | q N.A. |
**SINOTTICAL TABLE ON LED EXPERIENCES AND INITIATIVES (2 of 6)**

<table>
<thead>
<tr>
<th>Participation</th>
<th>OECD</th>
<th>WBG</th>
<th>IADB</th>
<th>ILO</th>
</tr>
</thead>
</table>
|               | Public Private partnership and concertation | Local Steering Committee | Building social capital  
   Networks of public and private actors | Local Forum  
   Membership in LEDA |
| Objectives    | Local Development  
   Employment  
   Fighting poverty | Urban Development | Sustainable economic and environmental development  
   Job creation | Job creation  
   Restructuring areas in crisis  
   Fight to poverty and vulnerability  
   Social inclusion  
   Decent work |
| Strategies    | Entrepreneurship and local smme  
   Use of endogenous potential | Valorisation of endogenous resources  
   Attraction of external investment | Valorisation of endogenous resources  
   Enabling environment for SMME | Support to smme and cooperative  
   Valorisation of endogenous resources  
   Promotion of clusters  
   Enabling environment for SMME |
| Tools         | Local Development structures | Swot analysis  
   Local Development Agencies | Municipal consortium  
   New credit tools  
   Territorial marketing  
   Technological progress  
   Local economic development agencies | Local Economic development Agencies  
   Business Development Services  
   Micro finance  
   Territorial marketing |
| Inclusion     | Based in the weaker areas of the region | Based in the weaker areas of the region | Based in the weaker areas of the region | Priority  
   Social protection programmes |
| Sustainability| Social sustainability  
   Institutional sustainability | Social sustainability  
   Institutional sustainability | Local efforts | Social sustainability  
   Institutional sustainability  
   Financial engineering  
   Project financing |
## SINOTTICAL TABLE ON LED EXPERIENCES AND INITIATIVES (3 of 6)

<table>
<thead>
<tr>
<th>Participation</th>
<th>European Commission</th>
<th>Italian Cooperation</th>
<th>United Kingdom</th>
<th>Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local Steering Committee</td>
<td>Local Planning Groups</td>
<td>Representatives of public and private bodies In the board of LEDAs, appointed by national government</td>
<td>Representatives of public and private bodies In the board of LEDAs</td>
</tr>
<tr>
<td></td>
<td>Memberships in Local development Bodies</td>
<td>Membership in LEDAs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objectives</td>
<td>Fight to poverty</td>
<td>Human development</td>
<td>Territorial competition</td>
<td>Employment</td>
</tr>
<tr>
<td></td>
<td>Fight to exclusion</td>
<td>Fight to poverty</td>
<td>Balance periphery-Center at regional level</td>
<td>Regional renaissance and competition</td>
</tr>
<tr>
<td></td>
<td>Mobilisation local resources</td>
<td>Social Inclusion</td>
<td>Employment</td>
<td>Efficiency in the allocation of resources</td>
</tr>
<tr>
<td></td>
<td>Changes in attitudes and behaviours</td>
<td></td>
<td>Environmental sustainability</td>
<td></td>
</tr>
<tr>
<td>Strategies</td>
<td>Territorial planning</td>
<td>Enabling local environment for socio economic development</td>
<td>Leading on regional inward investment</td>
<td>Endogenous development</td>
</tr>
<tr>
<td></td>
<td>Business development</td>
<td>International networking</td>
<td>Skill development</td>
<td>Smme support</td>
</tr>
<tr>
<td></td>
<td>Small scale enterprise and co-operative promotion</td>
<td>Territorial marketing</td>
<td>International networking</td>
<td>Opportunities “catching”</td>
</tr>
<tr>
<td></td>
<td>Skill development</td>
<td></td>
<td>Territorial marketing</td>
<td>International networking</td>
</tr>
<tr>
<td></td>
<td>Social protection and economic development combined actions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quality of public services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tools</td>
<td>Local Economic Development Agencies</td>
<td>Local Economic Development Agencies</td>
<td>Regional strategic planning agencies</td>
<td>Regional development agencies</td>
</tr>
<tr>
<td></td>
<td>Business development services for disadvantaged people</td>
<td></td>
<td>Regional development agencies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Training</td>
<td></td>
<td>Project development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Business services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inclusion</td>
<td>Main priority of LED initiatives</td>
<td>Priority</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Sustainability</td>
<td>LEDAs</td>
<td>Ledas</td>
<td>Funded by national government</td>
<td>Funded by regional administrations</td>
</tr>
<tr>
<td></td>
<td>Project funding (European and national programs)</td>
<td>Decentralised Cooperation</td>
<td></td>
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<tr>
<td>South Africa</td>
<td>Soprip (Italy)/Parma Territorial Pact</td>
<td>Galicia (Spain)</td>
<td>Shannon (Ireland)</td>
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</tbody>
</table>
| **Participation** | Council Committee  
Participatory budgeting | Participation as members of the company | Participation on voluntary bases to the Comarcal development plans | In the implementation of the projects |
| **Objectives** | Fight to poverty  
Inclusion of disadvantaged  
Employment  
Quality of life | Integrated territorial development  
Reducing physical and material gaps of the weakest area of the Province  
Environment management | Employment  
Balanced regional growth among “comarcas” | Employment  
Quality of life  
Environment |
| **Strategies** | Support to SME sector  
Governance building  
Territorial marketing  
Technological innovation  
Associations | Valorisation endogenous resources  
Opportunities “catching”  
Innovation  
Export  
Public services | From regional to comarcal development strategies  
Endogenous development  
Coordination among “comarcas” of the region | Promotion cooperation among local stakeholders  
Promotion local resources (agriculture, tourism)  
Attraction of external investment in coherence with local development vision  
From regional to sub-regional strategies |
| **Tools** | Local Economic Development Agencies  
Business development for disadvantaged people  
Training  
Business services | SMME competitiveness  
Strategic marketing  
Promotion of specialised structures: incubator, Technological Park, Tourism development company, etc.  
Internationalisation  
Project development | Comarcal Development Agencies  
Corporation of Comarcal Development of Galicia (technology innovation, marketing)  
General Secretariat | Promotion of specialised services  
Shannon free zone  
Incubators  
Technological Parks  
Tourism management company |
| **Inclusion** | Main priority of LED initiatives | Specific projects | Based in the weaker areas of the region | Specific projects |
| **Sustainability** | LEDAs  
Government funded LED  
Project funding | Project financing  
Member’s quotes  
Infrastructure management | Public fund, according to national and regional laws  
Project financing | Project financing  
Return on investment  
Quote from public membership  
Services |
<table>
<thead>
<tr>
<th>Participation</th>
<th>Porto Alegre (Brazil)</th>
<th>Territorial Pact of Naples-North East</th>
<th>European Ledas</th>
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<tr>
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<td>Participatory budgeting: plenary meetings and &quot;Council&quot;</td>
<td>Public Private Concertation and establishment of a steering committee for the Pact</td>
<td>Public-Private management</td>
<td>Local economic council</td>
</tr>
<tr>
<td>Objectives</td>
<td>Quality of Life</td>
<td>Renaissance of the territory</td>
<td>Renaissance of the territory</td>
<td>Territorial renaissance to combat the crisis</td>
</tr>
<tr>
<td></td>
<td>Job creation</td>
<td>Quality of life of the citizens</td>
<td>Quality of life of the citizens</td>
<td>Employment</td>
</tr>
<tr>
<td></td>
<td>Environment development</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Strategies</td>
<td>Technological innovation</td>
<td>Development of endogenous potential in agriculture, tourism, and arts and crafts</td>
<td>Development of endogenous potential in agriculture</td>
<td>Marketing</td>
</tr>
<tr>
<td></td>
<td>Promotion of local Smme</td>
<td></td>
<td>Attraction of external investment</td>
<td>Local SMME competitiveness</td>
</tr>
<tr>
<td></td>
<td>Internationalisation</td>
<td></td>
<td>Innovation</td>
<td>Promotion of commodity local chains</td>
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<td></td>
<td>Socio-environmental industrial districts</td>
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<td>Export</td>
<td>Attracting external investment</td>
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<td>Social inclusion</td>
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<tr>
<td></td>
<td>Promotion of neighbourhood Associations</td>
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<tr>
<td>Tools</td>
<td>Plan for economic development of the Prefecture</td>
<td>Coordination of local resources</td>
<td>Services to local enterprises</td>
<td>Regional Development Agency</td>
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<tr>
<td></td>
<td>Community institution for credit</td>
<td>Local Agency for Economic Development</td>
<td>Promotion of specialised structures: incubator, Technological Park, Tourism development company, etc.</td>
<td>Territorial marketing</td>
</tr>
<tr>
<td></td>
<td>Incubator</td>
<td></td>
<td>Internationalisation</td>
<td>Guarantee fund</td>
</tr>
<tr>
<td></td>
<td>Trade point “Porto Alegre”</td>
<td></td>
<td>Project development</td>
<td>Incubator</td>
</tr>
<tr>
<td></td>
<td>Industrial park</td>
<td></td>
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<tr>
<td>Inclusion</td>
<td>Priority to vulnerable people</td>
<td>Explicit policy for inclusion of vulnerable people</td>
<td>Based in the weaker areas of the region</td>
<td>Based in the weaker areas of the region</td>
</tr>
<tr>
<td></td>
<td>Guarantee fund</td>
<td>Territorial approach in a generally vulnerable area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainability</td>
<td>Social and institutional</td>
<td>Project financing</td>
<td>Public Funds</td>
<td>Public fund</td>
</tr>
<tr>
<td></td>
<td>Public funded</td>
<td>Public funds (Regional, Local)</td>
<td>Sale of services</td>
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<td></td>
<td>Equities</td>
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<td></td>
<td></td>
<td></td>
<td>Infrastructure management</td>
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<thead>
<tr>
<th></th>
<th>Harrismith (South Africa)</th>
<th>PLED (Indonesia)</th>
<th>Rafaela (Argentina)</th>
<th>Associação in loco (Portugal)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Participation</strong></td>
<td>Membership in the Development body</td>
<td>Public-Private partnership</td>
<td>Economic planning secretariat</td>
<td>Membership</td>
</tr>
<tr>
<td><strong>Objectives</strong></td>
<td>Revitalisation of the town</td>
<td>Strengthen rural-urban linkages</td>
<td>Job creation</td>
<td>Fight to exclusion</td>
</tr>
<tr>
<td></td>
<td>Attraction of external investment</td>
<td>Export</td>
<td>Smme growth</td>
<td>Fight to local abandon</td>
</tr>
<tr>
<td></td>
<td>Quality of life</td>
<td>Poverty alleviation</td>
<td></td>
<td>Job creation</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Revitalisation of abandoned rural areas</td>
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</tr>
<tr>
<td><strong>Strategies</strong></td>
<td>Strategic planning</td>
<td>Clusters</td>
<td>Smme promotion</td>
<td>Small businesses promotion</td>
</tr>
<tr>
<td></td>
<td>Fund raising</td>
<td>Exploitation of development potentialities</td>
<td>Internationalisation</td>
<td>Valorisation of local resources</td>
</tr>
<tr>
<td></td>
<td>Business development for disadvantaged people</td>
<td>Promotion of urban-rural interactions at national, regional, and local level</td>
<td>Technological innovation</td>
<td>Training</td>
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<tr>
<td><strong>Tools</strong></td>
<td>HARDEP (Harrismith Development partnership)</td>
<td>Links among small producers</td>
<td>Chambers of small enterprises</td>
<td>Local Development Association</td>
</tr>
<tr>
<td></td>
<td>Training</td>
<td>Entrepreneurs empowerment</td>
<td>Institute for training and studies on LED</td>
<td>Network of local agents</td>
</tr>
<tr>
<td></td>
<td>Marketing</td>
<td></td>
<td>Centre for enterprise development</td>
<td>Support to local Associations</td>
</tr>
<tr>
<td></td>
<td>Project development</td>
<td></td>
<td></td>
<td>Project development</td>
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<td></td>
<td></td>
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<td></td>
<td>Social infrastructure</td>
</tr>
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<td></td>
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</tr>
<tr>
<td><strong>Inclusion</strong></td>
<td>As objective</td>
<td>Priority</td>
<td>Based in the weaker areas of the region</td>
<td>As objective</td>
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<tr>
<td><strong>Sustainability</strong></td>
<td>N.A.</td>
<td>in pilot phase</td>
<td>Services</td>
<td>Local development association</td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td>Contribution of local councils and associations</td>
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<td></td>
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<td></td>
<td></td>
<td>Project financing</td>
</tr>
</tbody>
</table>

*Inclusion: As objective, N.A.*

*Tools: HARDEP (Harrismith Development partnership), Training, Marketing, Project development.*

*Strategies: Strategic planning, Fund raising, Business development for disadvantaged people.*

*Objectives: Revitalisation of the town, Attraction of external investment, Quality of life.*

*Participation: Membership in the Development body.*

*Sustainability: N.A., in pilot phase.*
This new “wave” identifies the quality of life of citizens without discrimination and the environmental development as major objectives. This, of course, includes the “old”, always valid, objectives, but it sees them in a more comprehensive more “human” approach.

If Ilo, Undp, Unops, Italian Cooperation, Pled in Indonesia, South Africa, the European Program against Poverty and OECD put more the accent on the inclusion, IADB and Porto Alegre on the environment, Fao on sustainable livelihood, all the other mentioned cases make the quality of life as priority in their objectives.

**Strategies** also are quite different case by case.

Commonalties can be recognised in the effort to develop the **endogenous potentials**, through the creation and the support to local smme, and promoting entrepreneurship and self-employment. Attraction of external investment, more than an objective, is now considered an instrument for strengthening the local resources (WBG, ABC, Shannon, South Africa), whereas sectoral policies are put in place explicitly in some cases (Naples, Parma, Ilo Ledas, Shannon).

New trends in strategies could be recognised when the focus is shifted towards the promotion of **milieaux** or to enabling an adequate environment where single smme could start and grow (IADB, ABC, ILO-UNOPS, Porto Alegre, Europe), above the support to single entrepreneurs.

Organisation of the local effort, through **coordinating and integrating** the local resources either to provide services or to organise the management of development projects is another new element of the most innovative strategies (Territorial pacts, Galicia, Shannon, Porto Alegre, Faro).

New signals are coming also as regard to the territorial coverage of local economic initiatives and to the relation local-extra local.

The “local” has seen more related to micro and macro policies. The “**meso**” level is becoming really crucial in linking the “micro” and “macro” levels.

On one side globalisation is generally influencing the local policies, as can be recognised in the efforts of the European Union on the inter-regional relationships for the territorial pacts, or in the same principle inspiring the English regional policies for linking them to the other European regions, or in the FAO programmes enhancing the markets broadening for the local areas, or in the initiatives promoted by ILO and UNOPS with the intent of creating international networks.

On the other side the regional dimension, mainly for the European countries, seems to become too extensive for appropriate local strategies; then the Galicia region organises itself in “comarcas”, the Campania Region foresees local economic development at sub-provincial level, the Irish Shannon region promotes sub-regional initiatives for favouring a stronger participation of the people, Pled in Indonesia seeks for linkages between the local, regional and national level, the In Loco in Portugal organises network of village agents.

Generally it is possible to recognise as main implementing tools of local economic development strategies the promotion of specialised services and structures in coordination with each other.

Local Economic Development Agencies are the most diffused practised model (ILO, Undp, UNOPS, Europe, Spain, England, Campania, Shannon, ABC, Leader
Programmes with the LAG’s, Parma, Poverty 3, Faro) or recommended (ILO, WBG, IADB, OECD). Sometime an articulated strategy for development services is realised without a formal coordination (European territorial pacts, Port Alegre, Rafaela), but in other cases this articulation is the fruit of the systematic action of the LEDA’s that are pushed to diversify the service system for rendering it more specialised and more flexible, and they generate new bodies (European LEDAs, ABC, Ilo), such as incubators, technological parks, financial institutions, sectoral companies, free zones, industrial parks, specialised business services, microfinance).

In some cases (South Africa, Indonesia, Faro, Poverty 3) empowerment of local people, marginalized from the regional and national economic dynamic, is seen as a pre-condition for a possible development.

The coordination between financial and non-financial services is envisaged in a number of cases (ILO, Undp, UNOPS, IADB, Italian cooperation, ABC, some Spanish LEDAs, Porto Alegre) and it is pursued successfully in a very integrated way specially for disadvantaged areas of developing world, as in the case of the LEDAs promoted by ILO, UNOPS and the Italian Cooperaton.

The new trends privilege tools addressed to a comprehensive and holistic development of the territory, more than to specific enterprises or sectors.

**Territorial marketing** (European LEDAS, ILO/UNDP/UNOPS, IADB, ABC, Parma, South Africa), **project development**, and comprehensive and **inclusive territorial service strategies** are the new frontiers of the local economic development initiatives.

**Social inclusion** is more and more becoming part of the objectives and the strategies of the local developers. In developed countries they have to face problems with the new poor and immigrants, in developing countries the problem of the historical exclusion and the risk of a continuous conflict.

The ways how the analysed experienced have treated this issue are essentially three:

- A territorial approach, where the territory as a whole is considered excluded or disadvantaged with respect to the more advanced ones (European Union, Iadb, ABC, European Ledas, Fao, OECD, WBG, Rafaela)
- A differential approach, where at local level specific projects are promoted for vulnerable people (Soprip, Shannon) or specific social protection programmes are enhanced (ILO).
- A targeted approach, where vulnerable people are considered a priority, for instance favouring the access to services and finance, or in job creation policies (Naples, ILO/Undp/Unops Ledas, Porto Alegre, Italian Cooperation, South Africa, Indonesia, Poverty3, Faro).

Here the new tendency is represented considering the social inclusion as an important factor of development or at least the social exclusion as a real constrain to the new objectives of development (quality of life).

All the experiences have been facing the crucial problem of **sustainability**.

The way how it has been pursued varies from case to case.

In many European experiences, where the local or regional administrations have been major promoters, the public fund is an important source of financial
sustainability (England, Spain, Italy, Soprip, Shannon), although in the more ancient experiences (Parma, Shannon) the public quote is now overcome by other sources (project financing, services, infrastructure management). Also some Latin American experiences (Porto Alegre, ABC) are mainly financed by the public budget.

In the case of the initiatives promoted by Italian cooperation, Ilo, Undp and Unops an original way for sustainability has represented by the management of the credit funds (gains on the interests on guarantee funds), coupled to the sale of services and project financing.

**Project financing, equities in local investment, and quotes** from local stakeholders represent the new trends, according to the numerous opportunities coming from national and international policies based on the principle of subsidiarity. The local knowledge and expertise, the possibility of coordinating and making efficient the assembly of the local resources, the presence of an high specialised personnel make the local environment able to access projects and relative finances, and attractive to other bodies intended to provide finance to the local areas.
NEW TRENDS IN LOCAL ECONOMIC DEVELOPMENT (1/2)

**Participation**
- Consensus building
  - Participation in planning conferences
  - Participation in fora

**Governance**
- Participatory budgeting
- Membership in development bodies

**Objectives**
- Employment
  - Job creation policies
  - Entrepreneurship

- Quality of life
  - Territorial projecting
  - Building milieux
  - Coordinating local resources
  - Micro-macro links

- Milieux-oriented
  - Territorial projecting
  - Building milieux
  - Coordinating local resources
  - Micro-macro links

- Enterprise-oriented
  - Exploitation endogenous potential
  - Support to smme
NEW TRENDS IN LOCAL ECONOMIC DEVELOPMENT (2/2)

- **Specialised Services**
  - Leda First Generation
  - Separated support to SMEs
  - Free zones, Industrial parks
  - Empowerment local people to business
  - Traditional credit system

- **Comprehensive Support**
  - Leda Second generation
  - Project Development
  - Comprehensive Service system
  - Advanced financial engineering

- **Social Inclusion**
  - Territorial approach
  - Specific projects
  - Social protection programmes

- **None**
  - Relied to specific extra-economic policies and welfare

- **Public dependent**
  - Public Budget
  - Public Commitment
  - Public Infrastructure management

- **Sustainability**
  - Project financing
  - Equities in private initiatives
  - Membership’s quotes

- **Diversified income**