

Local Economic Development: An investigation of success factors

Designing a framework for evaluating the success of local economic development programs

Faculty of Economics and Business
MSc International Business and Management



University of Groningen

Renske van Leeuwen
Master International Business Management
S1505920
r.j.van.leeuwen@student.rug.nl

University of Groningen
Faculty Economics and Business
Landleven 5
9747 AD Groningen

Local Economic Development; an investigation of success factors

Designing a framework for evaluating the success of local economic development programs

Abstract – This thesis focuses on the factors that turn a local economic development program into a success. A framework will be provided, based on these success factors in order to evaluate the success of a local economic development program. Through the use of 11 case studies from all over the world obtained by the International Labour Organization the factors contributing to the success of a local economic development program, independent of the strategic options chosen, are identified. The success factors consist of general success factors and region-specific success factors. The general success factors are active participation of local stakeholders, awareness creation, leadership, collaboration between the public and private sector and involvement of local actors in the planning process. These factors take up an important position in the success framework. Next to these factors, some region-specific factors need to be taken up into the framework in order to evaluate the success of a local economic development program, tailor-made to the problems and characteristics of the local area. In the case of the encouraging local business growth strategy the success factors ‘active participation of local stakeholders’ and ‘collaboration between the public and private sector’ contribute for a larger extent to the success of a LED program. By the encouraging new enterprises strategy and the integrating low income or hard-to-employ worker strategy the general success factors ‘active participation of local stakeholders’ and ‘awareness creation’ are the most important factors in the framework. Based on the Groningen part of the Local Economic Resource Development program the action of the developed success framework will be showed.

KEYWORDS: LOCAL ECONOMIC DEVELOPMENT, LERD, SUCCESS FRAMEWORK,
GENERAL SUCCESS FACTORS, REGION-SPECIFIC SUCCESS FACTORS

Preface

Travelling in Latin America and Southern Africa opened my eyes. A lot of people are living on the street or with whole families in very small houses without electricity and running water. Also the townships made big impression on me, as well as the children begging for money and food on the street and the very young child vendors. There is still so much poverty in the world and as well the difference between rich and poor is enormous within these developing countries. Of course, you know that there is still a lot of poverty, but after seeing this with my own eyes I was shocked. This was the moment when fighting poverty started interesting me. There has to be done something for these people, so they could live a better life. Luckily, there are different ways and programs which try to fight poverty and increase the welfare of the inhabitants of these countries. This was the main reason for me to write my thesis about local economic development.

Writing this thesis gave me the opportunity to learn more about the different programs for fighting poverty and to have contact with some experts in the field of local economic development. With the finalizing of this thesis a period of 8 months full of new knowledge and insights is ended. It was a period of getting to know more about local economic development, having contact with new people, of learning and putting the acquired theory of the last years studying into practice.

First of all, I would like to thank my supervisor Bartjan Pennink for his supervision and his advices and ideas he handed to me for the best results in this research. I would also like to thank my second supervisor Luchien Karsten for his efforts. Finally, I would like to thank the people I contacted for the received information and their enthusiasm. Without their effort it would not be possible to realize this thesis.

June 2009, Renske van Leeuwen

‘Poverty is like punishment for a crime you didn’t commit’

Eli Khamarov¹

¹ Poverty Symposium 2008, December 13

Contents

PREFACE.....	3
TABLES AND FIGURES.....	7
LIST OF ACRONYMS.....	8
CHAPTER 1; INTRODUCTION	9
1.1 BACKGROUND OF LOCAL ECONOMIC DEVELOPMENT	9
1.2 PROBLEM STATEMENT AND RESEARCH QUESTIONS.....	11
1.2.1 Main question.....	11
1.2.2 Sub questions.....	11
1.3 RESEARCH STRATEGY	12
1.4 OVERVIEW	13
CHAPTER 2: INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT	14
2.1 DEFINITION OF LOCAL ECONOMIC DEVELOPMENT AND ITS GOALS.....	14
2.2 HISTORY	15
2.3 LED STRATEGIES	17
2.4 CHAPTER CONCLUSION	20
CHAPTER 3; SEARCHING FOR SUCCESS FACTORS.....	21
3.1 LED IN ARGENTINA; THE INTEGRATED SUPPORT PROGRAMME FOR THE REACTIVATION OF EMPLOYMENT IN ARGENTINA (AREA).....	22
3.2 LED IN CHILE; CHILE EMPRENDE	25
3.3 LED IN EL SALVADOR; CENTRE OF ENTREPRENEURIAL SERVICES FOR WOMEN (SEM).....	28
3.4 LED IN NICARAGUA; DEPARTMENTAL COMPETITIVITY AGENDA OF GRANADA	30
3.5 LED IN URUGUAY; EMPLOYMENT RECOVERY THROUGH THE SUPPORT TO THE CREATION AND CONSOLIDATION OF MICRO AND SMALL ENTERPRISES IN THE FRAMEWORK OF LOCAL ECONOMIC DEVELOPMENT STRATEGIES (REDEL)	34
3.6 LED IN INDONESIA; LOCAL ECONOMIC RECOVERY AND DEVELOPMENT PROGRAMME (LERD); HOME-BASED BUSINESS MODULE PROGRAMME	36
3.7 LED IN VIET NAM; POVERTY REDUCTION THROUGH INTEGRATED SMALL ENTERPRISE DEVELOPMENT (PRISED)	39
3.8 LED IN PHILIPPINES; DECENT WORK COUNTRY PROGRAM - EMPLOYMENT GENERATION THROUGH LOCAL APPROACHES COMPONENT	42
3.9 LED IN SRI LANKA; ENTERPRISE FOR PRO-POOR GROWTH (ENTER-GROWTH)	44
3.10 LED IN MOZAMBIQUE; FIGHT AGAINST SOCIAL EXCLUSION.....	48
3.11 LED IN GHANA; GHANA WORKING OUT OF POVERTY PROJECT (WOOPP)	50
3.12 FACTORS CONTRIBUTING TO SUCCESS	54
3.13 CHAPTER CONCLUSION	59
CHAPTER 4; BUILDING A FRAMEWORK FOR EVALUATING THE SUCCESS OF LED PROGRAMS	61
4.1 THE GENERAL SUCCESS FRAMEWORK.....	61
4.2 CHAPTER CONCLUSION	65
CHAPTER 5; EVALUATING THE SUCCESS OF THE LERD PROGRAM ON THE BASIS OF THE SUCCESS FRAMEWORK.....	66
5.1 INTRODUCTION INTO THE LERD PROGRAM	66
5.2 EVALUATING THE SUCCESS OF THE LERD PROGRAM ON THE BASIS OF THE SUCCESS FRAMEWORK 70	
CHAPTER 6; CONCLUSION AND LIMITATIONS	74
6.1 CONCLUSION	74
6.2 LIMITATIONS	75
REFERENCES.....	76

APPENDIX A; OVERVIEW OF THE SUCCESS FACTORS CONNECTED TO THE DIVERSE STRATEGIC OPTIONS	78
APPENDIX B; DEFINITION OF THE SUCCESS FACTORS	82
APPENDIX C; SUCCESS FRAMEWORK FOR ALL STRATEGIES	84
APPENDIX D; ADJUSTED SUCCESS FRAMEWORK FOR ENCOURAGING LOCAL BUSINESS GROWTH STRATEGY	85
APPENDIX E; ADJUSTED SUCCESS FRAMEWORK FOR ENCOURAGING NEW ENTERPRISES STRATEGY AND INTEGRATING LOW INCOME OR HARD-TO-EMPLOY WORKERS STRATEGY	86

Tables and Figures

Tables

1.	STRATEGIC OPTIONS ACCORDING TO BLAKELY AND THE WORLD BANK	19
2.	STRATEGIC OPTIONS OF THE LED PROGRAMS IN THE DIVERSE COUNTRIES	54
3.	OVERVIEW OF THE IDENTIFIED SUCCESS FACTORS AND THE COUNTRIES IN WHICH THEY ARE FOUND	56
4.	OVERVIEW TRAINING PERIOD GRONINGEN.....	70

Figures

1.	OVERVIEW OF THE SELECTED LOCAL ECONOMIC DEVELOPMENT PROGRAMS.....	13
2.	THE DEVELOPED SUCCESS FRAMEWORK	65
3.	EVALUATION OF THE LERD PROGRAM BASED ON THE SUCCESS FRAMEWORK.....	74

List of Acronyms

AREA	Integrated Support Programme for the Reactivation of Employment in Argentina
BQB	Baitul Quirad Baiturrahman
DWCP	Decent Work Country Programme
ESS	Enterprise Support Service
GDP	Gross Domestic Product
HBBM	Home-based Business Module Programme
IHS	The Institute for Housing and Urban Development Studies
ILO	International Labour Organization
ITB	Bandung Institute of Technology
LED	Local Economic Development
LEDA	Local Economic Development Agency
LERD	Local Economic Resource Development
LERD	Local Economic Recovery and Development Program
LOCA	Local Competitive Advantage exercise
MSE	Micro and Small Enterprises
NESO	Netherlands Education Support Offices
PIEL-ADERR	Integrated Program of Local Entrepreneurs
PRISED	Poverty Reduction through Integrated Small Enterprise Development
REDEL	Employment Recovery through the support to the creation and consolidation of micro and small enterprises in the framework of local economic development strategies
RUG	University of Groningen
SEM	Centre of Entrepreneurial Services for Women
SPGE	District Assembly Sub-Committees on Productive and Gainful Employment
UN	United Nations
UMG	University of Gadjah Mada
WOOPP	Ghana Working Out of Poverty Project

Chapter 1; Introduction

This thesis focuses on the factors that turn a local economic development (LED) program into a success. Communities and local policy makers need to select a suitable local economic development program for their area in order to tackle the problems of underdeveloped and depressed regional economies. Many diverse LED programs exist, but not all of these programs can be considered as successful. Which factors in these programs see to it that a local economic development program will turn into a success? And can already existing programs be considered as successful on the basis of these factors? The factors with a large contribution to the obtainment of the objectives of a local economic development program, I will call ‘success factors’.

In this thesis the success factors of local economic development programs will be analyzed on the basis of diverse case studies. With these success factors a success framework will be developed, which can be used for evaluating the success of local economic development programs. When taking the success factors into consideration by designing a local economic development program, a contribution to the success of a program will be delivered as well.

On the basis of the local economic development program in which the University of Groningen is involved, which I will call the Local Economic Resource Development (LERD) program, the action of the developed framework will be showed and the successfulness of the LERD program will be evaluated.

The sub sections of this chapter will discuss the background of local economic development and subsequently the problem statement, the research question and the research strategy of this thesis will be outlined.

1.1 Background of Local Economic Development

There is still a lot of poverty in the world. Every day we are faced with the pictures of homeless people and people dying of illnesses and hunger. According to the United Nations roundabout 25,000 people are dying daily of hunger or hunger-related issues. This means one person every three and half seconds and most of the times these are children.² Although there is more than enough food in the world to feed everyone, a lot of people are dying of hunger. The reason for this poverty is the fact that these people do not gain an income, because they are unemployed. Without income they are not able to support themselves and buy sufficient food to survive.

The United Nation recognized that something has to be done to banish this poverty. That’s the reason why the Millennium Development Goals are set up. In the year 2000, 189 United Nation member states and at least 23 international organizations agreed on the Millennium Development Goals, eight international development goals, which has to be achieved by the year 2015. The first millennium goal

² Hunger and World Poverty 2008, December 13

is eradication of extreme poverty and hunger. The proportion of people with an income less than one dollar a day has to be halved between 1990 and 2015, just like the proportion of people suffering of hunger. Due to higher food prices, 100 million people are pushed deeper into poverty and the limited gain in alleviating child underfeeding is threaten. Another important target for the first millennium goal is achieving full and productive employment and decent work for all, including women and young people. Full employment is still a far-away possibility. One of the five workers in developing countries is left in poverty due to low-paying jobs. Besides that, roundabout fifty percent of the labour force is working in insecure and unstable jobs.³

With an increased emphasis on poverty reduction in the coming years, there is more pressure on local governments to fight this poverty. The government has an increased responsibility to develop strategies and methods to increase jobs and improve local and regional economies. With enough employment, the people can make money and have the possibility to buy food for their family.

Fighting poverty is not the only reason why more pressure is put on the local government to increase jobs and improve the local and regional economies. In a world of globalization, the market economy is changing and becoming more competitive. Not only competition between companies in one region exists, there are also competitive relationships between companies in different regions. The pressure on domestic producers is rising, because the national borders are becoming less important and national markets are becoming more accessible to foreign competitors. How successful a community is today depends on its possibilities to adapt the dynamic, local, national and international market economy. Also the locations for many industries where they can survive increase, just like the mobility of companies. Different aspects, like the level of education, the quality of the infrastructure and the physical condition of the inhabitants, determine the attractiveness of a region. These aspects have influence on the fact if a region can work effectively, deliver competitive services and products and if a region is able to create and maintain opportunities to gain income for the local inhabitants. As a response to the challenges of globalization, communities, cities and governments turn more and more to local economic development programs.

Local economic development is receiving the last years more attention, because of the increased emphasis on poverty reduction in local areas and the challenges that globalization brings along for local markets. In the literature already a lot of information is available concerning local economic development, its planning and selection process and the different local economic development programs used. A lot of different approaches for local economic development exist, but there does not exist an 'one size which fits all' approach. Every area has its own needs, problems and opportunities. An approach has to be chosen that fits best the needs of the local area. But which programs for local

³ United Nations Millennium Development Goals 2008, December 13

economic development are successful and which factors are responsible for the success of these programs? A missing link in the information concerning LED is an overview of the factors contributing to the success of a local economic development program and a framework for the evaluation of the success of local economic development program. According to Bartik and Bingham (1995) there are done on the moment some good evaluations of LED programs, but these are still very uncommon. In 20 years there will be enough high quality evaluations of economic development programs, so that development professionals really know what works and what does not work in economic development. As can be concluded from this, an overview of success factors and an evaluation framework is in want of development professionals, so they can decide what works and does not works and which program will fit best the needs of their area. Also Goldman (2005) saw the relevance of a monitoring and evaluation framework for programs that try to stimulate the local economy. In his research he tried to develop a framework for the monitoring and evaluation of LED and to identify areas where the programs were located. According to Goldman this framework would have potential significance for the application of LED in other countries, but still can be followed up in more detail in subsequent research.

1.2 Problem statement and research questions

1.2.1 Main question

Consequent from the goal of this thesis to design a success framework based on success factors in order to evaluate the success of local economic development programs, the main question that will be answered in this thesis is:

How does a framework for evaluating the success of local economic development programs based on success factors look like?

1.2.2 Sub questions

From the main research questions several sub questions can be derived. These sub questions have to be answered in order to provide an answer on the main research question in this thesis. The main question is broken down in the following sub questions:

1. What is local economic development?

Evaluation of the existing literature concerning local economic development, its history and its strategies. The strategies will be used in this thesis to see if the different strategies for local economic development have different success factors.

2. *What are the success factors for local economic development programs?*

Assessment of 11 case studies to investigate which factors are important for the success of a local economic development program. Next to the case studies, I will contact the diverse contact persons of the local economic development programs in the case studies concerning their thoughts of success factors and investigate the existing literature relating to success factors for local economic development programs. Based on the identified success factors, a selection will be made of the factors that can be used to evaluate the success of local economic development programs.

3. *How can a framework to evaluate the success of local economic development programs be build with the identified success factors?*

Building a framework with the selected success factors.

4. *What are the characteristics of the Local Economic Resource Development program?*

Studying the accessible literature on the Local Economic Resource Development program. The characteristics of this program will be discussed in more detail, so the program can be used as an example to show how success will be evaluated with the success framework.

5. *How does an evaluation of the Local Economic Resource Development program with the success framework look like?*

Evaluation of the Local Economic Resource Development program on the basis of the success framework.

1.3 Research strategy

There are different strategies for conducting research. In this thesis a literature survey to the success factors of existing local economic development programs will be conducted to develop a success framework for evaluating the success of local economic development programs. I have chosen to focus on 11 case studies obtained by the International Labour Organization from different continents. The 11 case studies are chosen on the basis of data availability and to include case studies from different continents in this research to see if the success factors are alike in different parts of the world. The main reason that I choose to use case studies from different countries and continents, instead of focusing on one country, is that it is very hard to say if the success factors found in one country are the same for a successful local economic development program in another country. Since I want to develop a general framework which can be used for the evaluation of LED programs all around the world, it would be more helpful to focus on local economic development programs from different countries in the world. If these success factors match with each other, it would be possible to use them

in the evaluation of the success of diverse local economic development programs, independent of the country in which the program is implemented. Besides, case studies from other local economic development programs based in Indonesia were very hard to find.

Five case studies are based on Central and South America, four on Asia and two on Africa. As can be seen in figure 1 the chosen programs are spread out over the world. Based on these case studies I will select factors that score high in successful local economic development programs. On the basis of these factors a framework will be designed in which can be seen which factors are important for successful local economic development program. With this framework the success of a local economic development programs can be evaluated. The Local Economic Resource Development program in Indonesia, in which the University of Groningen is involved, will be used as example to show how the evaluation of success with the success framework works.

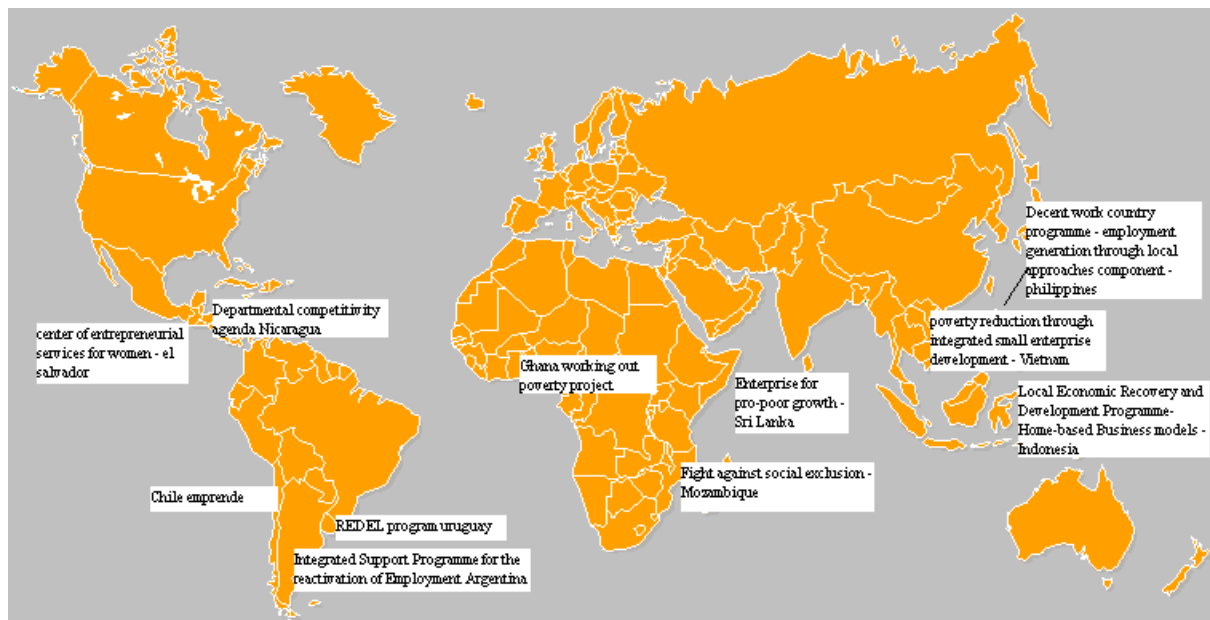


Figure 1: Overview of the selected local economic development programs

1.4 Overview

The rest of this thesis is organized as follows; chapter 2 provides an overview of local economic development, including its definition, its goals, its history and the different local economic development strategies. In chapter 3, the 11 case studies are attended to the matter. Subsequently in chapter 4, a framework is developed on the basis of success factors to evaluate the success of local economic development programs. Chapter 5 discusses the characteristics of the Local Economic Resource Development program in Indonesia and based on this program the action of the success framework will be shown in order to evaluate the success of this program. This thesis will end with the conclusion and limitations in chapter 6.

Chapter 2: Introduction to local economic development

Local economic development is receiving the last years increased attention, due to the challenges of globalization and the battle to fight poverty. In this chapter local economic development will be explained in more detail. In the first part of this chapter, local economic development will be defined and its goals will be given. After that, the history of local economic development will be explained and in the end the different strategies of LED will be discussed.

2.1 Definition of Local Economic Development and its goals

Local economic development is not a totally new concept, but can be seen as a fundamental shift in the actors and activities associated with economic development. Economic development theories and programs are processes in which a nation tries to develop the economic wealth of a country or region, in order to improve the economic, social and political wellbeing of its inhabitants. These programs and theories believed that the benefits of economic growth and expansion will suffice for improving the conditions of the poor. The focus was mainly on the “supply” side and inadequate education or skills, lack of motivation and weak community supports were seen as barriers for the quality of life of the inhabitants of a region or country. The barriers on the “demand” side that the poor people face were almost ignored. Local economic development on the other hand is process oriented. It can be seen as a process involved in the formation of new institutions, identifying new markets, looking after new enterprises, transferring knowledge and improving the capacity of existing enterprises to produce better products.

Local economic development is a tool of development policy, which is mainly used in the High Income Countries, Eastern Europe, Latin America and South Africa. Besides these countries, South and East Asia, the Middle East and Africa make more and more use of local economic development.

The term local economic development has different meanings to different people. LED consists of a variety of initiatives to assist the poor people directly or stimulate economic growth in the local area. The existing resources are managed by the local government in order to stimulate economic activity and to create new jobs in a well-defined economic zone. The focus of local economic development is on “endogenous development” policies, which means that the potential of institutional, physical and local human resources are used.

There does not exist a single definition for what LED exactly is, but it is for sure that it has something to do with economic growth. According to the International Labor Organization, local economic development is more than just economic growth.

The ILO describes local economic development as: *‘local economic development is promoting participation and local dialogue, connecting people and their resources for better employment and a higher quality of life for both men and women.’*⁴

The World Bank defines LED as *‘an approach which offers local government, the private sector, the not-for-profit sectors and the local community the opportunity to work together to improve the local economy and to create better conditions for economic growth and employment generation’*.⁵

It does not matter which definition is used, one common thing to local economic development is clear; LED is grounded on local initiative, there has to be worked together between local stakeholders, and it has the primary goal to increase the number and variety of job opportunities for the inhabitants of a local region. Other goals according to Blakely (1989) are building quality jobs for the current population, achieving local economic stability and building a diverse economic and employment base. The strategic plan of LED is generally made by the government in collaboration with public and private sector partners. The implementation part of LED is most of the times in hands of the public, private and non-governmental sectors, according to abilities and strength.

An initiating rather than a passive role is needed to perform local economic development activities. Mainly local resources, ideas and skills are identified and used in an integrated manner to drive local economic growth and development. Communities need to achieve competitive advantages to generate new firms and maintain their existing economic base and put themselves in a position to market their resources intelligently. Existing human, institutional, physical and social resources need to be used to make a successful economic system. The idea of LED is based on promoting local approaches that responds to local needs and conditions. Hereby has to be taken in mind that, no matter how depressed or wealthy a community is, the efforts of local stakeholders are essential in the economic development process.

2.2 History

The term ‘economic development’ is a term that is frequently used in the 20th century by politicians, economists and other people. But economic development is not a new concept. It already exists for centuries, only other terms were used for the concept of economic development. In the beginning economic development was treated as equals of growth and industrialization. Nowadays, it is a lot harder for modern economists to declare the status of economic development. Economic development is not anymore considered as “real economics”, but can be seen as a mishmash of sociology, anthropology, history, politics and ideology. Economic development, as we consider it now, started in

⁴ International Labour Organization 2008, October 4

⁵ World Bank, 2008, October 4

the 1930s, when economists began to realize that most of the people did not live in an advanced capitalist economic system. In the beginning the focus was mainly on Europe, but after some time the concerns of the economists turned especially towards Latin America, Africa and Asia.

The concept of local economic development came into development in the early 1970s, when the municipal governments began to realize that businesses and capital were moving between locations, for obtaining the highest possible competitive advantages. By continuously reviewing the economic base, more and more understanding was gained by communities concerning the opportunities and barriers for growth or investment in the local area. As a result of this new understanding, various programs and projects were designed for the facilitation of investments, through removing existing barriers. This would help the communities in order to expand their economic base and employment.

Since the beginning of local economic development, as a response to the movement of businesses and capital, LED is still developing. According to The World Bank, LED is gone since the 1960s through three broad stages of development.⁶ These 3 stages I will discuss shortly.

Phase 1: Outward focus

The first stage of local economic development was lasting from the 1960s to the early 1980. This stage is characterized by the attraction of mobile manufacturing investment and outside investment, with the main focus on foreign direct investment and hard infrastructure investments. To attract these investments to the local area, the cities made use of huge grants and subsidized loans.

Phase 2: Inward focus to individual firms

Since the 1980s, the focus of local economic development began to change. In the second stage, lasting from the 1980s to the mid 1990s, maintenance and growth of local enterprises and the attraction of inward investment for special sectors or from certain geographic areas could be seen as the central focus points. In order to achieve these central points, cities offered business incubators and workspace, technical support and business start-up support, hard and soft infrastructure investment, direct payment to individual businesses and training and advice for small and medium sized enterprises.

Phase 3: Focus on entire businesses

From the late 1990s onwards, local economic development is going through its third stage. The focus is not anymore on the individual firm, but more attention will be paid to the entire business environment and to the way how to make this business environment more beneficial. The central points in this period are the investment in soft infrastructure, the establishment of public and private partnerships, networking and attracting inward investment. In order to realize these points, quality of

⁶ World Bank 2008, November 11

life improvement, the development of business clusters, education and workforce are encouraged and a competitive local investment climate was provided. Besides that, inward investment was closely targeted in order to support cluster growth.

Even though local economic development was going through different stages, today there are still elements of each time period practiced.

2.3 LED strategies

Every local area has its own set of unique local conditions which are responsible for the opportunities for local economic development. These conditions determine if a local area is able to attract, produce and maintain investments. Due to the fact that every local area has its own problems, characteristics and opportunities, there is no single solution for LED that will work everywhere. Therefore an approach of LED has to be developed that is specific for these areas. Different programs and projects of local economic development exist, which can be used to achieve the LED vision of a local area. There are many options which vary from very simple actions to very complex options and from short term to long term.

Different distinctions are already made by diverse authors. Although the strategic options of the authors are not totally the same, they do accord with each other. Blakely (1989) distinguish 4 strategic options, namely the locality or physical development strategy, the business development strategy, the human resource development strategy and the community based development strategy. The locality or physical development strategy has its focus on improving a locality, which is designed for local business development or local industrial development. The business development strategy of Blakely points at encouraging new businesses, attracting existing businesses to relocate in the area and sustaining and expanding existing local firms, in order to increase the total amount of jobs in the region. The goal of the human resource development strategy is increasing the opportunities for good jobs for the unemployed and underemployed people in the local region. The last strategic option of Blakely, the community-based employment development strategy, promotes economic development at the neighborhood/ small community level and creates employment opportunities for persons who are long-term unemployed, young or seeking to play no conventional role in the economic system.

Also the World Bank draws a distinction between the strategic options and distinguished 10 different strategies, namely; improving the local business climate, investment in hard strategic infrastructure, investments in sites and premises for businesses, investment in soft infrastructure, encouraging local business growth, encouraging new enterprises, promoting inward investment, sector (and business cluster) development, area targeting/ regeneration strategies and integrating low income or hard-to-

employ workers.⁷ These strategies can be subdivided under the 4 strategic options of Blakely, as can be seen in table 1. As the strategy of improving the local business climate is a crucial part of every local economic development strategy, this strategy can be within the province of all of the 4 strategic options of Blakely. That's the reason why this strategy is putted separately in the table.

Strategic options Blakely	Strategic options World Bank
<i>Locality Development Strategy</i>	<ul style="list-style-type: none"> • Investment in hard strategic infrastructure • Investment in sites and premises for business • Area targeting/ regeneration strategies
<i>Business Development Strategy</i>	<ul style="list-style-type: none"> • Encouraging local business growth • Encouraging new enterprises • Promoting inward investment • Sector (and business cluster) development
<i>Human Resource Development Strategy</i>	<ul style="list-style-type: none"> • Investment in soft infrastructure
<i>Community-Based Employment Development Strategy</i>	<ul style="list-style-type: none"> • Integrating low income or hard-to-employ workers
	<ul style="list-style-type: none"> • Improving the local business climate

Table 1: Strategic options according to Blakely and the World Bank.

In order to make a more focused distinction between the different programs and its strategies, I choose to make use of the strategic options of the World Bank. The strategic options of the World Bank will be explained here in more detail.

'Improving the local business climate' strategy

For every local economic development strategy, improving the local business climate forms a crucial part. The business climate consists of local governance, market access, the functioning of the banking system and infrastructure and basic vocational education. Through the improvement of the local business climate, a local area is made more attractive for business investment. This business investment creates new jobs, which means that more people can earn an income and have the possibility to support themselves and their family.

'Investment in hard strategic infrastructure' strategy

Investing in hard strategic infrastructure is another form of local economic development. Improving the physical environment for businesses includes the transport infrastructure, like road, rails, air and sea and the utilities, like waste disposal, gas and electricity and the telecommunication systems. Most

⁷ World Bank 2008, December 13

of the times, the investments in hard strategic infrastructure are made outside agencies, national government departments and the private sector. Through the improvements in hard strategic infrastructure the local area is made more attractive for new and existing businesses.

'Investments in sites and premises for businesses' strategy

In order to meet the competition in the national and global market and to make business development possible, it is important that there are enough land and sites and premises and units available for new business investment, the expansion of existing businesses and inward investors. High quality and a varied collection of these sites and premises are needed. Just like investment in hard strategic infrastructure the physical environment is made more attractive for businesses to stay or expand in the local area through investing in sites and premises for businesses.

'Investment in soft infrastructure' strategy

Also investing in soft infrastructure can be seen as a local economic development strategy. Soft infrastructure refers to the organizations operative to maintain the cultural, social and health standards of a country or area. Investing in soft infrastructure is the improvement of the commercial environment for businesses and includes improvement of education, health, libraries and the social welfare in a local area.

'Encouraging local business growth' strategy

The growth of the local businesses leads to a richer local economy and more jobs for local people. As small and medium-sized businesses are responsible for most of the local economic growth, it is important to retain and strengthen existing local businesses by providing advice, technical support and resources.

'Encouraging new enterprises' strategy

Even though many people think of setting up their own business, there is only a small part that really does so. These people miss a suitable education level, adequate technical skills, information and good access to the market. To encourage new enterprises individuals are helped by starting up their own business by enabling the provision of information, resources, advice and technical support. These businesses can be set up in the form of sole traders, partnerships, cooperatives or community enterprises.

'Promoting inward investment' strategy

The promotion of inward investment is another local economic development strategy. Businesses from elsewhere in the world or from other places in the country are attracted to the local area. Attracting inward investment is seen as quite an easy way to gain income, generate employment, export and status for the local area. Besides these advantages, attracting inward investment brings many problems

with it and can be risky. The benefits are often outweighed by the costs bringing with it. Therefore promoting inward investment should only form part of a broader LED strategy.⁸

‘Sector (and business cluster) development’ strategy

Clusters are becoming more important for economic development. Through clustering behavior, the competitiveness of firms and the local economy in which they are based can improve drastically. Therefore, this type of local economic development focuses on facilitating and supporting linkages and interdependences amongst firms, supporting services in a network of production of products and services and encouraging institutional development.

Area targeting/ regeneration strategies

Area targeting can be seen as another vehicle for local economic development. Most of the times, local economic development is used to take care of the competitiveness of a whole city. In general there are areas that need special attention to deal with specific area-based problems. This LED strategy therefore focuses on a specific site or small area instead of being targeted at specific locations. Issues like a declining commercial zone or neighborhood or an outmoded factory are addressed.

‘Integrating low income or hard-to-employ workers’ strategy

In the case of rising employment and a strong economy there is always a group that is left behind, that does not have work and does not take advantage of the higher welfare. These people face serious problems in obtaining stable work and finding jobs through traditional job search activities. These hard-to-employ workers concern women, ethnic minority groups, the unemployed and the youth. The hard-to-employ workers are placed at the back of the queue in a competitive labor market. Many characteristics are connected with a reduced possibility of employment, like very low skills, disabilities, housing instability, transportation access, unstable behavioral health problems and criminal records. To succeed, it is important that this group receives special training, assistance in accessing health services or searching for a job and other services.

2.4 Chapter conclusion

Local economic development is becoming a more important tool to develop local areas. Since its beginning, local economic development is still developing. Different programs and strategies of LED exist, because every area is different and has its own needs and problems. These different strategies could have different factors that lead to success. What these factors are will be analyzed in the next chapters.

⁸ World Bank, 2008

Chapter 3; searching for success factors

There is a strong demand for exchanging information concerning previous experiences with successful local economic development programs. This information can help communities to increase the scale and effectiveness of their own local economic development initiatives. Successful local economic development programs of parts of the programs can be adapted and applied to other areas with the same kind of problems and needs. The experiences of a successful LED program can as well play an important role in motivating local people to act themselves and reproduce appropriate elements.

On the basis of 11 case studies from all around the world, obtained by the International Labour Organization, I will identify the factors contributing to the success of LED programs. I choose to make use of the cases of the International Labour Organization, because the ILO covers the whole range of development actions that can be included under the local economic development umbrella, in order to make sure, that almost all the different local economic development strategies are available in the diverse cases.

After describing the cases, I will make conclusions concerning the factors responsible for the success of the different programs. I choose for using case studies to identify the success factors, because in the literature almost no information is available concerning the factors contributing to the success of local economic development programs. Besides that, the available information in the field of successful local economic development programs focuses most of the times on one country or on one continent, which makes it hard to use them for developing a general success framework useful for evaluating the success of local economic development programs all around the world. By the selection of the case studies diverse aspects were taken into account. In the first place, the LED programs had to be carried out in diverse countries and continents in the world. On the other hand the different strategies for local economic development programs had to be reflected in the case studies, in order to see if the different strategies have different factors leading to success. Lastly, the programs had to book success in the end or the intermediate evaluations had to forecast a successful program.

As there are sometimes no other options available than interpretation, I will identify most of the factors responsible for turning a LED program into a success on the basis of my personal interpretation. I will describe and interpret the diverse cases and select the factors contributing to success. In hermeneutic approaches interpretation is seen as the principal form of knowledge.⁹ In some cases the identified factors will be verified on the basis of the available literature and through contacting persons from the International Labour Organization.

In the cases there is made use of LED programs and LED projects. The term LED program I will use for the covering program. Most of the times, the covering LED programs has set up diverse programs in different parts of the country. Such a program, implemented as part of the covering LED program I

⁹ Delanty, 2006

will call a LED project. Although from the same LED program, the projects could have a totally different interpretation. By interpreting the cases I will use both the LED program and the LED project, because the LED project is in line with the covering LED program.

In the next paragraphs, the covering LED programs will be discussed, sometimes filled up with one of the LED projects established by the LED program for a specified region of city.

The eleven cases will be explained separately, starting with a description of the situation in which the country was founded. Subsequently, the used local economic development program, the chosen strategy in the program and the results of the program will be discussed. In the end, an overview of the founded success factors will be given.

3.1 LED in Argentina; The Integrated Support Programme for the Reactivation of Employment in Argentina (AREA)

Based on the case “labour insertion and enterprise promotion: activating development” obtained by the International Labour Organization, I will describe the AREA program in Argentina and its project ‘Development, Education and Employment’ in Rosario. Through contacting the director of the AREA program, Antonio Estévez, complemented information is added to this case study.

Situation description

During the late 1990s and early 2000s Argentina’s economy was affected by different factors, of which the economic and financial crisis of Argentina forms part. The critical period in Argentina started in 1999 with the decrease of real GDP and ended in 2002 when the GDP started to grow again. The roots of the fall of Argentina’s economy and Argentina’s crises resulted from a cycle of both internal and external events related to political and economic choices. Investors lost their confidence in Argentina and an increasing amount of money was flying away from the country.

Rosario, the largest city in the province of Sante Fe, located in the Northeast of Argentina, was seriously affected by the economic and financial crisis of that moment. Businesses were closing down, and the ones that survived had to reduce staff or search for creative enterprising solutions. This resulted in underemployment and unemployment in the city of Rosario.

Program used

In response to the economic and financial crisis of 2001 and in order to recover the local economy of Argentina, the Integrated Support Programme for the Reactivation of Employment in Argentina (AREA) was set up in 2004 by the ILO and the Ministry of Labour, Employment and Social Security of Argentina. The program was funded by the Government of Italy and implemented in association with Italia Lavoro SpA, a technical agency of the Italian Ministry of Labour. Seven focus regions

spread out over the whole country were pointed out, namely the Provinces of Catamarca, Cordoba, Gran Buenos Aires, Mar del Plata, Mendoza, Río Negro and Santa Fe.

The AREA program aims at providing the Government of Argentina with the technical support for designing and implementing effective and comprehensive employment and labour market policies and labour institutions, in order to create appropriate conditions for the generation of employment and the improvement of the employability in Argentina. Besides this general aim, the program has 3 specific objectives. These objectives are; the formation and reinforcement of territorial networks for the local economic development and promotion of micro, small and medium enterprises; promoting the employability and access to the labour market in Argentina; and strengthening and improving the formulation of employment policies.

In order to achieve the different objectives of the AREA program, networks and partnerships were created between stakeholders from the public and private sector and other relevant local actors. Through *the active participation of the local stakeholders (1)* in the AREA program, local resources, knowledge and experiences were put into action to foster new employment opportunities. The public, private and other relevant local actors discussed jointly the ideal conditions for employment generations and processed proposals. *Through involving all the parties from the beginning in this discussion (2)*, proposals for an ideal environment were created in which the demands and requirements of all the stakeholders were processed and where all the stakeholders were satisfied with. *The collaboration between the public and private sector (3)* gave the private sector the chance to discuss their services and needs to which they are in want with the public sector. Their ideas about developing the local economy were mentioned, so the public sector could take this into account in their policies. Recognition was created that both private sector and public sector were responsible for the development of the local area. The complementation of both sectors delivered an important contribution to the promotion of micro and small enterprises.

The proposals were discussed with different government levels in order to create appropriate conditions for the generation of employment. So, based on the proposals, strategies were developed according to the outlines of the active employment policies of the Ministry of Labour, Employment and Social Security of Argentina.

In Rosario, AREA started the project 'Development, Education and Employment' in collaboration with the Municipality of Rosario. Labour insertion was tried to foster and enterprises were tried to promote. In order to provide and systemize information for the promotion of local entrepreneurship, the System of Metropolitan Information (SMI) was initiated for the collection of detailed, strategic information on the local industrial system and the provincial labour market. Territorial information, various analyses of different economic sectors and surveys with institutional leaders and enterprises were published. Next to that, an observatory of Territorial Employment was launched which aimed at producing desegregated information about the local labour market, in order to facilitate job placement.

Through *receiving more and better information (4)* concerning the characteristics of supply and demand of the regional labour force, public and private actors made better decisions. Also more useful training courses, to give different groups of men and women the possibility to come to the labour market, were developed with the available information.

These courses were designed in a way that the graduates find better linking up with the professional profiles in the businesses, through the collaboration between business employees and representatives of the government and the pedagogical assistance of educational institutions in the region.

For further improving the job placement and employment recovery two new employment offices were started up and the Integrated Program of Local Entrepreneurs (PIEL-ADERR) was created for the promotion of enterprises, by providing technical assistance. Micro and small enterprises were assisted in the analysis and diagnosis of their needs and received help by defining and implementing strategies for developing their enterprises. Besides that, the PIEL program promoted and assisted in the creation of entrepreneurship networks.

Chosen strategies

Based on the local economic development strategies distinguished by the World Bank, which are explained in detail in chapter two, there can be said that the AREA program made use of the ‘encouraging local business growth’ strategy. Also the ‘improving the local business climate’ strategy is adopted in this local economic development program. Through offering Argentina’s Government technical support, effective and comprehensive employment and labour market policies are tried to designed and implemented in order to promote the development of micro and small enterprises.

Results

Through the AREA program the productive structure of the province of Sante Fe was intensified and the development of products with a local identity was stimulated. Next to that, more than 1,300 promoters of local economic development processes were selected and trained in the 7 focus regions and representatives of the local private and public sector were integrated. These promoters were officials of the Ministry of Labour and Provincial Government, researchers of the universities and NGO’s staff and consultants. Technical assistance was delivered to 140 projects as a result of which the productivity was increased. As well, technical assistance in combination with capacity building was given to vocational training centre operators. An information platform for the employment service centres was set up, a system for the transference of technology was developed and theoretical tools and documents concerning LED were published. Even the first national conference for promoting decent work possibilities and local economic development was organized in Argentina.

Factors contributing to success

As could be seen, the AREA in program in Argentina became a success. The different factors contributing to this success were;

1. The active participation of the local stakeholders
2. Involving all the parties from the beginning in the discussion
3. Collaboration between public and private sector
4. Receiving more and better information through informational systems

3.2 LED in Chile; Chile Emprende

In this paragraph, I will describe the Chile Emprende program and its project in San Antonio based on the ILO case “cultural identity as an engine of development” and information received from the program’s website.

Situation description

In previous years Chile was characterized by a decreasing poverty number and a high growth rate, but there was still a lot of inequality in the country. Some groups and regions were lagging behind and did not have the same ability as other groups to generate a decent income. Also micro and small enterprises did not have the same opportunities as the large enterprises.

In Chile, the micro and small enterprises contribute for more than 60 percent to the total employment, but these enterprises have only a small participation in exports and sales. The large enterprises on the other hand do not deliver much employment, but have an enormous contribution to exports and sales. Despite the fact that support to small enterprises is becoming more important in Chile, the possibilities of micro and small enterprises in order to create employment were unsatisfactory utilized in San Antonio. The province of San Antonio is located in the central zone of Chile. The province has a long coastline where Chile's largest port, in terms of freight handled and the busiest port in the west coast of South America is situated. Despite the presence of this important port in the province the local population was suffering from underemployment and missing employment possibilities to increase the competitiveness of the province.

Program used

In order to get rid of the inequalities, to sustain high economic growth rates, to reduce the poverty in Chile and to create a successful insertion to the global market, the Chile Emprende program was set up in 2004 by the Chilean Government, funded by different institutions of the government of Chile.

Changes have to be made in the policies and public programs that are responsible for assisting small enterprises and their territorial environment. The Chile Emprende program has the objective to contribute to the development of the Micro and Small Enterprise sector through improved access to

markets and trade opportunities and through the creation of a favourable environment for improving the competitiveness of these enterprises, the income level and quality of employment in specific territories in the regions of Tarapacá, Antofagasta, Atacama, Coquimbo, Valparaiso, Libertador, Maule, Bío Bío, Araucanía, Los Lagos, Aysén, Magallanes and Metropolitana. The program aims at more opportunities, more employment and more participation.

In order to achieve the goals of this LED program in Chile territorial working groups, named Public-Private Councils, were set up in which entrepreneurs, municipal delegates and managers of regional promotion productive services worked together. Through the *collaboration between the public and private sector (1)*, face to face dialogue was created between entrepreneurs, councils and regional and national public services. The working plans of the public and private representatives were discussed and harmonized with each other, so the ideas of the different stakeholders were on one line. Trust and mutual understanding was created between the public and private sector. The opportunities for development were mapped out, the territorial capital for the region, based on the cultural characteristics and identity of the region, its business and labour competitiveness, its infrastructure and institutions, was identified, decisions were made on priorities, projects and budgets and a shared development project, the Territorial Plan, was built. *Involving the different stakeholders in the identification of the development plans (2)*, made them more committed to the program and the execution of the plans. The Plan focused on development opportunities in which small enterprises can be inserted. Based on the interests of the public and private sector, common ground opportunities were identified, so both interests were attended to. The private sector is not the only one who can make decisions about what is good and what is not good for the local enterprises. Through the creation of face to face dialogue the enterprises could discuss their needs with the government and have a stake in the decisions concerning the enterprise sector. Beside the Public-Private Councils, instruments were developed which could help the enterprises to achieve the required standards to compete in the global market.

In San Antonio the valuable cultural heritage was jointly pointed out by the Public-Private council as the regional characteristic appropriate for boosting the local economy in the region. Many poets who left a mark on Chile's literary history were born and had lived in this zone. *In various roundtables the local stakeholders of San Antonio were informed on the Chile Emprende program (3)* and its advantages for the local people and were encouraged to participate in the program. *Many local actors became motivated to participate in the program (4)*. The opportunities for the economic development of San Antonio's historical legacy were discussed in collaboration with the different local actors. The name 'coastline of the poets' became the specificity and identity, 'territorial mark', for the province of San Antonio, recognizing the legacy to Chile's cultural patrimony by the poets of the area and gives coherence and cohesion to the offerings of tourist services. And so poetry became a tool for development. Most of the Chile Emprende program activities focused on encouraging micro-enterprise

associativity, to design and promote tourism products by associative offers related to the “territorial mark” and to provide training to entrepreneurs on technical and managerial topics.

Chosen strategies

Based on the local economic development strategies identified by the World Bank, the Chile Emprende program focused on the ‘encouraging local business growth’ strategy. As small enterprises are an important factor for local economic growth, the Chile Emprende program tried to strengthen and facilitate the development of opportunities for micro and small enterprises. Also technical and managerial trainings were given to entrepreneurs. Because improving the local business climate forms an important part of every local economic development program, the ‘improving the local business climate’ strategy is also used. Access to markets is improved and a favourable environment is created. Also the ‘sector (and business cluster) development’ strategy is present in the Chile Emprende program. Services of micro and small enterprises were linked to the services of other enterprises.

Results

In San Antonio, many micro and small enterprises have benefited from the program and have been able to link their services to others and increase their clientele by making tourist packages. Besides companies active in the tourism business, also the people with a more traditional occupation benefited. An evaluation carried out demonstrated that the tourist industry developed by micro and small enterprises increased and the level of associativity between these enterprises has grown as well.

On the moment, the Chile Emprende program has a participation of 39 territories, which gather 176 municipalities or councils. More than a third of the Chilean population lives in these territories. In some territories where the Chile Emprende is running, the poverty conditions of some hundreds of families are diminished and the incomes and sales of micro and small enterprises are increased. An encouraging new environment is created for the development of new enterprises and productive and commercial links are placed between the micro and small enterprises and bigger entrepreneurs. Besides that, the micro and small entrepreneurs are integrated in the export chains. Also new tourist destinies and new innovative products to reach the highly competitive markets are created and developed. The territorial identity can be seen as a key to competitiveness in a globalized world and a permission to enter the national and international markets with more success.

Factors contributing to success

The factors that contributed to the success of the Chile Emprende program are:

1. Collaboration of the public and private sector in the Public-Private Councils
2. Involving the different stakeholders in the identification of the development plans
3. Informing the local people about the program in the various roundtables

4. Participation of the local actors

3.3 LED in El Salvador; Centre of Entrepreneurial Services for Women (SEM)

In order to describe the Centres of Entrepreneurial Services for Women in El Salvador, I will make use of the case “cultural identity as an engine of development” from the International Labour Organization. Contacting Angela Bunch, a consultancy from MyDEL/ UNIFEM, gave supplementary information concerning this LED program.

Situation described

In many places in the world it is very hard for women to own and inherit property, because of the unique challenges they face. Women are therefore more exposed to poverty, violence and HIV/AIDS. Also in El Salvador female entrepreneurship is not highly recognized, although 80 percent of all women's jobs are created in enterprises that are owned by women. Research concerning women entrepreneurship shows that countries successful in promoting female entrepreneurship could experience a positive impact on economic growth rates. Besides that, a growing number of female entrepreneurs make economic mobility and self-fulfilment for individuals more easily, trade is encouraged, employment will be created, the use of valuable human capital will be improved and economic and social equity are promoted.

Program used

In order to pay more attention to female entrepreneurs and to make female entrepreneurship more recognized in El Salvador, the Local Economic Development Agency (LEDA) of the department of Sonsonate does one's utmost in integrating women in the process of local economic development. It goes for the promotion and fostering of the development of women-owned enterprises, contributing to job creation and income generation, and facilitating the access to goods and services for women.

The LEDA promoted the Centre of Entrepreneurial Services for women (SEM), in order to develop and implement a model of recognition and empowerment for women entrepreneurs. These SEMs are funded by the Government of Italy and the MyDEL/ UNIFEM program and are located in the Local Economic Development Agency.

The Centres of Entrepreneurial Services for Women strive for creating an institutional mechanism to facilitate the development of female entrepreneurs at the local level; for contributing to the development of an inclusive entrepreneurial culture and building enterprising capacity; for contributing to local economic development by the support and implementation of profitable and sustainable productive initiatives; and for designing a methodology for the stimulation and support of women entrepreneurship and women empowerment at the local level. Activities concerning female

entrepreneurship are organized and financial and non-financial services to promote new female enterprises are delivered.

In order to achieve the goals of the Centre of Entrepreneurial Services for Women the process started with informing. Through the use of media campaigns and talks, *the local inhabitants of Sonsonate were informed on the LED program of the Local Economic Development Agency of Sonsonate (1)*. Information concerning women entrepreneurship, leadership and women's right to civil participation made *the local people enthusiastic to participate in the program or support the program (2)*. Through the information sessions the women saw the possibilities and advantages of setting up an own business, in order to make a living. Without the willingness of the local women the goals of the SEM could not be reached. The different activities needed to set up effective women enterprises have to be guided well. Therefore *a manager coming from the Department with experience in the field of enterprise development was assigned to the program (3)*. So an eye could be kept on reaching the objectives and the local people could be hold enthusiastic. Through the experience of the manager in the field of enterprise development, success stories were used to motivate the people in order to make the LED program a success. In the next stage *research concerning women entrepreneurship (4)* was carried out by universities and research institutes. The already existing women enterprises and businesses were analyzed and the different sectors where women could set up a business were identified. Through this information a well considered choice for the kind of enterprise and the sector where to set up a business could be made. The third stage of the process consisted of developing training programs for women and the jointly implementation of the training programs with universities and trainings centres. Following the training period, technical assistance was made available to the women in order to assist them in developing a business plan and to help them in the management of their resources and the negotiation with financial organizations. When the financial matters were completed, a follow up program was launched for all the enterprises, where the female entrepreneurs putted their acquired knowledge together. Through *the participation of the different women (2)* in the follow up program the women had access to resources, experiences and knowledge, which was useful to make their own enterprises more successful and productive.

The starting capital for the enterprises was provided by LEDA and distributed on the basis of different aspects stated in the business plans just as the production of value-added services and goods for the region and the number of jobs created by the enterprise.

Chosen strategies

The strategy that comes forward in the case of the LEDA and the Centres of Entrepreneurial Services for Women is the 'encouraging new enterprises' strategy. The women are helped by starting up their own business through trainings and technical assistance. Information concerning good access to the market is provided in the follow-up programs where female entrepreneurs share their knowledge. Also the 'integrating low income or hard-to-employ workers' is present in the case of the Local Economic

Development Agency of Sonsonate. The women in El Salvador can be seen as a group that is left behind. Women entrepreneurship is almost not recognized in the country, so it is very hard to set up a business for women in El Salvador. Another strategy coming to the fore in this LED program is 'improving the local business climate' strategy. Policies are tried to adapt in order to support women entrepreneurship in El Salvador.

Results

Enduring relationships with the universities are established and women are more and more recognized as important persons for local economic development. The Local Economic Development Agency Sonsonate spent the credit they managed on 244 people, mainly women. Roundabout 8200 persons were directly helped. Through the received provision of business development services, women had more possibilities to start new businesses or expand existing businesses and they got the chance of voicing their concerns and improving their representation in the decision making structures at the local level. Processes of negotiation and coordination with local government institutions, networks of female entrepreneurs and the private sector have been set up to act in behalf of the policies supporting entrepreneurship for women.

Factors contributing to success

As can be concluded from the results, the Centre of Entrepreneurial Services for Women of the LEDA of Sonsonate became a success. Different factors contributed to the success of the program. These factors are:

1. Putting attention to the program under the local inhabitants of the region
2. Leading the program by a experienced manager
3. Participation of the different women
4. Research and information concerning women entrepreneurship

3.4 LED in Nicaragua; Departmental Competitvity Agenda of Granada

On the basis of the International Labour Organization case "The Competitvity Agenda: planning dynamically" together with information obtained from the internet, I will describe the Departmental Competitvity Agenda of Granada program.

Situation description

The economic and political environment in which enterprises operate is not stable. Policies change, the competition is becoming more intensified and businesses can be afflicted to different crises. To stay productive and competitive in a globalized world, it is important for enterprises that they adapt their

strategies to fluctuations in the market. Therefore a flexible instrument is needed in order to realize effective economic planning.

Program used

In 2006, the Nicaraguan Institute of Support for Small and Medium enterprises and the Presidential Commission of Competitivity developed the 'Departmental Competitivity Agenda of Granada program', in order to promote the competitiveness of the Department of Granada. The competitiveness was promoted through the creation of a Departmental Competitivity Agenda. Assistance was offered by the German Development Services in Central America and the program was funded by the British Cooperation.

The Departmental Competitivity Agenda can be seen as an assisting tool in order to develop the economy of a local area. It is a practical tool used for the joint definition of priority actions and for the allocation of responsibilities and resources, in order to improve the action of the enterprises and their environment, so a better business climate could be created. The program has the objectives to elaborate and implement a dynamic tool to upgrade the business environment in the Department of Granada and to promote its competitiveness. Every now and then the Agenda is renewed so that effective economic planning can be derived.

In the process of developing the Agenda, collaboration between different local actors played an important role. Knowledge, resources and experiences of the different groups were exchanged. Four groups of stakeholders were involved in the development of the Agenda, namely the organized private sector, the local government, the territorial councils and the national government institutions. ***Each group has its own well defined role and accompanying tasks (1).*** Everybody knew exactly what they had to do and what others expected from them. Besides that, it was also very clear what a group could expect from the other stakeholders in the program. The clearly defined roles and tasks avoided eventual conflicts in the process and mutual trust was created. Through the well defined roles and accompanying tasks a higher level of coordination was reached, so leading the process was made more easily.

The first group, the organized private sector, had the role of main actor in the development process and was responsible for the determination and prioritization of the agenda contents and the participation in the negotiation and implementation of the agenda. The Local Government, which could be seen as municipal coordinator, was engaged in looking after the municipal interest of the Agenda and the coordination and negotiation of the local implementation. The third party involved in the development of the Agenda was the group of territorial councils, responsible as departmental coordinator for the coordination of the participative process between the public and private sector and the observation of the carrying out of tasks and negotiation processes. The last group of actors in the process were the national government institutions. As facilitator they were responsible for the supply of technical assistance, the capacity building at the local level and the negotiation of actions. Through ***the***

collaboration between the private and public sector (2) the demands of the two were geared to each other and more effective policies were made. The public sector knew exactly what the private sector wanted and adapted their policies upon this.

The development of the Departmental Competitiveness Agenda took place in four steps, each lasting one or two months, starting with collecting basic information, variables and indicators about the department and analyzing the local government and the role of institutions in order to determine the competitiveness of the local area. In the group of local actors a local leader was chosen responsible for guiding the development of the Agenda. *Ever since the first stage of the development process the local actors are motivated through the local leader (3)* and a contribution is delivered to securing the sustainability of the development process. In the second stage, the public and private actors discussed the contents of the Agenda and the ones responsible for promoting the Agenda were identified. In order to familiarize the different actors with concepts as local economic development, business and local area competitiveness, trainings and workshops were held. *Putting attention to the concept of LED (4)* brought about more motivated people willing to participate in the program. In the third step, strengths and weaknesses in the performance of each economic sector of the department were analyzed and actions to foster the strengths within a short time period were proposed. The actions can occur at three levels of intervention. The first level of intervention is actions to improve the working of the enterprises and its relation between enterprises. In the second level of intervention promotion and assistance actions take place in order to improve the environment where enterprises develop. And the third level of intervention contains actions to improve the local and departmental policies in order to assist the enterprises. The order of priorities among the proposals was determined in *a participative way (2)*. Every stakeholder explained its own needs and had a voice in the decision process, so not only one or two groups benefited from the Agenda. *The contributions of each of the participants were valued in the process (5)*. This appreciation created a more stable development group of the local actors. They saw that their effort and the effort of the other stakeholders was worthwhile, which made them willing to continue in the development process and to collaborate with the other local actors.

After having validated the first draft of the Agenda, the Agenda is equipped with a graphic identity through a logo and a slogan and publicly launched. Through *launching the Agenda publicly more inhabitants of the local area got to know the idea and objectives of the program and the concept of local economic development (4)* and more support was given to the process.

Obtainment of the goals of the agenda were very important for the different groups. *Ever since the beginning of The Agenda they were involved in the development (6)*, which made them really committed and willing to book successes with The Agenda.

Chosen strategies

Based on the identified local economic development strategies of the World Bank, the Departmental Competitiveness Agenda of Granada program made use of the 'improving the local business climate'

strategy. Through the development of the Agenda the diverse actors tried to improve the business environment. An improved local business climate makes the local area more attractive for business investment.

Results

In Granada the following sectors were identified as contributing to the development of the business environment; wooden furniture, tourism, agriculture, food, leather footwear and transport. From October 2006 to May 2007 more than 100 small and medium sized enterprises participated in the Departmental Competitiveness Agenda of Granada program.

The tourism sector could be seen as one of the most important sectors for Granada, so many of the Agenda actions were assigned to this sector of the economy. A permanent handcraft market was established, cultural nights were organized and receiving English courses in order to talk more easily with the tourists was facilitated for entrepreneurs. Also the improvement of secondary routes for assisting the production were well represented in the Agenda and negotiations were with the authorities of the ministry of transport and infrastructure in order succeeding in the short term outcomes. Not only successes were booked in the tourism and transport sector, also enterprises in the wooden furniture sector noticed the profits of the Departmental Competitiveness Agenda. Entrepreneurs could enter the negotiations concerning the interests of the financiers with the private bank and with the financiers.

Factors contributing to success

The development of the Departmental Competitiveness Agenda of Granada could be seen as a success and therefore already 6 other departments of Nicaragua asked for methodological support in the elaboration of Agendas. There were different factors contributing to the success of the Agenda of Granada.

1. Well defined responsibilities, tasks and roles for the different groups of stakeholders
2. Collaboration between public and private sector
3. Involvement of local leadership from the beginning
4. Putting attention to the program and concept of local economic development
5. Appreciating the effort of the stakeholders
6. Involvement of the groups in the development of The Agenda since the beginning

3.5 LED in Uruguay; Employment Recovery through the support to the creation and consolidation of micro and small enterprises in the framework of local economic development strategies (REDEL)

The REDEL program will be described on the basis of the case “empowering micro and small enterprises”, obtained from the ILO. Complementary information concerning the REDEL program was received through contacting the director of the REDEL program, Juan José Bertero.

Situation description

The crises in Argentina had spread to Uruguay and Uruguay seemed to be plunged into a deep social and economic crisis between 1999 and 2002, parallel to that of neighbour Argentina. In 2002, the Uruguayan Peso lost half of its value and employment rose to more than 15 percent. The inflation that year was almost 40 percent. In sequence of the economic crisis, Uruguay suffered from a labour market crises resulting in little employment possibilities and low quality employment conditions. Firms were closing down and workers were fired. Even though the economy was recovering since that date, the labour market has not improved significantly, there was almost no job creation and the employment conditions were low.

On the moment roundabout 70 percent of all the people active on the labour market in Uruguay are at work in micro and small enterprises. Although national policies are there to help these enterprises, still many of the micro and small enterprises are beyond the reach of the national policies, especially the ones in the isolated regions.

Program used

In order to provide the micro and small entrepreneurs with the support they needed, ‘the Employment Recovery through the support to the creation and consolidation of micro and small enterprises in the framework of local economic development strategies’ (REDEL) program was set up in 2004, with the help of Italia Lavoro and the Ministry of Labour and Social Security and was funded by the Italian Government.

The REDEL program aims at creating and supporting micro and small enterprises, in order to create new employment opportunities and to improve the existing ones. The general objective of the REDEL program is contributing to a better socio-economic situation and employment recovery through local economic development initiatives and improvement of the employability for the inhabitants of the local regions. The specific objectives of the program are the promotion of employability and access to the labour market; reinforcing the role of the Ministry of Labour through forming an environment favourable for the implementation of LED policies and strategies; reinforcing and improving the territorial employment networks; and the reinforcement and improvement of the formulation of active labour market policies.

In order to achieve the objectives of the REDEL program, technical assistance was offered to the micro and small enterprises and Business Development Services and Employment Services were developed. These services were offered to the local persons that wanted to constitute or develop a micro or small enterprise in the country, in order to improve the productivity of these enterprises and to assist the unemployed in their job search. The process of delivering the required Business Development Services and Employment Services to support the small scale businesses was facilitated through the use of the Enterprise Support Service (ESS). In July 2006, the first ESS in the northeast of Uruguay was established in the region of Paysandu to strengthen the local productive fabric by providing services to promote the development of small scale businesses.

In order to set up an ESS, different steps have to be taken by the local government in collaboration with the Ministry of Labour. An Ad-Hoc Advisory Commission was installed, responsible for the identification of the economic sectors with the most potential for the local area. In these selected sectors the ESS offered their services to the micro and small enterprises. ***Representatives of the different business chambers, the local government, and institutions of higher education, union members and stakeholders of agencies of local development collaborated in the Ad-Hoc Advisory Commission (1)*** and selected a local economic development strategy which promoted the selected sectors, in order to support the micro and small enterprises active in these sectors. The knowledge, skills and experiences of the different local actors were putted together, so well considered decisions could be made.

Through the ***dialogue and collaboration that was created between the public and private sector (2)*** in the Ad-Hoc Advisory Commission better tuned in to each other decisions were taken. The public and private sector were on one line by processing strategies. Their ideas and knowledge were used complementary. Another responsibility of the Advisor Commission was the establishment and ***rooting of links between key organizations (3)***, in order to support and foster the local economic development process. The key organizations all were responsible for the LED process. Through linking them, the different key organizations could address each other on their contribution to the process, so the progress of the local economic development process could be guaranteed.

When the ESS was established it helped the micro and small enterprises to take care of a feasible environment for these enterprises through the provision of training, information and technical assistance. The principal impediments to the development of the micro or small enterprises were identified and linked with the local offer of businesses development services. The demand of external services that MSEs required for their development were linked by ESS with the existing offer of business development service providers. Supply and demand of services were connected to each other.

Chosen strategies

The REDEL program focuses on the ‘encouraging local business growth’ strategy. Micro and small enterprises are supported with the services they require for expansion. There is also a matter of the

‘improving the local business climate’ strategy. The REDEL program tries to improve the formulation of active labour market policies and the socioeconomic situation in Uruguay.

Results

In 2007, more than 300 micro enterprises were assisted by the Enterprise Support System. A more enabling environment for micro and small enterprises is created and the demand for services from these enterprises has grown in the regions where the REDEL programs operate.

In general, through the development of the REDEL program more than 10,000 micro and small businesses received assistance through the installation of technical and businesses development services. LED promoters in Uruguay are selected and received training. A local support network was set up combined with an information platform with local economic development services and resources available for existing micro and small entrepreneurs and new micro and small enterprises. Besides that, instances were installed for social dialogue between the private and public sector and assistance was provided to the Ministry of Labour in order to formulate employment policies.

In the end the REDEL program expects to achieve a reduction of informal jobs within the enterprises, an improvement in the quality of employment in the micro and small enterprises, the creation of 128 new jobs and the recovery of 330 jobs lost during the economic recession and the improvement of 10,000 existing jobs in the micro and small enterprise sector.

Factors contributing to success

The REDEL program and its Enterprise Support Services can be seen as a success. The objective to assist small scale businesses with different services is achieved. The following factors can be seen as the factors that see to it that the program became a success.

1. Participation of different local actors in the Ad-Hoc Advisory Commission
2. Collaboration and dialogue between the public and private sectors
3. Linking the key organizations with each other

3.6 LED in Indonesia; Local Economic Recovery and Development Programme (LERD); Home-based Business Module Programme

Based on the case of the International Labour Organization “reviving the community spirit”, complemented with extra information coming from the ILO website, I will describe the LERD program in Indonesia and its project in Meuxara, named the Home-based Business Module Programme.

Situation description

On December 26, 2004 an undersea earthquake with a magnitude 9.0 was located off the west coast of Northern Sumatra, roundabout 250 kilometre of Banda Aceh in Indonesia. This was the fourth largest earthquake in the world, resulting in a tsunami that destroyed a large number of coastal countries in the Indian Ocean. More than 150,000 people were killed as a result of the tsunami event, over 25,000 people were missing and more than 1,000,000 were displaced in East Africa and South Asia. In Indonesia roundabout 600,000 jobs were lost and 1.8 million people were directly affected by this job loss.

Meuxara, a sub district of Banda Aceh City, located on the island of Sumatra, was one of the worst hit regions by the Tsunami. Next to the large number of deaths, many others lost their houses or jobs. Houses, public infrastructure, community economic facilities and economic services were all destroyed. In Meuxara roundabout 15 percent of all the households used their houses for both living and working. The inhabitants of the region had a hard time to start up their productive life again after the Tsunami.

Programs to be used

In order to restore the local economy and people's livelihoods in Meuxara, assistance to access economic facilities was required. Houses, public infrastructure, community economic facilities and economic services in the district of Meuxara needed to be rebuild.

In 2006, the Home-based Business Module Programme (HBBM) of the Local Economic Recovery and Development Programme (LERD) was set up in close cooperation with the joint UN program and UN-HABITAT. The LERD program forms part of ILO's Tsunami Response and Recovery Program in Aceh and Nias. This program in Aceh and Nias has 3 major focus points; restoring livelihoods and generating employment opportunities; socio-economic reintegration of disadvantaged groups and reduction of their vulnerabilities; and providing jobs for those who can work and providing protection for those who can not work.

The LERD program, as part of the ILO's Tsunami Response and Recovery Program, has the objective to revitalize the economy of the community through improving the economic infrastructure and facilities, the development of new enterprises and the generation of employment for the members of the community. The HBBM program offered selected households assistance in the restart of their home-based activities and other community members were helped with generating employment. The focus points of the HBBM program were reconstructing the economic infrastructure and supporting business start-ups with a range of related support activities. Selected households received skills training in construction work and in business set ups, a productive space to built new houses was constructed, and access to local micro financial institutes was strengthened. Intensive technical support was offered by the LERD program to Baitul Quirad Baiturrahman (BQB), an Islamic financial

cooperative, with poor entrepreneurs with little or no assets as target group. Many beneficiaries have applied for loans from BQB.

The HBBM program started with the organization of social events to *bring the program under the attention of the local inhabitants (1)*. As well local media was used to talk round the objectives of the HBBM program. The displaced members were encouraged to return to the district of Meuxara to start up their productive life again. The social events created a sense of belonging among the community members. They realized that they were all in the same boat and that without their participation it would be very hard to build up the district of Meuxara, which *made them willing and motivated to assist in the program (2)*.

The program chooses to build 3 standardized business modules, because of financial limitations and concern for inequality. *Different module types where designed, but all of equal value (3)* so the people did not worry about the most valuable type and choose the module type that corresponded with their real needs, so effective businesses could be created.

The 3 chosen business modules were the shop, the workshop and small restaurants/ coffee shops. Variation in the building was made in the end process. Two concrete block making enterprises owned by women were created, responsible for a large part of the bricks needed for the construction of the business units. Training was given to construction workers of the home-based business modules as well as of shelter construction. *The community contractors, project staff and local authorities received training concerning supervisory skills (4)* and occupational safety and health on construction sites. So the project was managed well and an eye was kept on the objectives of the HBBM program.

As well, a rural market was build, contributing to the availability and sales of goods in times of shortage, for which a local committee organized, managed and maintained the market.

Beneficiaries, traditional authorities and the community as a whole participated actively in the program (2), which made a huge contribution to achieving the objectives of the program. The traditional authorities such as elders, the mosque and the village chief plays an important and leading role in the lives of the community members of Meuxara. Their support to the HBBM program created more commitment of the members of the community, because the people knew that if the traditional authorities participate in such a program, it has to be valuable.

Chosen strategies

The strategies chosen to focus on in the Home-based Business Module program of the LERD are in the first place the 'investment in hard strategic infrastructure' strategy and the 'encouraging new enterprises' strategy. This LED program tries to assist households in the (re)start of their home-based activities and to reconstruct the economic infrastructure. Besides that, the program stimulates business start-ups through a range of diverse support activities. Also parts of the 'improving the local business climate' strategy and 'the investment in sites and premises for business' strategy are founded in the LERD program. To make business development possible, it is important that enough land is available

to build new or expand existing enterprises. The LERD program constructed a productive space where new houses could be build.

Results

Through the Home-based Business Module program roundabout 42 quality houses with economic space were build and the rural market in Meuxara was constructed. The Home-based business operators acquired sufficient basic business skills through the diverse trainings they received. The sales of the women's concrete block making enterprises were increasing as a result of the Home-based Business Module program, which made use of their products. Financial services were evolving, provided by BQB and 247 of UN Habitat's beneficiaries were participated in the program.

Factors contributing to success

In the case of the LERD program different factors were contributing to the success of the program;

1. Bringing the program under the attention of the local inhabitants
2. Participation of the community as a whole, beneficiaries and traditional authorities
3. Building module types of the same value
4. Training for the community contractors, project staff and local authorities concerning supervisory skills

3.7 LED in Viet Nam; Poverty Reduction through Integrated Small Enterprise Development (PRISED)

In this paragraph I will give a description of the PRISED program in Viet Nam, based on the ILO case "value the value chains" and extra information obtained from the websites of the Vietnam Chamber of Commerce and Industry and the Swedish International Development Agency.

Situation description

Through the rapid growth of the private micro, small and medium enterprise sector over the past few years, productive employment was created in Vietnam. Economic growth numbers and poverty reduction numbers are high, but these numbers are uneven in the different local regions, spread out over the country. Although, the rapid growth of the micro, small and medium enterprises, the development of this sector is hindered by a number of constraints. For the micro and small enterprises it is hard to access markets, business trainings, skills trainings, capital, technology and information, and there are only a few regular opportunities for these enterprises to meet with local authorities. Moreover, micro and small enterprise policies are implemented very slowly at the local and provincial level, communication between the business community and the local authorities does almost not exist and the promotion of services to the micro and small enterprise sector is often weak.

Despite, the absence of these basic conditions in the micro and small enterprise sector, the majority of the poor in Vietnam are working in micro enterprises, household work and the informal sector. Even though, there are several governments and donor programmes providing the necessary resources for the establishment of small and medium-sized enterprises, there is less support for micro enterprises and businesses in the unofficial economic sector, especially in the poor provinces where the poverty rate is abound. Supporting small enterprises should contribute to an increase and diversification of the incomes of the poor, leading to better access to credit and capital, so more security could be provided.

Program used

In order to contribute to the further development of the micro and small enterprise sector in Vietnam, the Poverty Reduction through integrated Small Enterprise Development program (PRISED) was set up in 2005 by the Vietnam Chamber of Commerce and Industry, in collaboration with the International Labour Organisation. The Swedish International Development Agency was responsible for the funding of this four-year program, focusing on the rural areas of six provinces across Vietnam. In the first phase of this LED program, lasting from 2005 to 2007, four provinces will be assisted, namely Quang Ngai, Tra Vinh, Binh Phuoc and Thanh Hoa. In the second phase, lasting from 2007 to 2009, two remaining provinces will be added.

The contribution to the development of the small enterprise sector in Vietnam, including the micro-enterprises, household enterprises and self-employed in the informal sector, can be seen as the overall aim of the PRISED program. The ultimate aim of this LED program is the stimulation of the local economic growth, the generation of more and better jobs and the reduction of poverty in the six focus provinces, within the framework of the Comprehensive Poverty Reduction and Growth Strategy and within provincial socio-economic development plans.

The PRISED program has two main objectives, namely the improvement of the provincial-level business environment and the development of the business development service market. Through technical assistance the PRISED program tries to reduce the poverty in Vietnam. Micro and small enterprises are guided to obtain the necessary information and funds in order to find their own way and go on their feet to gain outcomes with appropriate technical assistance. The program gives the MSE sector the chance to select actively the opportunities which they see as suitable to obtain efficiency and effectiveness. Beneficiaries and professional agencies are provided with training, study tours and consulting services.

Value chain development tackles constraints at the enterprise level as well as in the business environment. The PRISED program focuses on value chain development as mean to upgrade the micro and small enterprises in the targeted regions. From experience it is known that value chain development is a promising way to develop the local economy of an area in Vietnam. Each region in a country excels in the production of products from one or more sub sectors. The availability of relevant business services, administrative rules, international quality standards and the business skills of

individuals contribute to the performance of the value chain. The stakeholders in a value chain are micro enterprises, such as raw material suppliers, producers and exporters, business service providers, policy makers and international organizations. The value chains are managed and owned locally and competitive advantages and resources are mobilized.

The PRISED program tried to develop the value chain *in participation with the local stakeholders of the value chain (1)*, because they are the ones who have the knowledge and they are the ones that can further develop their skills in order to contribute to the performance of the value chain. In order to select sub-sectors of which the value chain will be developed, the PRISED program started with the construction of an overview of sub sectors together with the local stakeholders in the value chain. Selection criteria were brought into being, preliminary research was carried out and a short-list of sub-sectors was provided. In a workshop, the most important stakeholders of the public and private sector in the province discussed jointly the overview and short-list of sub-sectors, resulting in the selection of one or more sub sectors for further analysis. In-depth research and fieldwork was carried out concerning the actors, people, goods and value added processes involved in the value chain, solutions were identified and interventions were started up. In the end the achievements were evaluated in a participative way and lessons for further steps were drawn. *Though the collaboration and communication between the public and private stakeholders (2)* in the value chain every group could explain the specific needs of their localities and address the barriers hindering the growth of the micro and small enterprises. The barriers were looked at the matter of different angles and new insights were acquired. The different requests and demands were taken into account by making decisions in a participative way in order to meet the needs of the different stakeholders.

Not only dialogue and collaboration between the different stakeholders contributed to the achievement of the goals of this LED program, also *awareness of the program and its objectives (3)* was important. Through the use of mass media the PRISED program created awareness for proper working conditions and social protection for workers in the micro, small and medium enterprise sector under the local population. Also training programs, fairs, and business cooperation activities were promoted. Because the people knew what took place in their region they were made enthusiastic to participate in the project and collaborate with the other stakeholders. *Participation from local people and entrepreneurs (1)* plays an important role in the success of a local economic development program. Without the willingness of local people to start and participate in projects the impact of the PRISED program would be very small.

Chosen strategies

Grounded on the local economic development strategies of the World Bank there can be said that the PRISED program made use of the 'encouraging local business growth' strategy. Information sessions, training courses and workshop are given to the micro enterprises active in the selected sub sectors, in

order to strengthen the existing local businesses. Besides that, there is made use of the ‘improving the local business climate’ strategy in order to make business investment more attractive.

Results

The PRISED program ended in January 2009. The final results are not available yet, but the first phase of the PRISED program, from 2005-2007, can be seen as successful. Nearly 7,000 inhabitants of Vietnam, of which 35 percent are women, benefited from the program.

Factors contributing to success

The first part of the program can be considered as a success. Different factors contributed to the success of this local economic development program. These factors are:

1. Involvement of local stakeholder of the value chain
2. Public private cooperation
3. Awareness among the local people

3.8 LED in Philippines; Decent Work Country Program - Employment generation through local approaches component

On the basis of the ILO case “tripartism for local growth” together with information from the International Labour Organization website, I will describe the Decent Work Country Program of the Philippines.

Situation description

Nowadays, the city of Marikina located in the Northeast of the Philippines in the province of Manila, can be seen as one of the healthiest and most liveable cities within the Asia-Pacific and as well as the most industrialized and commercial city in the Manila Province. The people of Marikina can be counted up to the most disciplined people in the Philippines. Marikina was given the title ‘Shoe Capital of the Philippines’ because it was home to a flourishing footwear cluster. Although the city already earned a special status in the 1960s, because of its status as special industrial zone, there was a period that the city lost this special status through changes in national policy and the suffering of strong competition of the Chinese footwear industry. Besides that, Marikina got an even more negative image through the floods by which the city was plagued, the high crime rate and the chaotic system of industrial relations, which resulted in closing businesses and no new investments in Marikina.

Program used

In 2002, the Decent Work Action plan of the Philippines was developed, in order to reduce the poverty in the country. In close cooperation with different local government units a “Local Development and

Decent Work” resource kit was created in order to assist local development planners by the promotion of decent jobs. As part of the Decent Work Action plan of the Philippines, the Decent Work Country Program (DWCP)-Employment generation through local approaches was set up by the ILO in cooperation with the city of Marikina. The program aims at including decent work and employment components into the already existing local economic development programs in Marikina. The DWCP has the objective to ensure decent work opportunities for men and women in conditions of freedom, equity, security and human dignity. It responds to the existing national priorities and assists the existing national policy framework through the improvement of the governance and legislative environment for compliance with international labour standards, the improvement of national capacities to increase effectiveness and extend coverage of social protection and the improvement of the capacity of the Government to generate new employment opportunities.

In order to achieve the objectives, collaboration was encouraged between the ILO on the one side and the government, employers’ organizations and workers organizations on the other side. Through *the tripartite collaboration between the government, the employers’ organizations and workers organizations (I)* the interests of the three parties were taken along in the decision process concerning the ideal working conditions. Not only the ideal working conditions according to one party were adopted, but the voice of all the parties counted. Through collective bargaining, issues as wage inequality, wage discrimination, low pay and other issues were addressed, in order to outline an ideal environment where all the parties were satisfied with. Besides encouraging the collaboration between the three parties, the ILO assisted the social partners as well to effectively use labour market analysis in the formulation and implementation of labour market policies in order to strengthen links between education and the labour market. Technical advice and capacity building were provided for the improvement of the law and practice concerning recruitment, oversight and protection of migrant workers.

In order to transform the negative image of the city Marikina, the social and physical infrastructures of the city were renovated by two city executives and industrial peace and an encouraging labour and business climate was developed. Personal contact was made with a wide range of worker and employers’ representatives, resulting in an alliance among the city’s fractious unions, informal and formal dialogues were arranged and an official tripartite body for capping the ongoing dialogue was created. Besides that, a dialogue system backed up by a Workers’ Affairs Office was institutionalized, which brought demand and supply on the local labour market together, city policies in line with the tripartite agreement were formulated and a tripartite Oversight Committee was created in order to monitor and assess the tripartite agreement.

The dialogue has resulted in the establishment of labour disputes at the company level, enacting of labour and business friendly ordinances and taking care of respect and trust among the tripartite social partners. The social dialogue created by the collaboration of the representatives of the government, employers and workers made the transformation possible.

Chosen strategies

There can be said that the Decent Work Country Programme - Employment generation through local approaches has used a strategy to promote inward investment. By the early 1990s nobody wanted to invest anymore in Marikina and businesses had relocated else, so it was important to attract businesses from elsewhere to the city. This was tried to be done by transforming the image of the city, by reforming the social and physical infrastructure. Promoting inward investment was done in combination with an 'investment in hard infrastructure' strategy and 'the investment in soft infrastructure' strategy. As for every local economic development program, also here improving the local business climate plays an important part. Next to reforming the social and physical infrastructure, the overall system of the local governance was improved, so there is also matter of the 'improving the local business climate' strategy in this LED program in the Philippines.

Results

The results of this LED program are very hard to obtain. The contact persons did not respond to the emails and other contact persons did not have a valid mail address.

Factors contributing to success

Although the results of this LED program were not available, I assume that this LED program became a success of booked some successes. The main factor contributing to this success is:

1. The tripartite collaboration between the government, the employers' organizations and workers organizations

3.9 LED in Sri Lanka; Enterprise for Pro-Poor Growth (Enter-Growth)

Based on the case "the Forum Theatre experience", obtained from the ILO and through contacting Roel Hakemulder, Chief Technical Advisor of the Enterprise for Pro-Poor Growth program, I will describe the Enterprise for Pro-Poor Growth program and its project called "Palama".

Situation description

Micro and small enterprises can be seen as the engine of growth in Sri Lanka. These enterprises are vital to the development of the local economy in order to create jobs and reduce poverty. The Western Province and the outside areas of the main urban centres in Sri Lanka are characterized by a low growth number and the micro and small enterprises have a low employment potential and a low start-up rate. Among youth and women there is high unemployment. The youth unemployment is resulting from a mismatch between supply and demand. The education in Sri Lanka focuses mainly on the skills needed in the private sector, while most educated youth prefers jobs in the public sector. The

unemployment for women is caused by disadvantages in terms of education, opportunities to engage in business and traditional attitudes.

In the poorer regions starting up a small enterprise is seen as last option, instead of as a valuable occupation. Just like the youth, the other inhabitants of Sri Lanka prefer government jobs and other formal employment. Because the culture of Sri Lanka does not value entrepreneurship and business skills, there has to be dealt with unsupportive officials and communities and unentrepreneurial individuals. This leads to an enormous obstacle for potential entrepreneurs trying to set up their own business, so there are only few enterprise set ups and only little economic growth.

Program used

In order to improve the image of entrepreneurship and to see to it that enterprises are considered socially and economically attractive in Sri Lanka, the Enterprise for Pro-Poor Growth program, or Enter-Growth for short, was set up in 2005 by the International Labour Organisation, the Swedish International Development Agency, and the Ministry of Enterprise Development and Investment Promotion. The program targets four districts in Sri Lanka with a high poverty rate. These are the districts of Kurunegala and Puttalam in the North-Central Province of Sri Lanka and the districts of Anuradhapura and Pollonaruwa in the North-West Province of the country. Instead of offering predetermined tools, the Enter-Growth program identifies the challenges and bottlenecks that micro and small enterprises face and facilitates the search for and the development of tailor-made solutions, which can be implemented with local resources.

The overall goal of the Enter-Growth program is contributing to pro-poor economic growth and qualitative employment for men and women, through an integrated program for developing micro and small enterprises. This LED program focuses on three main areas; the market access of micro and small enterprises, the policy and regulatory environment, and the enterprise culture. (The enterprise culture can be seen as the way how the region perceives and values enterprises.) Each of these three focus areas is part of the environment that makes driving business possible.

The Enter-Growth program organizes diverse activities leading to a more effective and dynamic market for business services, in order to make it possible that small enterprises improve its productivity and quality, become more market-led and increase its access to larger markets. The supply of business services was reinforced to overcome the lack of information, skills, business networks and linkages to large buyers that small enterprises face. Enterprises lacked information concerning the services offered, while on the other hand service providers did not know for which services there was a demand. New services were provided and the capacity to provide them was improved.

Another focus point of the Enter-Growth program is the promotion of trainings and information for officials, in order to serve the micro and small enterprises more effectively. Starting or expanding a small enterprise is most of the times not made easy, because of policies, regulations and rules at the

local level. Through assisting the government in converting these rules and regulations starting new enterprises was made more easily. Small enterprise associations were set up to assist the government in this. ***Collaboration between the public and private sector (1)*** was created, so the micro and small enterprises could discuss the points with the government which were important for them by starting a new business or expanding an existing one. Through the stronger voice of the micro and small enterprises the government was better informed and rules and policies were adapted in order to promote setting up small enterprises.

The third focus point of the program is ***making the local inhabitant concerned with the idea that starting or having a business is an accepted and valued manner to earn one's bread (2)***. Business awareness trainings were started up in vocational schools and Forum Theatre and mass media were used to promote entrepreneurship and to see to it that the local people got to know with the idea and objectives of the Enterprise for Pro-Poor-Growth program. Many people became enthusiastic and saw the value of setting up a business.

'Palama', a social marketing campaign, part of the Enterprise for Pro-Poor-Growth program, tried to stimulate people to reassess their negative prejudice concerning entrepreneurship though the promotion of setting up small enterprises and thereby bear the rooted local values in mind. In the 'Palama' campaign, campaigners and influencers were involved to try to change the way of thinking of the other inhabitants of the local region and to find alternative values about entrepreneurship. The campaigners consisted of a theatre group and the influencers consisted of teachers, parents, representatives of the government and community leaders. Through the use of the Forum Theatre the audience was requested to interact in the play, which gave them the possibility to look at and discover their own motivation and environment in the field of business. Advice was given to the local people concerning the opening of an enterprise and information on business and financial services was handed to the people.

The three main components of the Enter-Growth program ensured that gender imbalances were addressed. Approaches and services that benefited women were supported, sub-sectors offering opportunities for women were selected and gender bias among officials and service providers was addressed.

The Enter-Growth program saw the importance of ***participation of the different stakeholders (3)*** in the target regions. Dialogue and consultation was stimulated between the stakeholders in the area who has a stake in the development of micro and small enterprises, else none of the restrictions in the local area could be addressed. The stakeholders gave their opinion, mutual understanding and trust was developed and the voice of the different stakeholders was reflected in the designed and implemented solutions. The sharing of and the access to resources and experiences was facilitated.

At the district level, ***Micro and Small enterprise Forums were set up in order to facilitate the dialogue between the representatives of the private sector organizations, NGOs, national level Ministries and the Provincial and District Governments (1)***. The representatives were elected on the

basis of workshops concerning issues of collaboration and cooperation. The different stakeholders took the lead in finding, designing and implementing solutions. *Involving the stakeholders from the beginning in the program (4)* made them more willing to bring the program to a good end. The solutions which they implemented were the solutions they found and designed in collaboration with the other stakeholders. They knew exactly what the solutions meant and saw the relevance of the solutions.

Through the *use of multi-stakeholder MSE forums (1)* the generation of solutions and lobbying with the national government and other relevant parties was facilitated in order to implement improvements in the MSE sector. The MSE Forums can be seen as a mechanism for addressing regulatory issues concerning the smaller size enterprises.

At the local level, the Enter-Growth program made use of Local Competitive Advantage exercise (LOCA), a participative method used for the assessment of opportunities and constraints for the development of small enterprises in the local area. *Stakeholders from different sectors were brought together (3)* in order to promote dialogue and mutual understanding and trust. The stakeholders were helped to define their needs and to develop and implement solutions. Based on the LOCA exercise concrete proposals were developed in order to reinforce the competitive advantages of the small enterprises. The staff of local organizations was trained as LOCA facilitators.

Chosen strategies

Since the Enter-Growth program does not provide any direct assistance to enterprises, but especially try to improve things in the business environment, the way the market functions and working with local governments, there can be said that the program makes use of the ‘improving the local business climate’ strategy distinguished by the World Bank.

The business climate is improved in order to assist people to start up enterprises. Forums for micro and small enterprises are created, in order to identify the priorities for the development of the small enterprises and to facilitate their development, through the supply of business development services. So there can be said that this LED program makes also use of the ‘encouraging new enterprises’ strategy. In the end, the ‘integrating low income or hard-to-employ workers’ strategy plays a role as well. Women are benefited through the selection of sub-sectors that offer women diverse opportunities.

Results

The results of the Enterprise for Pro-Poor Growth program are not available yet. Roel Hakemulder, Chief Technical Advisor of the Enterprise for Pro-Poor Growth program, could point out already some general successes. Enterprises received the access to services they need (training and loans), regulations have been improved, there is improved communication between the public and private sector, the poor have successfully been involved in the LOCA exercises, so their voice can be heard

and the attitudes to businesses are changed. Starting up is not longer seen as the last option, but as a valuable job.

On the other hand, a global economic crisis is taking place on the moment in Sri Lanka. Unemployment is actually likely to rise right now, and the economy likely to contract.

Factors contributing to success

On the moment it is not clear if the Enter-Growth program became a real success, but there are some general successes in the first part of the program. Factors contributing to these successes are:

1. Dialogue between private and public sector through the small enterprise associations
2. Making the local people concerned with the idea that starting or having a business is an accepted and valued manner to earn one's bread
3. Active participation of the local inhabitants
4. Involvement of the stakeholders by the identification and implementation of solutions

3.10 LED in Mozambique; Fight against social exclusion

In this paragraph, the case from the International Labour Organization "economic and social needs are one" together with information from the LEDA Sofala website will be used, in order to describe the project of the LEDA called "the fight against social exclusion program".

Situation description

The Sofala Province is located centrally in Mozambique and borders the Indian Ocean. It has an area of 68,018 km² and the population consist of approximately 1,67 million people. Beira is the capital of the province of Sofala. The province has a good geographical strategic location and has important natural resources at one's disposal, for example natural gas. But despite of these advantages, the inhabitants of Sofala have a hard time to make a respectable living, because the Sofala province is afflicted by natural disasters, HIV/AIDS and other distresses, just as the rest of Mozambique. Beira is the city in Mozambique with the highest HIV prevalence rate of 26,5 percent and this percentage is still increasing.

Program used

In 2000, the Local Economic Development Agency (LEDA) of Sofala was created, together with several other LEDAs in Mozambique, within the framework of the UN Interagency Programme "Human Development at the Local Level". The LEDA is an organization consisting of 15 members coming from the private sector, the civil society and the local government. The Local Economic Development Agencies in Mozambique have the objective to contribute to a self-sustained economic development of the province, in order to encourage human development, focusing on the reduction of poverty, on social equity, on gender and on the safeguard of the environment. LEDA Sofala has the

specific objective to expand the chances for disadvantages inhabitants and the promotion of Sofala's growth potential through the attraction of economic and development partners.

In 2006, LEDA Sofala set up its project called "the fight against social exclusion program", implemented by ILO STEP and funded by the government of Portugal. The program focused on the districts of Caia Maringue and Nhumatanda, located in the province of Sofala and was developed in order to extend the social protection of informal economy workers in this province.

As weak risk management can be seen as one of the underlying causes of vulnerability, LEDA Sofala wanted to develop a social protection strategy within its "fight against social exclusion program". Through the lack of social protection measures there was no income security, no access guarantee to health and social services and no protection for the income, health and well being of workers and their family. A participatory risk analysis was undertaken in order to identify social protection needs and opportunities for the informal economy workers in the Sofala Province.

Workshops were organized, in order to *inform the local and national stakeholders on the concept of social protection and its relationship to developing the local economy (1)*. People were made enthusiastic to participate in the program and the major risks of the Sofala Province were identified. Through *the involvement of local and national stakeholders (2)*, the local stakeholders' knowledge of the living and working environment was used to identify current hardships and coping mechanisms. The major risks identified in the fight against social exclusion program were natural disasters, HIV/AIDS, financial vulnerability, lack of drinking water, precarious housing, human-animal conflict, forest fires and deforestation.

An international expert (3) was placed in the program to assist in the process of in-depth investigation of the communities' needs and potentialities and to lead the development process of the local economy. On the basis of these needs and potentialities district action plans were formulated, jointly with all the stakeholders. *The collaboration between the public and private sector in the LEDA (4)* was key to enhancing trust, the promotion of informed decision-making, finding appropriate responses to urban needs and increasing local ownership and transparency. The risks were prioritized and actions, target groups, partners and relevant institutions were identified, leading to a social protection strategy. The actions were a combination of research, awareness raising, training, preventive and protecting measures. *Through the mobilization of resources the interest of a range of national and international development actors to support these locally driven plans was raised (2)*.

Chosen strategies

"The Fight against social exclusion program" of the Local Economic Development Agency Sofala has its focus on the strategy of integrating low income or hard-to-employ workers. The workers in the informal economy in the Sofala province are the ones most exposed to the major risk, as natural disasters, HIV/AIDS and other hardship. This makes it very difficult for these people to generate a decent income.

Results

The LEDA succeeded in increasing the interest of diverse national and international development actors for supporting these locally driven plans.

Factors contributing to the success

The factors contributing to the success of the program are:

1. Informing the stakeholders on the concept of social protection
2. Involvement of local stakeholders
3. International expert for assisting in and leading the program
4. Public private collaboration in the LEDA

3.11 LED in Ghana; Ghana Working Out of Poverty Project (WOOPP)

Describing the LED program “Ghana Working Out of Poverty Project” is based on the case “rooting public-private dialogue” coming from the ILO. Extra information is obtained from the ILO website.

Situation description

In Ghana local economic activity is dominated by small and medium-sized enterprises operating in the informal sector. Roundabout 80 percent of the total employment in Ghana is happening in this sector and most women’s jobs are here as well. Although most of the economic activity is coming from the small and informal businesses, the interests of these enterprises are scarcely mirrored in the development strategies of Ghana. The job quality in the micro and small enterprises is low. The informal sector of Ghana has potential for creating a large amount of jobs, but now this potential for economic growth and poverty reduction remains unused. Exceptional in two districts in Ghana, Awutu-Efutu-Senya and Ajumako-Enyan-Essiam located in the Central Zone, where the interests of small and informal businesses are reflected in the development strategies.

Program used

In 2002, a Decent Work Pilot Program was set up by ILO Ghana, lasting for 3 years. The Pilot Program has its focus on the contribution that decent work can have on poverty reduction, especially in the informal sectors. To attain the goal of the program, a strategy was developed focusing on enhancing the capacity of social partners for a meaningful participation and to place decent work on the policy agenda and the development and tests of an integrated approach to improve productivity, conditions and incomes in the informal economy in a local region.

In 2006, the Ghana Working out of Poverty program (WOOPP) was set up, building on the outcomes of the ILO Ghana Decent Work Pilot Program. The program was funded by the government of the Netherlands, implemented by ILO Abuja and has the goal to reduce poverty in Ghana by addressing

Decent Work deficits in micro and small enterprises in the informal economy and through the enhancement of employability of low-income people. The program focuses on the districts of Awutu-Efutu-Senya and Ajumako-Enyan-Essiam in the central region of Ghana.

As part of the Ghana Working out of Poverty project, public-private forums were set up in Awutu-Efutu-Senya and Ajumako-Enyan-Essiam as District Assembly Sub-Committees on Productive and Gainful Employment (SPGEs) in order to design and implement strategies to develop the local economy. *The collaboration between the public and private actors in the District Assembly Sub-Committees on Productive and Gainful Employment (1)* made it possible to communicate with each other and to exchange knowledge, experiences and especially ideas about the way how to develop the local economy. As statutory body under the local government act, the SPGEs consist of 15 members, of whom 6 are private enterprise representatives, 4 are district assembly members and the remaining 5 members are from the technical staff of the district assembly.

The elected assembly members explained issues and activities to all other assembly members and lobbied for their support. Technical support and relevant socio-information was given to members in order to make effective decisions. Information on the SPGEs and the local economic development activities were made available through business information centers and the SPGE offices in the districts of Awutu-Efutu-Senya and Ajumako-Enyan-Essiam to the local inhabitants. The local radio was used and special events and awareness raising events on safety and health in the workplace were created in order *to make more people aware (2)* on these topics and this LED program. In the business information centers and SPGE office, entrepreneurs could get documentation and receive basic referral services. The SPGE played a catalyzing and facilitating role through informing, coordinating, mobilizing and linking stakeholders at the district, national and international level.

Chosen strategies

One of the strategies coming forward in the Ghana Working Out of Poverty Program is the strategy of ‘integrating low income or hard-to-employ workers’. The low-income women and men, especially the young ones are left behind. The interests of small businesses active in the informal sectors are hardly reflected in development strategies. Therefore this program focuses on the informal employment of these people.

Results

Through the installation of the SPGEs as part of the Ghana Working Out of Poverty Program mobilizing technical assistance and resources from development partners outside the district have been successfully. Hundreds of the small businesses were able to improve, grow and expand, more and better jobs were created and incomes rose.

Beside that, the support of the local government for the SPGEs has grown and the local economic development plans of the SPGEs have been incorporated into the medium-term overall development

plan of the district. Also the access for women to productive resources has increased and good business practices were promoted.

Factors contributing to success

The Ghana Working Out of Poverty Program booked success. These successes can be ascribed to different factors.

1. The collaboration between the public and private actors in the District Assembly Sub-Committees on Productive and Gainful Employment
2. Making more people aware on safety and health in the workplace and this LED program

As could be seen in the eleven cases above obtained from the International Labour Organization, most of the local economic development programs in the diverse countries have its focus on more than one strategic option. In the next table, an overview will be given of the strategic options used in the diverse LED programs. As can be seen in this table, improving the local business climate forms a crucial part for many of the local economic development programs, because the ‘improving the local business climate’ strategy is used in almost all of the LED programs.

Countries Chosen strategies	Locality development strategy			Business development strategy			Human resource development strategy	Community- Based Employment Development Strategy	Improving the local business climate
	Investment in hard strategic infrastructure	Investments in sites and premises for businesses	Area targeting/ regeneration strategies	Encouraging local business growth	Encouraging new enterprises	Promoting inward investment	Investment in soft infrastructure	Integrating low income or hard-to- employ workers	
Argentina				X					X
Chile				X					X
El Salvador					X			X	X
Nicaragua									X
Uruguay				X					X
Indonesia	X	X			X				X
Viet Nam				X					X
Philippines	X					X	X		X
Sri Lanka					X			X	X
Mozambique								X	
Ghana								X	

Table 2: The strategic options of the local economic development programs in the diverse countries

3.12 Factors contributing to success

After having interpreted the 11 cases from all around the world, different factors leading to success came to the front. Although the success factors are not everywhere totally the same, most of the factors can be grouped under one denominator. In this paragraph the groups of identified success factors will be discussed in more detail. After having discussed the identified success factors, a selection will be made of the factors that can be used to build a general success framework. In table 3 an overview of the identified success factors and the countries in which the factors are found, is given.

Identified Success Factors	Countries where these factors are found
Active participation of the local stakeholders	<ul style="list-style-type: none"> • Argentina • Chile • El Salvador • Uruguay • Indonesia • Vietnam • Sri Lanka • Mozambique
Involvement of local actors in planning process	<ul style="list-style-type: none"> • Argentina • Chile • Nicaragua • Sri Lanka
Collaboration between public and private sector	<ul style="list-style-type: none"> • Argentina • Chile • Nicaragua • Uruguay • Vietnam • Philippines • Sri Lanka • Mozambique • Ghana
Research and information	<ul style="list-style-type: none"> • Argentina • El Salvador
Awareness creation	<ul style="list-style-type: none"> • Chile • El Salvador • Nicaragua • Indonesia • Vietnam • Sri Lanka • Mozambique • Ghana
Leadership	<ul style="list-style-type: none"> • El Salvador

	<ul style="list-style-type: none"> • Nicaragua • Indonesia • Mozambique
Well defined responsibilities and roles	<ul style="list-style-type: none"> • Nicaragua
Appreciating the effort of the stakeholders	<ul style="list-style-type: none"> • Nicaragua
Linking key organizations to each other	<ul style="list-style-type: none"> • Uruguay
Building business modules of the same value	<ul style="list-style-type: none"> • Indonesia

Table 3: overview of the identified success factors and the countries in which they are found

Active participation of the local stakeholders

The first success factor coming to the front is the active participation of local stakeholders. The active participation of local people, agencies and local entrepreneurs can be seen as key defining feature of local economic development programs. Most of the times, the local people are the ones that can deliver an important contribution to the development of a local economy. They are the ones that have to start up the businesses, follow the trainings and mobilize their resources in order to bring the program to a success. It is important that the local people share their experiences, knowledge and resources. They are the ones who have the knowledge and who could further develop their skills in order to contribute to the achievement of the goals of a LED program. Most of the local economic development programs only facilitate the start up of businesses for local people through delivering trainings and business services, but the local people are the ones that have to make a success of it. People need to have the willingness to participate in the diverse local economic development programs. Without their willingness to participate in or initiate a program, not much will happen in the development of the local economy and the overall scale of impact will be much lower. Not only in the cases active participation of the local stakeholders is seen as important, also different authors see the essence of the assistance of local stakeholders in local economic development process. According to Blakely (1989) both small and large communities need to understand that local governments, community institutions and the private sector are important partners in the economic development program, irrespective of the prosperity of these local regions.

Involvement of local actors in planning process

Involving local actors from the beginning in a program makes people more willing to bring a LED program to a good end. The solutions which are implemented are the solutions they found and designed in collaboration with the other stakeholders. The local actors know exactly what the solutions mean and see the relevance of the solutions and are therefore more committed to participate actively in the program.

Collaboration between the public and private sector

Not only involving local people in the process of developing a local economy is important, also encouraging collaboration between these different stakeholders is needed to book successes with a local economic development program. Especially the collaboration between the public and private sector plays an important role in this. Dialogue between these two sectors can facilitate a lot of things.

Through the collaboration between the public and private sector recognition is created that both sectors play an important role in the contribution to the development of the local economy. Mutual trust and understanding between the two parties are created. Through collaborating, both parties can raise their voice concerning their needs, requests, demands and ideas in the development process. Both parties know exactly what the other party wants and the plans and demands can be geared to each other, in order to make more effective policies. As a result of the stronger voice of the private sector, the public sector knows exactly what the private sector wants and adapts their policies upon this. Not only the possibility to mention the needs and ideas of the public and private sector forms an important part, also bringing in diverse points of view and complemented knowledge into the process of local economic development is an advantage of the collaboration. The importance of the collaboration between the public and private sector did not only come to the front in the cases, also Helmsing 2003 stresses the importance of encouraging collaboration between the public and private stakeholders and joint action and collective learning to succeed in local economic development. With different kinds of knowledge diverse point of views can be used to develop actions plans.

Research and Information

Research and information delivery can play an important role in the contribution to successful local economic development programs. Without information it is very hard to decide which businesses are suitable for setting up enterprises and which services are in want of the people. Conducting research is a good way to find out these different things. When having the right information better developed choices and decisions can be made and more useful training courses can be developed with the available information.

Awareness creation

Another success factor coming to the front in the cases is the creation of awareness by the local inhabitants with regard to the local economic development program. It is important that the local strategy is promoted and communicated, so that the community knows about the strategy and its

implementation. Before the local people have the willingness to participate in a program they need to know about the local economic development program, its goals and its advantages in and for their region. If the community does not know anything about the LED program the chance will be very small that the people will participate actively in the program and will be helpful to support the program. Because the active participation of the local inhabitants forms just a major part to the success of a LED program, it is of great importance that local awareness is raised for the program in the local region. Raising awareness can be done in different ways, for example through organizing roundtables, workshops and business awareness trainings and through using media campaigns, talks, social events and theatre. After knowing about the LED program, its objectives and the possibilities and advantages people become enthusiastic and a sense of belonging can be created.

Leadership

Another point contributing to the success of a local economic development program is leadership. Through assigning a leader to a local economic development program, the program could be managed and guided well and an eye could be kept on the objectives in order to secure the sustainability of the development process. Next to that, a leader can take care that the people involved in the program are motivated and stay enthusiastic to bring the program to a successful end, through for example mentioning earlier successes of local economic development programs.

Well defined responsibilities, roles and tasks

Well defined responsibilities, roles and tasks in a local economic development program contribute to the success of a program. Through providing the different groups involved in a local economic development program with well defined roles and accompanying tasks, everybody knows exactly what they have to do, what they could expect from others and what the other people expect from them. This avoids conflicts and mutual trust can be created. Besides that, the coordination of the program is made more easily because it is totally clear who is responsible for which tasks.

Appreciating the effort of the stakeholders

To keep the local people actively participating in the LED program, appreciating the effort of the stakeholders can deliver a contribution to this. Valuing the contributions of each of the participants in the LED process sees to it that a more stable development group of the local actors

is created. Seeing that your effort and that of the other stakeholders is worthwhile, makes the people willing to continue in the development process and collaborate with the other local actors.

Linking key organizations to each other

Through linking the key organizations that are all responsible for the development of a local economy, the different organizations can address each other on their contribution to the process, so the progress of the local economic development process can be guaranteed.

Building business modules of the same value

Building business modules of the same value can be seen as a success factor in some cases. When building business modules of the same value, people do not have to worry about the most valuable type and can choose the module type that corresponds with their real needs and skills, so effective businesses can be created.

Involving traditional authority

Sometimes involving the traditional authorities in the program can make a huge contribution to achieving the objectives of the program. The traditional authorities such as elderly, the mosque and the village chief plays an important and leading role in the lives of the community members. Their support creates more commitment of the members of the community, because the traditional authorities are as an example for the local inhabitants.

After having described the different success factors a selection have to be made, because not all the success factors are all that relevant for the development of a general success framework. As can be seen in table 3, some of the success factors are only identified in one or two cases, while the other success factors are ever-recurring. The factors identified in one or two cases are mainly specific for a certain region that they can not be used everywhere. The ever-recurring factors where available in most of the LED programs all around the world, so there can be said that these factors are not region specific, but general. Therefore this general success factors can be used in order to develop a general framework useful for evaluating the success of local economic development programs all around the world. The general factors that make an important contribution to the success of the LED programs are the active participation of local stakeholders, creation of awareness, leadership, collaboration between the public and private sector and involvement of local actors in the planning process.

In order to see if the success factors are the same for the diverse distinguished strategic options, I will link all the identified success factors to the strategic options. An overview of the success factors connected with the strategic options can be seen in appendix A. For most of the strategic options there are no specific success factors and counts the general success factors. But in the case of three of the strategic options, some of the success factors play a more important role than the other factors. In the case of the ‘encouraging local business growth’ strategy, collaboration between the public and private sector and the active participation of the local stakeholders plays an important role. In order to retain and strengthen existing local businesses more effective policies and assistance is needed to realize this. Through the public private collaboration the needs of both sectors can be discussed, aligned and absorbed in the developed policies. Next to more effective policies, active participation of local stakeholders is needed, because they are the ones that have to be willing to retain and strengthen the existing businesses. Also the strategic option ‘encouraging new enterprises’ has some specific success factors. For this strategy the active participation of the local stakeholders and awareness creation are important. Without awareness the people do not know about the program and without their willingness setting up new enterprises is very difficult. The last strategic options with specified success factors is the ‘integrating low income or hard-to-employ workers’ strategy. Here awareness creation and the active participation are as well of main importance.

3.13 Chapter conclusion

It is very hard to classify the different programs at one strategic option. In most of the cases the LED programs chose to make use of parts of several local economic development strategies in order to design a program that fits as best as possible the problems, characteristics and opportunities of the local area, in order to develop a tailor-made solution. Because the programs do not make use of one strategic option it is hard to say which success factors are responsible for the success of a LED program and the accompanying strategic option. Therefore the identified general success factors; the active participation of local stakeholders, creation of awareness, leadership, collaboration between the public and private sector and involvement of local actors in the planning process, can be considered as the success factors for most of the strategic options. Only in the case of the encouraging local business growth strategy, the encouraging new enterprises strategy and the integrating low income or hard-to-employ workers strategy some of the general success factors play a more important role than the other general success factors. In

the next chapter a framework will be build with the identified general success factors for the evaluation of the success of local economic development programs.

Chapter 4; Building a framework for evaluating the success of LED programs

Examining the cases in the previous chapter brought about insight in the factors that can be associated with successful local economic development programs. As it is only possible in a few cases to simplify the success factors to the different strategic options, I choose to develop a general success framework, useful for evaluating the success of LED programs independent of the strategic options used in the program. For the exceptional cases an adjusted version of the success framework will be designed.

4.1 The general success framework

Elements in the framework

In order to develop the success framework the focus will be on the general success factors identified in the cases in the previous chapter. These factors are the active participation of local stakeholders, creation of awareness, leadership, collaboration between the public and private sector and involvement of local actors in the planning process.

The construction of the framework will start with a part reserved for some general information. In this part information concerning the local economic development program is asked, the date of evaluation and the profession or role of the evaluator in the LED program. The evaluation can be filled in anonymous, so people can feel freer to give feedback on the program. Knowing the profession or role in the LED program of the evaluator on the other hand is important, in order to make well considered conclusions, because all the people involved have another interpretation of and view on the different aspects.

After the part with general information, a part for evaluating the general success factors will appear. Because for most of the strategic options the identified factors are of equal importance, there does not have to be an order of ranks of the general success factors in the general success framework. In the case of the encouraging local business growth strategy, the encouraging new enterprises strategy and the integrating low income or hard-to-employ workers strategy some factors do contribute for a larger part to the success of a LED program. Therefore in the adjusted version of the success framework distinction will be made between the general success factors. The factors that contribute for a larger part to the success of a LED program will be denominated as main general success factors. The other general success factors, which are as well important

for the success of a LED program with an encouraging local business growth strategy, an encouraging new enterprises strategy or an integrating low income or hard-to-employ workers strategy, but to a lesser extent, are denominated as remaining general success factors.

The evaluation of the general success factors will occur on the basis of ranking. In order to check the availability of the success factors in a LED program I choose to make use of a measurement scale, in this case the multiple rating list scale. The multiple rating list scale is simple in use, so diverse people can evaluate a program without too much problems. Besides that, the layout allows visualization of the results, which has the advantage that a mental map of the respondent's evaluation is evident to both rater and the researcher. The success factors will be measured with a ranking list, ranging from 1 to 10. The evaluator has to indicate for each of the success factors to what extent the success factors are available in the LED program. A 1 stands for; 'this success factor is not present in the local economic development program' and 10 stands for; 'this option is totally included in the local economic development program'. For each option there is space for comments, where the evaluator can give its view on the availability of the success factors in the LED program.

The success of a LED program is not only dependent on the general success factors, also region-specific factors contribute to the success of a program. Therefore these factors have to be absorbed as well in the success framework. Because the region-specific factors are very diverse and special adjusted to the target regions, they can not be filled in yet. These region-specific factors can be filled in by the inventors or stakeholders of the LED program. A separate part for region-specific factors will be absorbed in the framework where factors can be added concerning their own realization. These factors will be ranked the same as the general success factors.

In order to make sure that all the people know exactly what all the success factors mean, a list with definitions of the success factors will be added to the general success framework. If the people know what the success factors mean, a more well considered judgment can be made, concerning the availability of the success factors in a LED program.

The general success framework and the adjusted versions of the general success framework for the encouraging local business growth strategy, the encouraging new enterprises strategy and the integrating low income or hard-to-employ workers strategy are united in figure 2 in order to get a clear view of the small differences between the general success framework and the adjusted versions. The individual frameworks are taken up in the appendices.

The evaluators

It is not only important how the success framework for evaluating success of a local economic development program looks like, also the evaluators play an important role in the evaluation. In order to get a complete view of the activity of a local economic development program diverse parties have to be involved in the evaluation of the local economic development programs. Every party holds very different constructions with respect to any particular claim, concern or issue. The people that will be involved in the evaluation will be dependent on the LED program. Not only the inventors of the program have to evaluate their own program, also the local people involved in the program and independent people need to have the chance to evaluate the program, for example some representatives of the public and private sector, but also the local people that follow trainings, business courses and/or have to start up their own business.

** Except for the encouraging local business growth strategy, the encouraging new enterprises strategy and the integrating low income or hard-to-employ workers strategy

4.2 Chapter conclusion

When building a success framework, not only the general success factors are important, also the region-specific success factors have to be taken in consideration. The framework can be used for diverse LED programs with different strategies, but in the case of the ‘encouraging new enterprise’ strategy, ‘integrating low income or hard-to-employ’ strategy and the ‘encouraging local business growth’ strategy there has to be used an adjusted version of the general success framework. Some success factors in these strategies contribute more to the success than the other factors. In the next chapter the action of the framework will be showed, through evaluating the success of the Groningen part of the Local Economic Resource Development program in Indonesia.

Chapter 5; evaluating the success of the LERD program on the basis of the success framework

In this chapter the action of the developed framework for evaluating the success of local economic development programs will be showed on the basis of the Local Economic Resource Development program in which the University of Groningen is involved. The framework will be filled in for the training period in Groningen and the success of this part of the LERD program will be evaluated on the basis of the diverse success factors. The chapter will start with an overall description of the LERD program and an overview of the training period in Groningen. In the second paragraph the success of the Groningen part of the LERD program will be tested with the success framework.

5.1 Introduction into the LERD program

In this paragraph I will describe the LERD program in Indonesia in which the University of Groningen is involved and the training period in Groningen, so that a good picture of the program can be formed before evaluating the success of the program on the basis of the success framework.

Situation description

There is still a lot of poverty in Indonesia. Inequality exists between the diverse local actors, income brackets and regions and a lot of superior Indonesian products do not have a very good competitive position in the national and international market.

It is very hard to banish this poverty, because there is a shortage of experienced resource planners in the field of planning, organisation, control and marketing and a shortage of tools and coordination and collaboration for the promotion of investments.

Program used

In order to improve the equality of regions and local actors in Indonesia and the competitive position of the Indonesian products, the Local Economic Development Resource program was for the first time introduced in Indonesia in 2003. The program is developed by Bappenas, the Indonesian planning department of the national government, and Neso, the Netherlands Education Support Offices.

The LERD program focuses on resource development. The basic idea underlying this program is that the growth of a region is dependent on its ability to come along with the competition in the market. Many regions in Indonesia possess products with a certain economic potential for national and international markets. The right decisions to improve the quality, the right technical knowledge and the right activities to develop these products, can provide an export potential for these products leading to extra money flowing into the region. Creating sustainable growth in the target regions, through providing the government and policy makers with the knowledge and skills for developing more efficient and effective policies and strategies, can be seen as the overall goal of the LERD program.

In order to provide the government and policy makers with the right skills and knowledge needed for the development of strategies and policies, an education program is developed by BAPPENAS in collaboration with The Institute for Housing and Urban Development Studies (IHS) in The Netherlands, The University of Groningen (RUG) in The Netherlands and the Neso. The education program takes place in Indonesia and in The Netherlands. Education in Indonesia is executed by the University, which has cooperation with the university in The Netherlands. In the case of the RUG this is the Bandung Institute of Technology (ITB) and in the case of IHS this is the University of Gadjah Mada (UMG).

The education program concerns in general roundabout 54 persons from different areas from all over the country. The LERD group for one of these places is based on 3 LERD teams, 1 or 2 delegates from ITB and UMG and 1 or 2 representatives from Bappenas. A LERD team on the other hand consist of 1 representative from the local university, at least 1 representative from the entrepreneurial sector and consist for the rest of local officers from the province/ city/ area.

The LERD teams are responsible for 'one region and one product'. A target region in Indonesia and a product with a certain potential for national and international markets, produced in that region, are chosen. The implementation of the project in the region and the distribution of knowledge, the creation of networks, the involvement of people and the development of the products with economic potential are the responsibility of the LERD teams.

Bappenas and Neso are responsible for the selection of the different participants on the basis of diverse selection criteria. The LERD program starts with the selection of local universities, which has already ties with Bappenas. After that, a region is chosen which produces promising products.

One of these promising products has to be selected. After choosing one region and one product the LERD teams has to be composed according to several requirements of Bappenas. The teams prepare a research proposal concerning the selected products and its potential for external demand, its potential for continued future growth, its potential to raise the incomes and create productive employment opportunities for the poorer households and its possibility to increase initial earnings from export. Of these research proposals the best teams are chosen by Neso and get the chance to improve their proposals and present them to Bappenas. In the end Bappenas selects the best 6 teams, according to their proposal, who will join the LERD program.

Training plays an important role in the LERD program. With the main goal creating sustainable growth in the target regions in mind, training is given as input to the LERD teams in Indonesia and in Rotterdam and Groningen in The Netherlands on the concept of local economic development. The training program designed for the LERD teams aims at offering management experience in The Netherlands, which the teams could apply to Indonesia in order to deliver a contribution to the development of the economy. The training period will supply the LERD teams with essential information, knowledge and skills for the implementation of action plans in the target regions.

The training period starts with a training of five weeks, half of the time in Indonesia at the ITB and UGM and half of the time in The Netherlands at the RUG and IHS. The focus of the training in Indonesia is on the theory behind LERD; the purposes, stakeholders, contribution to economic growth and the way how LERD has to be managed. After receiving information, concerning the background of LERD the teams can be engaged in the preparation of the first action plan. After this training period the LERD teams go to The Netherlands. In Groningen lectures are given at the Faculty of Management and Organization concerning diverse aspects like action planning, quality, the SWOT analysis, the relation between government and entrepreneurship, innovation and knowledge transfer. The whole program of Groningen can be seen in table 4.

	LECTURES			
Monday 17th	<ul style="list-style-type: none"> • Introduction to people • BIS 	Welcoming words by the dean of faculty & start introduction groups	<ul style="list-style-type: none"> • Difficulties • Expectations • Appointments 	
Tuesday 18th	Introduction to the program	Introduction to Action planning	Assignment: 'Searching products in Dutch	Assignment: 'Environment'

			stores'	
Wednesday 19th	Total Quality management	Action Planning & Internal analysis	Assignment Internal analysis	
Thursday 20th	Action Planning and External analysis	Assignment External Analysis	Drawing your marketing channel	
Friday 21th	Bureaucracy and innovation	Start SWOT analysis	SWOT analysis	
Monday 22th	Swot analysis related to action planning	Assignment SWOT & Options for strategies	Assignment SWOT: Present your analysis in 10 minutes	
Tuesday 23th	Local industry and empowerment	Assignment SWOT & Options for strategies	Assignment SWOT: Present your analysis in 10 minutes	
Wednesday 24th	Teamwork: What will you take with you for the business plan & how will you incorporate this into your plan?	The love hate relationship between government and entrepreneurship		
Thursday 25th	Financial resources; Problems and solutions in strategy decision'	SME's, innovation and knowledge transfer'		
Friday 26th	Government & institutionalising	Quality & quality control		
Sunday 27th	Volendam	Amsterdam		

Table 4; Overview training period in Groningen

Besides the lectures, field trips are made with the LERD group. In the Netherlands the focus of the training is mainly on the development of a realizable action plan for each region to overcome the most institutional barriers for Local Economic Development. In the training the concept of LED and its most essential parts and the analytical tools to analyze the institutional environment for LED are discussed. The training emphasis the institutional setting, functions and skills for the attraction of direct investment, the development of products and technology, marketing and export and the development of small enterprises. Following the training period in The Netherlands another period of training on the local universities in Indonesia is organized. In this

period further development of the action plans take place. The focus here is putted on customization of the regions for which the action plans are developed.

The action plans deal with different stakeholders which play an important role in obtaining the formulated objectives by the LERD teams. Stakeholders are needed to strengthen the people, the products and the industry as well as for the creation of networks. The group of stakeholders exists of research groups, farmers, quality control companies, entrepreneurs, technical support organization, universities, credit organizations, foreign investors, traders, exporters, the local and national government, Neso and market research organizations. Access to the right information, at the right level of detail and at the right time is the key to effective stakeholder involvement. In the LERD program the LERD teams are responsible for the participation of the right stakeholders on the right moment. In the regional seminar, scheduled after 3 months of the start of the project and the national seminar, which takes place after one year, all stakeholders are invited to listen to the action plans of the LERD teams and have the possibility to interact with the team members and give them comments and ask questions. The seminars, organized by Bappenas and Neso are important to update the stakeholders concerning the progress of the projects with the goal to draw new stakeholders and to spread the action plans among the different stakeholders and local inhabitants. Besides that the presentation of the action plans gives trust to the stakeholders, because the LERD teams can demonstrate that they can proceed the program independently.

Chosen strategies

The LERD program makes use of the ‘improving the local business climate’ strategy. Micro and small enterprises are assisted in their economic activities by means of making policies. Also parts of the ‘encouraging local business growth’ strategy are coming to the front. Trainings concerning small enterprise development, marketing and export are given in order to develop the existing businesses and their products so they can become more competitive in the national and international markets.

5.2 Evaluating the success of the LERD program on the basis of the success framework

After having described the LERD program in more detail, the evaluation of the success of the program on the basis of the success framework can take place. Though the success framework is suitable for evaluating the LERD program in total, the framework can also be used for evaluating parts of a program. In the case of the LERD program an evaluation will take place of the training

period in Groningen, because not enough information is available to carry out a valuable evaluation concerning the whole program.

When evaluating a LED program it is in the first place important to observe which strategic option is used in the program. The Local Economic Resource Development program makes use of an improving the local business climate strategy and part of the encouraging local business growth strategy. Because parts of the encouraging local business growth strategy are used the adjusted version for the encouraging local business growth strategy of the success framework will be used for the evaluation.

For a good evaluation it is important that several people carry out the evaluation and give their opinion concerning the working of the program. In this case I will show only one evaluation as example, which is based on the view of B.J.W. Pennink, A. de Leeuw, M. Staps, L. Karsten and my own interpretation of the program. The different success will be scored according to their availability in the Local Economic Resource Development program. The feedback which will be normally mentioned in the comment part is written below.

Active participation of the local stakeholders

Based on the views of the different evaluators the availability of the success factor active participation of the local stakeholders will be scored with an 8. Many actors participate actively in Groningen in the LERD program. Not only the LERD teams participate actively in the program, also connections are made with other stakeholders, who were present at the presentations of the LERD teams. All these stakeholders contribute to the LERD program with their ideas, efforts, skills and resources.

Awareness creation

The success factor awareness creation in the case of the Groningen part of the LERD program will be scored with a 7. Different factors are used to call attention to the LERD program. Internet and news letters are used to spread the objectives and advantages of the LERD program. Teachers and professors are posted concerning the LERD program in order to make them willing to assist in the program. Besides that, local stakeholders are invited for the presentations to hold them enthusiastic to participate in the program and to draw new members who want to participate or assist in the program.

Leadership

According to the view of the different evaluators the success factor leadership will be scored with a 5. Leadership is not sufficiently available in the Groningen part of the LERD program. Within the teams there are team leaders, but there is not a general leader who is motivating the teams and guiding the local economic development process available.

Collaboration between the public and private sector

In the case of the training period in Groningen the success factor collaboration between the public and private sector will be scored with an 8. Within the teams, representatives of the public and private sector work intensively together. Here they can raise their voice, learn from each other and align their ideas and requests to each other.

Involvement of the local actors in the planning process

On the basis of the view of the diverse evaluators the success factor involvement of the local actors in the planning process will be scored with a 7. By designing the training period in Groningen for the LERD group diverse actors are involved. Next to the University of Groningen and Munthoff, as well Bappenas and Neso are involved. All these parties have a good view concerning which trainings are necessary and useful for the LERD group.

Next to the general success factors also the region-specific success factors are of importance. In the case of the training period in Groningen of the Local Economic Resource Development program diverse factors can be indicated as region-specific success factors. Because I was not involved in the program and only looking from outside it is very hard to judge which values can be pointed out as real region-specific success factors, but there can be thought for example of the facilities which were available during the training period in Groningen. In this case I will not rank the region specific success factors, but for the formality they will be filled in in the success framework.

5.3 Chapter conclusion

The LERD program scores high on the most important success factors. This already delivers an important contribution to the success of a program. If the program is really successful is hard to say, because the region-specific are not filled. Besides that, an overall view is needed to make a justified conclusion concerning the success factors, so more evaluations have to be done.

<u>Encouraging local business growth strategy</u>											
Name LED Program: Local Economic Resource Development Program – Training Period Gronigen Country: Indonesia and The Netherlands Profession Evaluator: Diverse evaluators Date: 21 May 2009											
SUCCESS FACTORS/ SCORE	1	2	3	4	5	6	7	8	9	10	Comments
<u>Main General Success Factors</u>											
Active participation of local stakeholders								X			For comments; see above
Collaboration between public and private sector								X			
<u>Remaining General Success Factors</u>											
Leadership					X						
Awareness creation							X				
Involvement local actors in planning process							X				
<u>Region Specific Success Factors</u>											
The available facilities during the training period											
.....											

Figure 3; Evaluation of the LERD program based on the success framework

Chapter 6; Conclusion and limitations

In this chapter the conclusion and limitations concerning this thesis will be discussed in more detail.

6.1 Conclusion

The goal of this thesis was designing a success framework based on success factors in order to evaluate the success of local economic development programs. An answer on the question: ‘how does a framework for evaluating the success of local economic development programs based on success factors look like?’ will be formulated.

Nowadays more attention is putted on local economic development programs, due to the challenges of globalization and the battle to fight poverty. Local economic development is a tool of development policy, which came into development in the early 1970s. It is grounded on local, initiative, local stakeholders work together and it has the goals to increase the number and variety of job opportunities for the inhabitants of a local region, to build quality jobs for the current population, achieve local economic stability and to build a diverse economic and employment base.

Based on 11 case studies different factors came to the front, that see to it that a local economic development program becomes a success. These factors can be divided into general success factors and region-specific factors. The general success factors were ever-recurring and consist of active participation of local stakeholders, awareness creation, leadership, collaboration between the public and private sector and involvement of local actors in the planning process. The region-specific factors are very specific and tailor-made to the problems and characteristics of the country.

For the development of a general success framework, the general success factors play an important role, but also the contribution of the region-specific factors have to be kept in mind. The general success framework can be used for LED programs with diverse strategic options except for programs with the encouraging local business growth strategy, the encouraging new enterprises strategy or an integrating low income or hard-to-employ workers strategy. Some success factors play a more important role then others, so an adjusted version of the framework is developed for programs with these strategies. The general framework consists of three parts. A part for some general information concerning the local economic development program and the evaluator, a part where the availability of the general success factors in the LED program can be

ranked on a multiple rating list scale and a part where region-specific factors can be filled in, evaluated and ranked. The evaluation has to be carried out by diverse stakeholders and participants of the local economic development in order to get a complete view of the success of the program.

6.2 Limitations

Every research has its limitations, this thesis as well. In the first place contacting the persons responsible for the different local economic development programs was very hard. Email addresses were not correct, the contact persons did not respond and other persons did not speak English, but only Spanish. Besides that, a lot of results for the diverse programs were not available or not yet available. All this made it difficult to check if the goals of the diverse programs were reached and conclude that a program can be seen as successful. In order to develop my success framework for local economic development programs I assumed that all the programs were successful in the end. I have done this because most of the programs already booked some good intermediate evaluations. Another limitation is the fact that the success factors are based on my own interpretation, instead of on real facts and are therefore questionable. Also other factors and possibilities could be important in the evaluation of local economic development programs. This is just one option to evaluate. Also the evaluation with the framework is based on ones own interpretation. Measuring the success of a program through scoring the success factors is not objective and the evaluation of the Local Economic Resource Development program is only based on secondary information. Although these limitations, the framework can be seen as a useful tool to evaluate the success of local economic development programs.

References

Books and articles

Blakely, E.J. 1989. The meaning of Local Economic Development. *Planning Local Economic Development; Theory and Practice*: 121-127. California: SAGE Publications , Inc.

Bartik and Bingham. 1995. Can Economic Development Programs be Evaluated? Upjohn Institute Staff Working Paper 95-29. <http://www.upjohninst.org/publications/wp/95-29.pdf>. Prepared for Richard Bingham and Robert Myer, Significant Issues in Economic Development (Sage Publications, CA).

Delanty, G. 2006. *Handbook of Contemporary European Social Theory*: 207-210. Routledge.

Empel van, C. 2007. Local Economic Development in Ghana; Rooting public-private dialogue

Empel van, C. 2007. Local Economic Development in Indonesia; Reviving the community spirit

Empel van, C. 2007. Local Economic Development in Mozambique; Economic and social needs are One

Empel van, C. 2007. Local Economic Development in Philippines; Tripartism for local growth

Empel van, C. 2007. Local Economic Development in Sri Lanka The forum theatre experience

Empel van, C. 2007. Local Economic Development in Viet Nam; Value the value chains

Goldman, I. 2005. World Bank-Netherlands Partnership Program (BNPP) "Evaluating and Disseminating Experiences in Local Economic Development (LED)" Investigation of Pro-Poor LED in South Africa

Helmsing, A. 2003. Local Economic Development: New generations of actors, policies and instruments for Africa. *Public Administration and Development*, 23: 67-76

Kester, P. 2007. Local Economic Development in Nicaragua; The competitiveness agenda: planning dynamically

Klaveren, A. 2007. Local Economic Development in Argentina; Labour insertion and enterprise promotion; activating development

Klaveren, A. 2007. Local Economic Development in Chile; Cultural identity as an engine of development

Klaveren, A. 2007. Local Economic Development in Uruguay; Empowering micro and small enterprises.

Urbina, W. 2007. Local Economic Development in El Salvador; Fostering women entrepreneurship to fight poverty

Websites

Hunger and World Poverty. 2008

<http://poverty.com/>. December 13

International Labor Organization. 2008

http://www.ilo.org/dyn/empent/empent.portal?p_prog=L. October 4.

Poverty Symposium. 2008

<http://www.oberlin.edu/poverty/reflections.html>. December 13

South West RDA

www.southwestrda.org.uk/downloads/sub-section.asp?sectionid=99&subsectionid=70.
November 11

The World Bank. 2008

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTURBANDEVELOPMENT/EXTLED/0,,contentMDK:20185186~menuPK:399161~pagePK:148956~piPK:216618~theSitePK:341139,00.html>. October 4.

The World Bank. 2008

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTURBANDEVELOPMENT/EXTLED/0,,contentMDK:20196588~menuPK:404032~pagePK:148956~piPK:216618~theSitePK:341139,00.html> November 11.

The World Bank. 2008

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTURBANDEVELOPMENT/EXTLED/0,,contentMDK:20185187~menuPK:402643~pagePK:148956~piPK:216618~theSitePK:341139,00.html> December 13.

United Nations Millenium Development Goals. 2008

<http://www.un.org/millenniumgoals/poverty.shtml>. December 13

Appendix A; overview of the success factors connected to the diverse strategic options

Strategic options	Countries	Success factors
Investment in hard strategic infrastructure	Indonesia Philippines	<ul style="list-style-type: none"> * Participation of community as a whole, beneficiaries and traditional authorities * Bringing the program under the attention of the local inhabitants * Building module types of the same value * Training for the community contractors, project staff and local authorities concerning supervisory skills * The tripartite collaboration between the government, the employers' organization and workers organization
Investments in sites and premises for business	Indonesia	<ul style="list-style-type: none"> * Participation of community as a whole, beneficiaries and traditional authorities * Bringing the program under the attention of the local inhabitants * Building module types of the same value * Training for the community contractors, project staff and local authorities concerning supervisory skills
Encouraging local business growth	Argentina Chile Uruguay Viet Nam	<ul style="list-style-type: none"> * Active participation of the local stakeholders * Involving all the parties from the beginning in the discussion * Collaboration between public and private sector * Receiving more and better information through informational systems * Collaboration of the public and private sector in the Public-Private Councils * Involving the different stakeholders in the identification of the development plans * Informing the local people about the program in the various roundtables * Participation of the local actors * Participation of different local actors in the Ad-Hoc Advisory Commission * Collaboration and dialogue between the public and private sector * Linking the key organizations with each other * Involvement of local stakeholders of the value chain * Awareness among the local people

		* Public Private cooperation
Encouraging new Enterprises	El Salvador Indonesia Sri Lanka	<ul style="list-style-type: none"> * Putting attention to the program under the local inhabitants * Leading the program by an experienced manager * Participation of the different women * Research and information concerning women entrepreneurship * Participation of community as a whole, beneficiaries and traditional authorities * Bringing the program under the attention of the local inhabitants * Building module types of the same value * Training for the community contractors, project staff and local authorities concerning supervisory skills * Dialogue between private and public sector through small enterprise associations * Making the local people concerned with the idea that starting an enterprise is valuable * Involvement of local stakeholders by the identification and implementation of solutions * Active participation of the local inhabitants
Promoting inward investment	Philippines	* The tripartite collaboration between the government, the employers' organization and workers organization
Sector (and business cluster) development	Chile	<ul style="list-style-type: none"> * Collaboration of the public and private sector in the Public-Private Councils * Involving the different stakeholders in the identification of the development plans * Informing the local people about the program in the various roundtables * Participation of the local actors
Investment in soft infrastructure	Philippines	* The tripartite collaboration between the government, the employers' organization and workers organization
Integrating low income or hard-to-employ workers	El Salvador Sri Lanka Mozambique Ghana	<ul style="list-style-type: none"> * Putting attention to the program under the local inhabitants * Leading the program by an experienced manager * Participation of the different women * Research and information concerning women entrepreneurship * Dialogue between private and public sector through small enterprise associations * Making the local people concerned with the idea that starting an enterprise is valuable

		<ul style="list-style-type: none"> * Involvement of the stakeholders by the identification and implementation of solutions * Active participation of the local inhabitants * Informing the stakeholders on the concept of social protection * Involvement of local stakeholders * International expert for assisting in and leading the program * Collaboration between public and private actors in the District Assembly Sub-Committees * Making more people aware on safety and health in the workplace and this LED program
Improving the local business climate	Argentina Chile El Salvador Nicaragua Uruguay Indonesia Viet Nam Philippines Sri Lanka	<ul style="list-style-type: none"> * Active participation of the local stakeholders * Collaboration between public and private sector * Receiving more and better information through informational systems * Collaboration of the public and private sector in the Public-Private Councils * Informing the local people about the program in the various roundtables * Participation of the local actors * Putting attention to the program under the local inhabitants * Leading the program by an experienced manager * Participation of the different women * Research and information concerning women entrepreneurship * Well defined responsibilities, tasks and roles for the different groups of stakeholders * Collaboration between public and private sector * Involvement of local leadership from the beginning * Putting attention to the program and concept of local economic development * Appreciating the effort of the stakeholders * Participation of different local actors in Ad-Hoc Advisory Commission * Collaboration and dialogue between the public and private sector * Linking the key organizations with each other * Participation of the community as a whole, beneficiaries and traditional authorities * Bringing the program under the attention of the local inhabitants * Building module types of the same value * Training for the community contractors, project staff and local authorities concerning supervisory skills * Involvement of local stakeholders of the value chain

- | | |
|--|---|
| | <ul style="list-style-type: none">* Awareness among the local people* Public Private cooperation
* The tripartite collaboration between the government, the employers' organization and workers organization* Dialogue between private and public sector through small enterprise associations* Making the local people concerned with the idea that starting an enterprise is valuable* Involvement of the stakeholders by the identification and implementation of solutions* Active participation of the local inhabitants |
|--|---|

Appendix B; Definition of the success factors

DEFINITION OF THE SUCCESS FACTORS	
Success factors	Definition
<i>Active participation of local stakeholders</i>	<ul style="list-style-type: none"> • Do the local people have the willingness to participate in the local economic development program? • Do the local people exchange their knowledge and experiences with others? • Do the local people start up businesses, follow trainings or mobilize their resources?
<i>Awareness creation</i>	<ul style="list-style-type: none"> • Do the local people in the local area know about the local economic development program, its goals, possibilities and advantages in their region? • Is one's attention concentrated on the local economic development program through the use of for example media campaigns, talks, roundtables, social events, theatre or workshops?
<i>Leadership</i>	<ul style="list-style-type: none"> • Is there someone who motivates the local people and stakeholders to bring the local economic development program to a successful end? • Is there someone who manages the project and keeps an eye on the objectives of the program?

<p><i>Collaboration between the public and private sector</i></p>	<ul style="list-style-type: none"> • Is there dialogue between the public and private sector? • Are the needs and ideas of the private sector absorbed in the policies processed by the public sector? • Is there mutual trust and understanding between the sectors? • Are the demands and working plans aligned with each other?
<p><i>Involvement of local actors in planning process</i></p>	<ul style="list-style-type: none"> • Are the different stakeholders involved from the beginning of the program? • Are the different stakeholders involved in the creation of solutions and the planning of the program? • Do the stakeholders have any influence on the design of the program?

Appendix C; Success framework for all strategies

<p><u>All strategies</u> <i>(except for the encouraging local business growth strategy, the encouraging new enterprises strategy and the integrating low income or hard-to-employ workers strategy)</i></p> <p>Name LED Program: Country: Profession Evaluator: Date:</p>											
SUCCESS FACTORS/ SCORE	1	2	3	4	5	6	7	8	9	10	Comments
<p><u>General Success Factors</u></p> <p>Active participation of local stakeholders</p> <p>Awareness creation</p> <p>Leadership</p> <p>Collaboration between public and private sector</p> <p>Research and information</p> <p>Involvement local actors in planning process</p>											
<p><u>Region Specific Success Factors</u></p> <p>.....</p> <p>.....</p>											

Appendix D; adjusted success framework for encouraging local business growth strategy

<u>Encouraging local business growth strategy</u>											
Name LED Program: Country: Profession Evaluator: Date:											
SUCCESS FACTORS/ SCORE	1	2	3	4	5	6	7	8	9	10	Comments
<u>Main General Success Factors</u>											
Active participation of local stakeholders	_____										
Collaboration between public and private sector	_____										
<u>Remaining General Success Factors</u>											
Leadership	_____										
Awareness creation	_____										
Involvement local actors in planning process	_____										
<u>Region Specific Success Factors</u>											
.....	_____										
.....	_____										

Appendix E; adjusted success framework for Encouraging new enterprises strategy and integrating low income or hard-to-employ workers strategy

<u>Encouraging new enterprises strategy/ Integrating low income or hard-to-employ workers strategy</u>											
Name LED Program: Country: Profession Evaluator: Date:											
SUCCESS FACTORS/ SCORE	1	2	3	4	5	6	7	8	9	10	Comments
<u>Main General Success Factors</u> Active participation of local stakeholders Awareness creation	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div>										
<u>Remaining General Success Factors</u> Leadership Collaboration between public and private sector Involvement local actors in planning process	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div>										
<u>Region Specific Success Factors</u> 	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div>										