



Adjusting to new economic realities: local growth and investment strategies.

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LEED – a response to economic reconstruction and rising unemployment

With a Mandate to:

- improve the quality of economic and social policy, designed and implemented at the local level;
- assess and propose methods for the growth of high-quality self-employment and entrepreneurship;
- serve as a critical link both between local, national and international actors;
- analyse and promote partnership between the private, public and non-profit sectors with the aim of supporting local economic and social development.



A challenging context for local development

- Local economies confronted by serious challenges in the pursuits of viable economic growth and job creation.
- Local government budgets have been reduced.
- National level funding streams and redistributive grants have diminished.
- Access to private capital more demanding and risk averse.



The Crisis has not changed the long term drivers for local development

- Knowledge Economy & Technology
- Globalisation & Trade
- Human Mobility and Diversity
- Demographics
- Sustainability: governance and environmental



Still the drivers for long term success

- It has added some more drivers
- It has stalled some progress
- It requires new approaches
- It provides a catalyst for wider change



Pro-active City and Regional leadership required



Lessons from our work

- Growth Strategies
- Investment tools and trends
- Local development system
- Economic leadership
- City approaches
- Challenges for national governments
- The changing role of the private sector



Growth Strategies

(1) More strategic cluster consolidation capable of growing employment

- Improved pathways for intra-sector sharing of technology and investment opportunities

(2) Clearer support for SME research base around leading universities

- commercially profitable synergies
- More self-conscious HE cluster
- international students/universities.

(3) Growing jobs base by maximising reach into new global markets

- pathways (events, missions, new air routes) for executives and business tourists
- local businesses as international ambassadors and advocates



Investment Tools and Trends

Public investment

- Retention of revenues generated within metropolitan area (eg. Manchester)
- Decentralisation of nationally/provincially-held infrastructure funding mechanisms(Zurich)
- Pursue core projects by trimming budgets (Amsterdam).
- Consolidation of regional investment capabilities (Cape Town)
- Investment in training to maintain private sector jobs (Hamburg)

Private investment

- Privately-backed funds to grow science sectors (e.g. Amsterdam, Lyon and Nanjing).
- Business-friendly Zones with favourable tax offerings and high accessibility (e.g. Manchester, Boston)
- Competitions, accelerators and investment forums to better connect start-ups to private funds (e.g Lyon, Barcelona)



Delivery and organisational adjustments

Overcome political fragmentation through integrated city-regional bodies

- Increased applicability and efficacy of innovation and mobility strategies
- Shared ideas about integration and regional identity (Zurich, Lyon)
- Pathway for dedicated and evidence-led private sector input (Manchester, Cape Town)
- More professional approach to the fundamentally metropolitan and commercial character of economies.
- Overturning the lack of shared vision and co-operation between stakeholders.

Cluster agglomeration as driver of strategic cooperation across political boundaries. (eg Zurich)

Improved relations with higher tiers of government: delegated powers (Oslo, Brisbane, Hamburg)

More influence for expert development agencies over workforce development, land-use and infrastructure (Boston)



A new kind of leadership

New ethos of pragmatism

- Compromises to improve the coherence of cluster and mobility strategies
- Mindful of previous over-ambition
- More astute lobbying for favourable national/federal investment

Lead the agenda for open-ness

- Communicate value of diversity and high-value immigrant workers for value chain position

Positive and authentic engagement with private sector

- Business support and market knowledge to re-assure end-user firms/investors

Commitment to sound fiscal platform

- Careful stewardship of balance sheets, projection of reliability and consistency

Long-term, multi-cycle approach

- encourage reflection on core assets



What's needed from national government?

- Local business climate and stable framework conditions
- Rationalisation of complex policies and programmes into simple-to-pursue frameworks
- National-level transport infrastructure investment (greater fiscal and organisational authority over transport needs)
- Initial investment in niche higher education facilities
- Recognition of practical economic geographies
- Facilitate expansion of the private rented housing sector
- Evidence-based and trend-based rather than politicised approach to local economies



What's needed from the private sector?

- Grasp the changing economic requirements of local areas.
- Foster a competitive business climate
- Support the internationalisation process with specialist knowledge
- Activity and leadership in the housing sector
- Address the jobs challenge for young people
- Become a systematic strategic partner