

Strategic Planning for LED

Local Economy Assessment

Local Economy Assessment

- **Local Economy Assessment: Capabilities and Opportunities**
 - Can provide those devising LED strategy with information and data to examine and forecast key factors that drive and affect local economy
 - Identifies local economy strengths, weaknesses, opportunities and threats
 - Provides an opportunity to engage the local business community in LED effort

Local Economy Assessment

- Profile of municipality: What is it?
- What purpose does it serve, and how do we use it?
- Contents of profile (general and concrete)
- Which information sources should we use?
- How to prepare profile?

Local Economy Assessment

- **Data Collection and Analysis**

Types of data for a local economy assessment

- Demographic (population, education, age)
- Economic and social (employment, training)
- Business enabling environment (business registrations)
- Hard and soft infrastructure (transport, R&D)
- Sub-regional, regional and national (economic links)

Local Economy Assessment

- **Examples of Demographic Data**
 - Population (by size, age, projected growth rate, by poverty mapping, by neighborhood)
 - Employment (by occupation, changes over time, structure, sector, pay, unemployed, regionally)
 - Education (number of teachers, schools, class-size, educational attainment)
 - Training (numbers/types of trainees, facilities/types of local training courses)

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- **Examples of Economic and Social Data**
 - Number and size of businesses
 - Company closures
 - Average earnings
 - Health indicators
 - Housing tenure
 - Number of informal businesses

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- **Examples of Hard Infrastructure Data**
 - Transportation links (road, rail, air)
 - Available business and commercial property (availability, quality, size, projected growth)
 - Telecommunications (services, access, plans)
 - Future infrastructure investments
 - Utility provision and plans

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- **Examples of Business Enabling Environment Data**
 - Laws, frameworks, enforcement
 - Regulations
 - Taxation (local and national)
 - Property rights and ownership
 - Licenses (requirements and reporting)
 - Business registrations (transparency, cost)

Local Economy Assessment

- **Structure of Business Attitude Survey**
 - Basic information about companies
 - Clients, pro-export orientation
 - Employees; breakdown of
 - Possibilities for future growth, building, resource requirements
 - Relations to, and experience with, municipal authorities
 - Remarks and conclusions

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- **Structure of Business Attitude Survey**
 - Short paper: 20-30 pages
 - Text
 - Interpretation of data
 - Tables
 - Figures and pictures

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- **External Assessment**

- External National Policies

Example: Rising government debt

Impact: Investor hesitancy

- External Market Trends by Sector

Example: Decline in manufacture, rise in IT

Impact: New workforce skills needed

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- **External Assessment**

- External Structural Shift in Employment

Example: Privatization of state industries

Impact: Rise in local unemployment

- External International Agreements

Example: EU Environmental requirements

Impact: Industrial clean-ups required

Local Economy Assessment

- **Form of Assessment**

- A short paper
- Includes information from the community profile, business survey and business enabling audit
- Contains text, interpretation of data, tables, figures and diagrams
- Attachments to assessment will include: large tables (data), maps and diagrams, figures, etc.

Local Economy Assessment

- **Utilization of Results**

- Definition of main problems
- Internal analysis, strengths and weakness
- External analysis
- Critical Issues
- Operational plans: aims
- Definition of priorities

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- **SWOT Analysis: What is it?**

- Internal analysis, competition

Strengths

Weaknesses

- External analysis, treating to effects without
influencing on effects makers

Opportunities

Threats

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- **Using SWOT Analysis in Strategic Planning**
 - Improvement of weakness
 - Maximizing identified strengths
 - Realizing and maximizing opportunities
 - Reducing the influence of threats

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- **Typical Aspects of Internal Analysis**

- Geographic location, communication
- Quality of workforce
- Quality of life
- Infrastructure (*soft* and *hard*)
- Investment opportunities (land and buildings)
- Growth of small and medium sized enterprises
- Utilities
- Local municipal services

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- **Typical Aspects of External Analysis**
 - Joining EU and NATO
 - Law changes (including tax law)
 - Privatization & industry restructuring
 - Changes in life style, demographic changes
 - Development of information technologies (IT)
 - Population and immigration changes

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- **Defining Critical Issues**

- Use all the information you have
- Find consensus

- **Critical Issues**

- Barriers holding your economy back
- Opportunities for development

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■ **Pointers for Getting Group Consensus**

- Be clear about the goals of the discussions, what you are trying to achieve and what key decisions have to be made
- Start by reaffirming the common purpose of the group
- Seek out differences of opinion
- Avoid a 'winner and loser' mentality. When there is a stalemate, look for the next most acceptable alternative for all

Local Economy Assessment

- **Pointers for Getting Group Consensus**
 - Let everyone participate
 - Listen to all
 - Look for common points of view and areas of consensus
 - Verify points of agreement
 - Do not let one person dominate