

Localising Prosperity

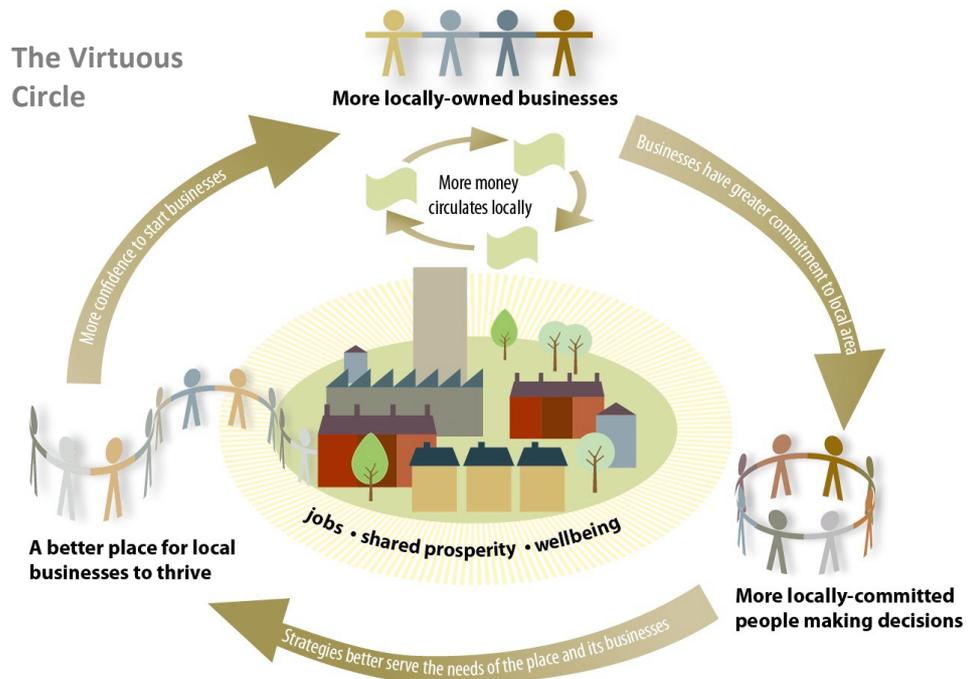
- an introduction for Local Enterprise Partnerships & business networks



This is about **localising prosperity for everyone** – by building upon an area’s existing strengths so that it can develop from within, maximising the local economic and social benefits for all. It is based on a virtuous circle of local empowerment, thriving local business and wellbeing:

Realising the potential of local economic power

Ensuring that growth actually increases and shares local prosperity can be a challenge. Localising Prosperity is about making this easier. Research by Localise WM in 2013 demonstrated that higher levels of small business and local ownership have a proven link to better performance including higher levels of job creation, social inclusion, civic engagement, wellbeing and local distinctiveness: growth that works.



So we localise prosperity rather than handing it to ‘absentee landlords’: distant private and public sector decision-makers with little understanding of the local area. Their dominance was found to be a recipe for failure in the long term, creating a cycle of decline in the reverse to the one above.

Multiplying the benefits

LEPs are working hard to strengthen local economies’ and ‘facilitate local economic renewal’. Localising prosperity provides the opportunity to generate inclusive economic growth. A more inclusive growth means more local jobs, higher skills and investment that sticks longer term. Many LEPs have chosen to seek inclusive growth and address areas of deprivation as valuable aims in their own right. The Localising Prosperity agenda provides ways of distinguishing growth that creates local, shared prosperity from growth that does not.

Localising prosperity is a way of multiplying the benefits of investment, but it also works where external investment is not available by rebuilding the economy from within. It involves rethinking how we support our localities, redesign the networks and mechanisms which make up our local economies and rebuild an area’s economic and social capacity.

Have we got the right emphasis?

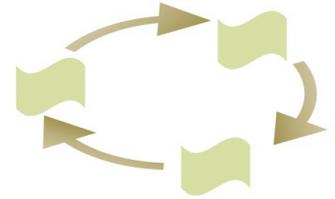
- The public cost per job is 80% higher for Foreign Direct Investment than for indigenous businesses
- 92% of movements from unemployment or non-participation in the private sector, are down to SMEs
- 2/3rds of the world economy is controlled by 500 companies accounting for only 1% of employment
- In a study of 3,000 US counties, those with a larger density of small, locally owned businesses had greater per capita income growth between 2000 & 2007

See MCED research below for sources

Tactics for LEPs & business networks to maximise local economic benefits

LEPs, Chambers and business networks are well placed to champion this agenda and integrate it into strategies, programmes and bids. Tactics include:

- Encourage and support the involvement of locally-owned businesses, those demonstrating local commitment and those based in disadvantaged areas in decision-making such as within the work of the LEP, Chamber or BID.
- Support the circulation of money within the local economy - the 'local multiplier': plug 'leakage' from the local economy, particularly deprived areas, so that money circulates more and multiplies the benefits.
- Rebalance the needs of SMEs in infrastructure, access to funding and skills. Commit to "SME-proof" decisions.
- Promote smarter public and corporate procurement - a powerful tool for local prosperity. Careful preparation of tender briefs to incorporate social outcomes can ensure that expenditure generates not only value for money but lasting benefits for the local economy.
- Use other consumer, industry and public demand creators such as the retrofitting agenda to develop local supply chains and product or service innovation.
- Prioritise 'infrastructure' businesses that link and generate local supply and demand – such as project developers, wholesale markets, processors. Seek structural opportunities for new businesses.
- Seek opportunities for worker buyouts or co-operatives so that more people are 'owners'.
- Foster networks of innovation based within local institutions, businesses and communities.
- Consider local connectivity as well as global: the latter depends on the former.
- Ensure physical regeneration projects, enterprise zones and inward investment support local supply and demand chains, rather than undermining them.
- Reflect the need for locally-controlled and locally-responsive support services (finance, business support, planning, training)
- Maximise local resource use, including through industrial symbiosis, to increase efficiency.



See case studies at <http://localisingprosperity.org.uk/> including a radical economic development partnership, a foundry worker buyout, integration of multinationals, and meeting local demand with enterprise development.

Find out more

Localising Prosperity is part of LWM's Mainstreaming Community Economic Development project, which runs until 2014 generating practical outcomes from the 2013 research. To find out more about our work, please get in touch.



http://www.localisewestmidlands.org.uk/mainstreaming_CED

Localise WM, The Warehouse, 54-57 Allison Street, Digbeth B5 5TH
0121 685 1155

info@localisewestmidlands.org.uk

@localisewm #mainstreamingCED

Mainstreaming CED is funded by

