

ORGANISATION
FOR ECONOMIC
CO-OPERATION
AND DEVELOPMENT



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How bad is the economic crisis?

'a once-in-a-century credit tsunami' It has 'turned out to be much broader than anything I could have imagined'

Alan Greenspan, October 2008

'These unhappy times call for the building of plans that build from the bottom up and not from the top down, that put their faith once more in the forgotten man at the bottom of the economic pyramid.'

Franklin D Roosevelt radio broadcast, 7 April 1932

Local approaches such as community capacity building and local enterprise can complement national strategies reacting to the crisis...

Community Capacity-Building and Local Economic Development

- Creating and preserving economic activity in face of deteriorating economy
- Social capital develops trust, so business is easier and less costly
- Community reconstruction will depend on markets, capital, enterprise
- Social economy = interaction of state, market, household, grant economy

Building community capacity – more than community development

- Support entrepreneurship and economic development (private, social) – especially locally ‘rooted’ businesses including SMEs
- Design and Co-produce public services, facilities and infrastructure
- Identify and maintain community ‘assets’
- Build and retain communities’ human capital, leadership

Business advantages in all areas

Deprived localities have lower incomes, employment, owner-occupied houses, but

- Often strategic locations at heart of business, transport and communication centres
- Presence of local market demand
- Integration with regional clusters
- Available human resources

Economic development

- Social enterprises, community businesses, micro finance, SMEs
- Build social capital – volunteering, stakeholding, networks
- But also build and support businesses too – because ‘scale’ matters...

The **co-operative**

Conserve Italia



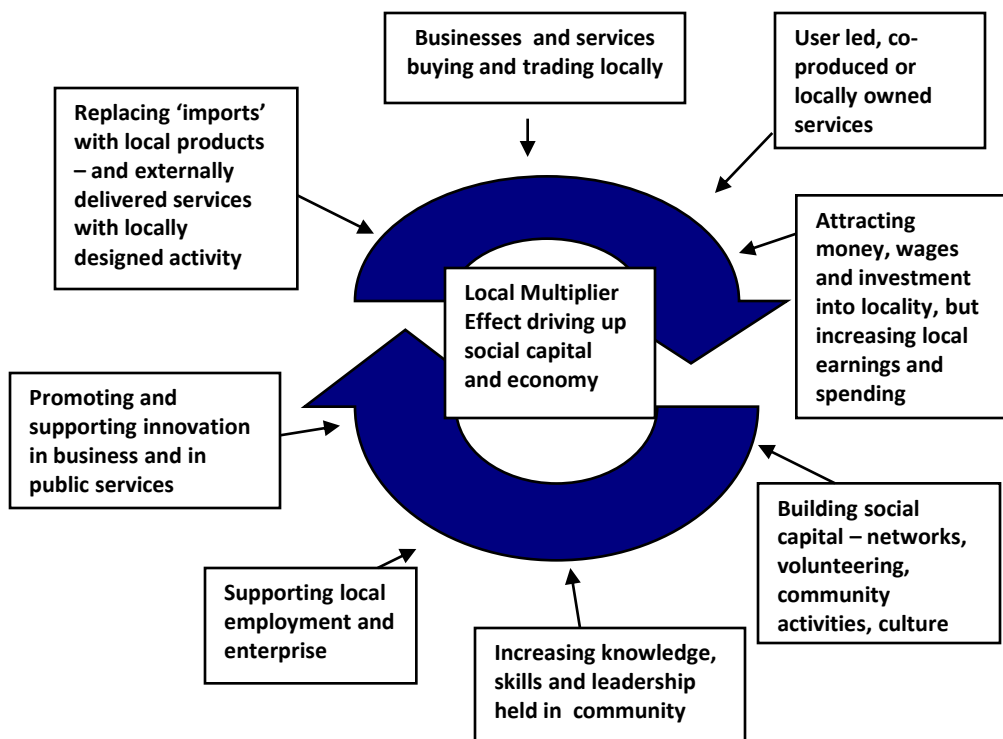
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Local Multiplier Effect*

‘Locking in’ knowledge, finance, income, resilience, enterprise...



**Adapted from NEF (Peter Ramsden)*

Choosing SMEs to support?

- Wide definitions are best ...
- Family firms, social enterprise, new business start ups, technology transfer spin outs, franchises, small public services (dependant on state funds)
- Prioritise according to location (assets, viability) and circumstance (not preference or dogma!)