

# KEY MESSAGES FROM LOCAL GOVERNMENTS ON LOCAL ECONOMIC AND SOCIAL DEVELOPMENT



Work proposal geared towards the **V WF of LED**.  
For discussion in Durban (South Africa). November 2019



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**WORLD SUMMIT OF LOCAL  
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# QUESTIONS FOR DISCUSSION

In order to organize key messages / proposals that may encourage reflection and debate in upcoming exchange spaces, such as the V World Forum on Local Economic Development, this document is presented, articulated in three content axes.



**The territory as the basis of social, economic and environmental innovation**

**Territorial economic and productive models to address inequality**

**The future of work and the work of the future from a territorial perspective**

It is proposed to discuss, contribute ideas, concepts and proposals to this document that contribute to the process of reflection and commitment of local governments with sustainable economic and social development where no one is left behind.

For that purpose, the document is expected to be developed through the following process:

1. *Preparation of draft 0 by the UCLG Committee on Local Economic and Social Development*
2. *Referral to members and collaborators of the Commission, to collect contributions*
3. *Document reworking and draft submission 1*
4. *Collection of new reflections*
5. *Preparation of draft document 2, as a working document in Durban*
6. *Definitive contributions in Durban*
7. *Preparation of the final document*



## PRESENTATION

The approach of sustainable local economic and social development is the expression of a strategy aimed at mobilizing resources of the territory, within the framework of a process promoted by local governments and participated by all the actors in the territory that, from co-responsibility, contribute to sustainable economic growth and improvement in the quality of life of citizens.

The territorial approach is an innovation process oriented to social cohesion: “so that no one is left behind”. It is understood as the ideal strategy for the generation and promotion of ideas, processes and practices that enable innovative and sustainable alternatives to provide a response adapted to the needs of the territory. Similarly, it is an important instrument, if not essential, for the implementation of the 2030 Agenda and the process of localizing the Sustainable Development Goals at local level. Strategic planification from a territorial approach provides an optimal framework for the territorialisation of the SDGs and in turn stimulates the formulation of public policies on equality, equity and social cohesion.

Therefore, it is necessary to promote new initiatives of local economic and social development that, based on the knowledge and innovative potential of the territories, promote sustainable economic activity that benefits, in a balanced and fair way, the whole of the citizens and guarantees the sustainability of the territories. Local governments, as a proximity administration, address specific situations in which the great challenges of the 21st century materialize: the effects of climate change, the application of technology to the improvement of the quality of life, the assurance of resources basic, sustainable mobility, a model of responsible production and consumption, the generation of quality employment, the demand for citizen participation and transparency in public management, the management of diversity and multiculturalism, the fight against all types of discrimination for reasons of gender, among others.

On the other hand, the global is increasingly glocal. Local government networks are influencing the configuration of the near future. The incorporation of cities into global networks, the exchange of experiences and cooperation dynamics are driving territorial initiatives with a global effect. The network of networks of cities and local actors, in a new space of communication and action, is assuming a decisive role in what the planet will be in the coming years.



These dynamics raise, at least, the following

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## GENERAL CHALLENGES:

- » *Promoting legal frameworks and decentralization processes that grant sufficient powers and resources to local governments to implement cohesion and sustainable public policies.*
- » *Strengthening territorial governance systems, the link between the actors in the territory - public and private - in order to direct existing resources to greater economic growth while at the same time towards greater social cohesion.*
- » *Promoting dialogue between actors - sometimes in conflict or with diverse interests - and the principle of JOINT RESPONSIBILITY, so as to guarantee coexistence, respect and diversity and plurality in equal conditions.*
- » *Guiding political initiatives, budgetary resources, productive activity, technological innovation, knowledge towards an improvement of the territory as a space for living and coexistence.*
- » *Integrating the global vision into the territorial approach strategy; increased exchanges of experiences with other actors and territories and reaching global commitments and agreements. An interconnected world requires integrated development strategies. Development cooperation, the internationalization of companies, commercial relations in fair terms of exchange, economic and cultural promotion, among others, are policies that are part of the external action of local governments.*
- » *Opting for a glocal approach where the already classic look of global thinking and acting local together with a new vision of thinking to act locally and globally.*
- » *Recognize the territory as a subject of development, capable of generating knowledge, innovation and social capital.*
- » *Strengthening the government structures and their services by increasing and improving technical and political skills in dialogue and negotiation, strategic planning, multilevel coordination, new technologies and new productive and organizational forms, among others, through training programs and activities, exchanges, and participation in spaces for reflection.*



1.

## THE TERRITORY AS THE BASE OF SOCIAL, ECONOMIC AND ENVIRONMENTAL INNOVATION.



7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

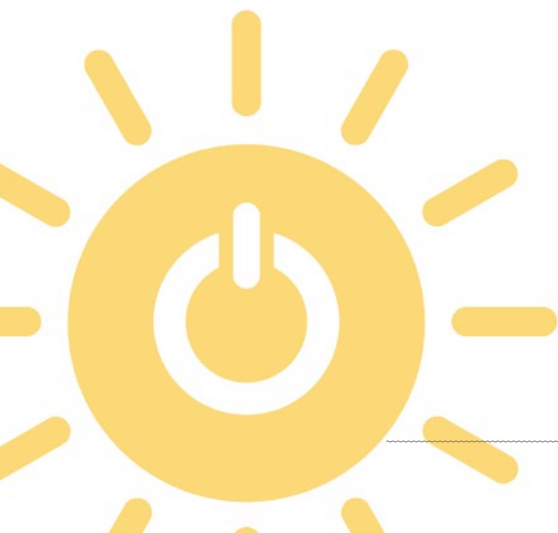


17 PARTNERSHIPS FOR THE GOALS

The global context is changing the paradigm of economic competitiveness towards a growing need for smart specialization and diversification and a commitment to quality processes and products. At the same time, increasing inequality and increasing exposure to risk and tension factors (social, environmental and demographic) require integrating principles of economic efficiency, equity and ecological balance as the basis of new territorial-based economic patterns.

The territory, as a space where social practices take place, is the basis of coexistence between people and institutions. The capacity of a territory to transform the knowledge produced by people and institutions in social, economic and environmental innovation is one of the fundamental variables that will determine its development and its level of social cohesion.

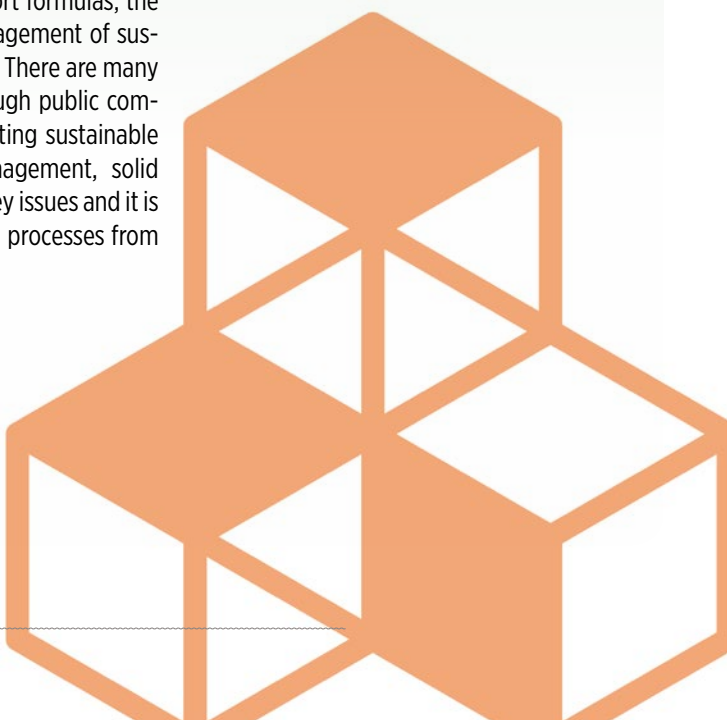
Innovation, as an application of knowledge to improve the quality of life is part of the process of social and institutional transformation. Beyond the necessary financial resources oriented towards innovation, it depends on other variables such as the degree of trust and co-responsibility between public-private actors; the ability to value endogenous resources; the existence of collaboration and information exchange nodes between companies, institutions, academia and civil society; investments aimed at the sustainable economy; or the ability to generate strategies and systems that take advantage of local opportunities.



The connection between social innovation, technological development and green economy offers new opportunities to integrate economic growth with objectives of social inclusion and environmental sustainability, combining efficiency in the use of resources with greater dynamism of local economies. The relationship between policies aimed at promoting sustainable economic models and the reduction of poverty and inequality requires the application of specific policies (energy, industrial, environmental, social, employment), as well as capacity building and institutional measures consistent to achieve a 'double dividend' in terms of sustainability and growth.

It is key for the GGLL to lead and participate in networks and exchanges of knowledge and experiences with companies, universities and civil society, to address fundamental issues such as participation and social and environmental responsibility, innovation in sectors such as agribusiness or tourism; the development of new efficient transport formulas; the promotion of ICT in the management of sustainable urban environments. There are many local governments that, through public companies, have been implementing sustainable growth models. Water management, solid waste or urban mobility are key issues and it is crucial to promote innovation processes from public management.

Regarding good governance, the introduction of information and communication technologies in the public landscape must be accompanied by the necessary measures to improve citizen participation and transparency in public management. The fluidity in the information channels and the ease of transmitting and receiving information translate into a better form of e-governance, as a move towards a more democratic, transparent, responsible and reliable society, with a citizenry participating in the formulation of policies and decision making, which creates its own content and exchanges knowledge with its closest government: the local government.



## CHALLENGES AND KEY MESSAGES

Local governments consider the territory as the basis of social, economic and environmental innovation. In this sense we commit to:

- » *Involve, inform, connect and include citizens in participatory processes for better governance and development more adapted to the real needs of citizens.*
- » *Apply social innovation to the improvement of local governance.*
- » *Address innovation from an inclusive approach, without leaving anyone behind ... anywhere.*
- » *Ensure basic public services and promote innovative activities implemented by public companies (waste management, renewable energy, water ...)*
- » *Promote strategies of intelligent specialization, reorientation and productive diversification, incorporation of models and practices of economy of the common good (social and solidarity, circular, green, orange).*
- » *Protect and enhance endogenous resources, preserving and valuing environmental and cultural heritage as inputs for the creation of economic value and the generation of competitive advantages in a framework of cohesion and sustainability.*
- » *Promote rural-urban integration trajectories (integrated production and consumption circuits, urban / peri-urban agriculture, connectivity).*
- » *Take advantage of technological and product innovations that contribute to expanding people's access to goods and services, improving their living conditions and employment potential (sustainable agriculture, energy efficiency, mobility and connectivity ...).*





- » *Support the generation of knowledge from and for the territory: Smart Cities, open data electronic administration and new forms of management based on ICT Technologies*
- » *Promote the production and responsible consumption of local base; as well as the circular economy of territorial base and the production and consumption of renewable energies of local scope, ecological production, consumer cooperatives, social markets, fair trade and proximity commerce.*
- » *Ensure the sustainability of the tourism sector in the territories*
- » *Improve cooperation between cities and the international presence of local governments among institutions, local government networks for greater local political influence and better mutual learning.*



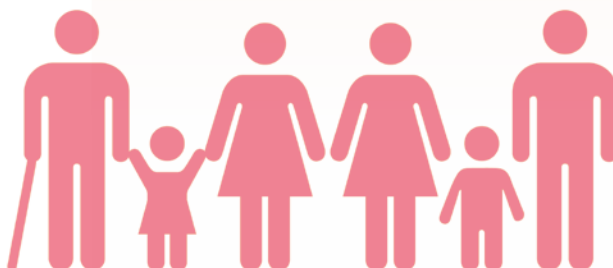
2.

## ECONOMIC AND TERRITORIAL PRODUCTIVE MODELS TO FACE INEQUALITY



The narrowing of the economic gap between developing countries and economies (particularly middle-income countries) and more advanced countries has not been translated into a balanced and sustainable development process, which ensures and stabilizes the well-being of most world populations, nor has it been accompanied by a reduction in inequalities in their different dimensions.

Repeated crises and the growth model have generated persistent inequalities that lead to the exclusion of a good part of the population. Reasons for gender, age, ethnicity and social origin are at the base of the fact that a large percentage of people do not have full access to basic resources that guarantee an acceptable quality of life. This fact is manifested not only in terms of economic income but also in aspects such as life expectancy, access to health or education.



This imbalanced context is also affected by factors of increasing fragility, due to the emergence of increasingly complex and interconnected crisis situations: migration flows, ethnic and religious conflicts, unemployment and social tensions, or climatic emergencies, which limit the social cohesion and trust in institutions. Given this situation, local governments stand as the administration that does, in the first instance, face these fundamental aspects of daily life.

At the same time, the terms and conditions of economic competitiveness are changing, towards increasing specialization and commitment to quality, with a greater input of knowledge. It is a set of factors that respond to new forms of territorial intelligence, including productive models based on the creative, circular, social, solidarity, green economy that aspire to become territorial-based productive models capable of generating wealth while They aim to guarantee inclusion, equality and sustainability.

Facing these circumstances requires a profound change in the economic-productive paradigm that implies, on the one hand, the transformation and diversification of productive structures, establishing competitiveness in competitive advantages and the ability of intelligent specialization of territories, collaboration between public and private sectors, and the construction of a new 'social pact' between citizens and institutions; and on the other, policies aimed at integrating principles of economic efficiency, equity and ecological balance as the basis of new territorial-based economic patterns.



## CHALLENGES AND KEY MESSAGES

Local governments are committed to the implementation of territorial economic and productive models at the service of people and address inequality. In this regard, we commit to:

- » *Leading processes to promote the local economy whose main objective is not to leave anyone behind in the development process.*
- » *Establish reliable mechanisms for civil society participation in the model of sustainable economic and social development, promoting specific instruments of participatory governance.*
- » *Incorporate women's voice and agenda into strategic planning and local economic development plans, implementing empowerment processes to reduce gender gaps by promoting a more inclusive productive model in the territories.*
- » *Betting on basic public services and guarantee social care and protection infrastructures, which caters for the entire population.*
- » *Promoting economic policies and innovative and inclusive production and service models to deal with exclusions, insecurities, discrimination and inequalities that may arise from economic practices.*
- » *Promoting policies, strategies and practices that address one of the key principles of the 2030 Agenda for Sustainable Development, namely, 'leave no one behind.'*
- » *Promoting policies and alliances for financing and investment in enterprises, especially for young people and women, within the framework of territorial strategies for Local Economic Development.*
- » *Promoting 'Alternative economic models focused on people and territories for sustainable growth and equity'.*
- » *Developing the potential of economic and productive models such as the social and solidarity economy and the collaborative and community economy, as well as those practices that allow to boost local economies and, at the same time, achieve more equitable access to employment opportunities and income, reducing inequalities and reinforcing social cohesion, thereby contributing to the localization of sustainable development goals.*



- » *Favoring the circuits of production, commercialization and consumption based on a principle of circularity, promoting the nexus between economic development, the satisfaction of the needs and the improvements in the quality of life of the people and the environment where they live.*
- » *Mejorar la coherencia entre políticas ambientales, políticas de desarrollo productivo y políticas sociales, vinculando el potencial entre economía verde, y políticas para la inclusión y reducción de las desigualdades que complementen los modelos y prácticas asociadas, por ejemplo, con la economía social y solidaria.*
- » *Favorecer el cuidado del medio ambiente que abre nuevos espacios para la inversión, la innovación y la difusión de nuevas tecnologías que permitan reducir las brechas de ingresos y capacidades entre grupos de población y territorios.*
- » *Enabling environments for economic and social development, including norms, policies, institutional agreements, ecosystem of actors and territorial services for the promotion of innovative economic models and practices.*
- » *Contributing to boost the full potential of the green and circular economy, combining technological and environmental innovation, efficiency and equity in the management and valorization of productive resources in the territories.*
- » *Adapting and locating production and consumption patterns (urban food systems, consumer cooperatives, social markets, proximity trade, etc.), with a sustainable use of energy sources to achieve the sustainability of territorial ecosystems in response to climate change and the preservation of economic, social and environmental assets.*
- » *Improving coherence between environmental policies, productive development policies and social policies, linking the potential between green economy and inclusion policies and reduction of inequalities that complement associated models and practices, such as social and solidarity economy.*
- » *Promoting care of the environment that opens up new spaces for investment, innovation and diffusion of new technologies that allows to reduce the income and capacity gaps between population groups and territories.*

### 3.

## THE FUTURE OF WORK AND THE WORK OF THE FUTURE FROM A TERRITORIAL PERSPECTIVE



The future of work is subject to a series of economic, social and demographic transformations, while conditioned by environmental and climate emergency challenges.

The diffusion of technological innovations is one of the most significant factors that is changing the theory and practice of work. These innovations, which promise to improve goods and services, organizational models and markets, are a global phenomenon that affects northern and southern countries. The digitalization of work, or “Industry 4.0”, automates cognitive activities and can have significant consequences in the production processes in terms of productivity, required skills, employment, income distribution, well-being and impact on the environment. Automation reduces production costs and affects those economies where the cost of labor is the most important competitive factor, while forcing to reorient employment strategies globally. In advanced countries, as in some emerging economies, the employment rate is peaking and generates an unprecedented contraction in terms of employment.





New technologies and new forms of work reorganization, as well as the generation of new models of production and distribution of goods and services, still do not allow to know how the relationship between lost and generated jobs will be, as well as on the capacity of the economy to avoid the polarization between low wages and high wages that has characterized the labor market in recent times, in a context in which the bargaining power of working people has decreased. Additionally, relocation and fragmentation processes threaten to reduce wages to unacceptable levels in certain cases. Examples of this are found in the so-called “GIG economy” where “work” is distributed among a plurality of unprotected self-employed workers. This phenomenon has important consequences on the protection and bargaining power of workers, as traditional forms of workers representation does not work.

To this end, it is required analyzing the factors that condition the generation of quality employment in the current context so as to promote the creation of jobs with a higher level of skills and greater stability and protection.



## CHALLENGES AND KEY MESSAGES

Local governments are committed to create quality employment for all citizens. In this regard, it is our commitment to:

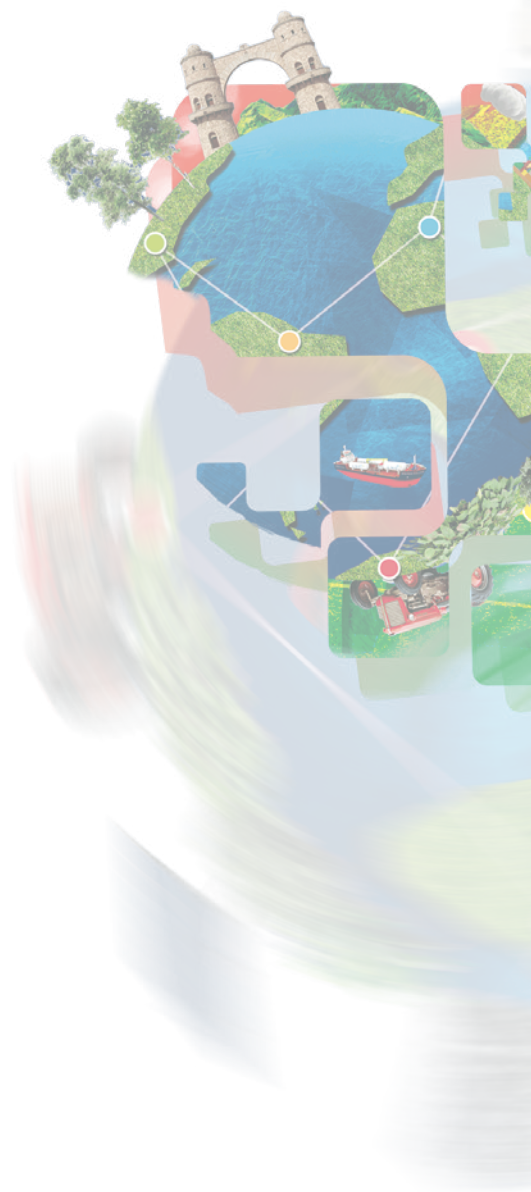
- » *Support the generation of employment through local economic development strategies that take into account the opportunities of the territory.*
- » *Ensure, as employers, safe work environments and optimal working conditions.*
- » *Adopt public policies that promote collective representation and social dialogue; extending decision-making processes to local life, where collective representation reinforces the relevance and legitimacy of decisions taken.*
- » *Promote specific instruments of negotiation, mediation and social dialogue, generating the necessary institutional capacities to guide the transitions towards the work of the future.*
- » *Articulate, with the collaboration of the private sector, quality employment plans, especially for those with greater difficulties in accessing work.*
- » *Support the role of the private sector as a source of economic growth and job creation, promoting environments favorable to entrepreneurship, in particular micro and small and medium enterprises, as well as cooperatives and the social and solidarity economy, in order to generate quality productive employment.*
- » *Contribute to the adaptability, agility and resilience of companies, labor markets and economies, fostering an inclusive dialogue to address the diverse realities of companies, workplaces and local communities in the current global context to feed the exchange of experiences and methodologies.*
- » *Promote legal norms and procedures that guarantee the eradication of child labor and forced labor, promoting protection and safe environments for the most vulnerable groups.*

# KEY MESSAGES

FROM LOCAL GOVERNMENTS  
ON LOCAL ECONOMIC  
AND SOCIAL DEVELOPMENT



- » *Promote, in collaboration with all the actors that make up the labor markets, new organizational models and new technologies applied to the production of goods and services that ensure quality employment for all people.*
- » *Increase investment in people's abilities and promote the acquisition of new knowledge throughout life and professional qualification actions, contributing to the destruction of jobs derived from the automation of processes and services.*
- » *Encourage those sectors most sensitive to job creation, such as personal and social services, including those related to the "care economy", which combine their relevance by contributing to the improvement of social conditions with a better income distribution.*
- » *Promote social services and general interest from the public sector; especially those jobs traditionally done by families and voluntary organizations, mostly by women, that can be constituted as new employment niches.*
- » *Raise awareness among all the actors in the territory about the importance of placing people at the center of work, economic policies and business practice.*
- » *Promote the regularization of local labor markets by placing the people and work they do at the center of economic and social policies and business practice.*
- » *Increase investment in decent and sustainable work, in accordance with the 2030 Agenda, supporting those more sustainable business initiatives and concerned with the generation of quality employment such as the social and solidarity economy, the circular economy, especially driven by micro SMEs and SMEs, which stand as the best ways to generate decent employment in a framework of sustainability.*







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ecological paper

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