

4. LOCAL ECONOMIC DEVELOPMENT STRATEGIES AS A NEW SPACE TO CONNECT TRAINING WITH WORK

While some geographical regions have managed to undertake sustainable economic development, others have not been able to adapt to the new conditions even when they often have greater comparative advantages to compete in the globalised market. The search for an answer to those differences should be a persistent spur to debate, and this shows that there are no clear or single answers as to what is needed to bring about development in a particular geographical area.

In previous sections in this book we have seen how different authors approach the most important dimensions of local economic development, and, beyond the particular characteristics of each region or local society, how they have highlighted some possible common characteristics. One of such characteristic is that all LED strategies involve high level of social dialogue although the actors who take part in this, and the institutional arrangements which allow it take place, may be different in each case. We have also seen how, even when efforts are made to construct theories to classify and to a certain extent to impose conceptual uniformity on cases that are empirically different, the range of examples of what makes up productive and occupational networks in different regions is very wide.

One characteristic which is not always explicitly brought out but which is always present in theoretical approaches to the question of local economic development is the key role played by knowledge. Just as the better qualified an individual is the better his chances in the labour market, so companies are able to attain higher levels of productivity when they can use knowledge effectively. The more knowledge that regions and local societies have, the better their chances are.

Vázquez Barquero³⁴ maintains that the availability and quality of human resources are key factors in the development of a place or a region since these

³⁴ Vázquez Barquero, Antonio, 'Desarrollo en los recursos humanos', in *Política económica local*, Editorial Pirámide.

exert a great influence on the productivity of the business system, on regional competitiveness and on the cultural model that the process of change and economic growth are built upon. Hence trained human resources become strategic assets in raising regional competitiveness.

The average level of training in the population of a region can be considered a comparative advantage just as much as the availability of certain natural resources in the area would be. However, this important condition it is not a sufficient to sustain local economic development. In Latin America and the Caribbean, when there is more knowledge available in one particular region than in others, this is more the result of investment by the central government in education and training than the result of endogenous processes to generate knowledge.

The fact that one region has a population that is better trained than another inside or outside the country can make it potentially more attractive, for example to investors. However, this advantage may be eroded due to deficiencies which might be present in other dimensions of the local economic development process.

One aspect that apparently does consistently make a difference, and therefore does constitute a competitive advantage, is the capacity of a region to learn. This is borne out by all that has been written about productive organizations stressing this capacity to learn. What is relevant is not that a fixed asset is available but that it should be maintained, increased and developed in an original way. Hence a number of authors refer to successful examples of local economic development as 'learning regions' or 'smart regions'. This can be seen as a causal factor in endogenous development and at the same time as a characteristic resulting from a combination of factors which make possible the development of both the economy and knowledge.

Thus, in the same way that explanations for successful local economic development processes are sought, authors like Hualde³⁵ look for the factors which allow information and knowledge to grow in some regions and not in others, and to what degree these assets have to accumulate before a geographical space can be called a smart region or a learning region.

On this point Vázquez Barquero says that training strategies can be formulated from a defensive or from an offensive point of view. The former implies that the objective is to recycle the workforce so as to limit job losses while the latter are aimed at training to create employment in such a way that regional competitiveness will be improved. Thus the training of human resources is connected to the region's own development strategy.

³⁵ Hualde, Alfredo, 'El territorio como configuración compleja en las relaciones entre educación y trabajo', in *Desarrollo local y formación*, the *Herramientas para la transformación* series, Cinterfor / ILO, Montevideo, 2002, p. 47.

One of the lessons learned from examining specific concentrations of economic activity is that most successful examples are influenced by powerful, primary contributory factors. These are correlative concentrations of experience and skilled work, the availability of specialised education and training, and the high degree to which capacities and knowledge are produced and developed in the region. The key element in almost all the successful industrial districts seems to be that there are workers who have skills and knowledge that are suitable for the industries located within the variable frontiers of these concentrations. Although industries need general skills that are easily transferable, they also need specific competencies which are often more scarce. Therefore, enterprises tend to value workers who are familiar with the operations involved in their businesses and who are capable of applying their knowledge in the specific environment which a concentration of this type generates.

It is evident, then, that training is part of the 'software' of local development, and must necessarily be conceived of as a strategic element. Local development projects tend to increase dependency on intangible assets – the information and knowledge that their workers, entrepreneurs and organizations have - and less on natural resources. What is more, resources like technology and financial capital can be transferred instantaneously, but this is not the case with skilled human capital.

Although it is true that many educational and training institutions have not recognised or adequately catered to the specific needs of the regions where they are located, there are also many examples that are positive in this respect. Some institutions have made it part of their mission to obtain adequate knowledge of the needs of a wide spectrum of individuals and enterprises, and they have focused on effectively meeting the demands of regional economies. This applies specially to meeting the needs of small and middle-sized enterprises through providing a wide range of services to make them into genuine centres of excellence in their regions because they demonstrate their capacity to develop specialised training for specific kinds of enterprises.

However, there are various factors which make it difficult to replicate experiences or to develop cooperation schemes in function of joint objectives, and these include institutional isolation, a lack of communication with peer bodies, and lack of information about the best practices currently in use.

Moreover, institutions and training centres usually have to confront complex and difficult decisions if they wish to orient their ways of working to meet the demands and productive and social needs of the regions they are in. Some of these dilemmas are listed and discussed in the following section.

State of Paraná, Brazil – The Agency for the Development of Vocational Technical Training – Paranatec

The State of Paraná in southern Brazil is a region with approximately 9 million inhabitants and has 2 million students in the State basic education network. An interesting experience of coordination to improve vocational technical training has been taking place there.

The Agency for the Development of Vocational Technical Training –Paranatec– was set up through a community initiative, supported by the government of Paraná, as a non-profit civil society which acts in the field of vocational education.

The organisations taking part in Paranatec are the Secretary of State for Education, the National Rural Training Service (SENAR), the National Industrial Training Service (SENAI), the National Commercial Training Service (SENAC), the National Transport Training Service (SENAT), the Micro and Small Business Support Service (SEBRAE), the Federal Centre for Technological Education in Paraná (CEFET-PR), the Euvaldo Lodi Institute (IEL) of the State of Paraná Federation of Industries, the National Association of Technical Schools (ANET) and the Paraná Centre for Technological Integration (CITPAR).

Paranatec aims at excellence in its activities. It seeks to bring together efforts from the government, from enterprises and from teaching institutions to cooperate in solving problems in the field of vocational education.

In addition, it makes a contribution to running quality vocational education, integrating schools, enterprises and the community, and it is oriented to meeting the demand in the field of technology so as to foster the well being of society.

Paranatec opens up alternatives in terms of raising the level of training and promoting work for young people. These are:

- Promoting studies aimed at reformulating technical teaching so as to orient it to the real needs of the users.
- Promoting the consolidation of educational institutions for work that is compatible with vocations in the region in the primary (agricultural), secondary (industrial) and tertiary (commerce and services) sectors of the economy.

- Encouraging and attracting investment to develop education and work, and searching for sources of finance.
- Stimulating, counselling, and promoting the transfer and development of information in technologies that are strategically important for technical and vocational teaching.
- Promoting studies about the real condition of the infrastructure of the physical network, and the rational utilisation of it.

The institution manages the vocational education maintained by the public power of the State, it controls all the vocational training courses that the State offers, it manages the finances of the Secretary of State for Education programmes oriented to education for work, and it does consultancy work in the field of vocational education.

Besides the above mentioned, it also runs the following activities:

- ✓ Developing and training human resources for education for work.
- ✓ Integration and interaction among schools, enterprises and the government to jointly develop education for work and the development of enterprises.
- ✓ Running management projects for vocational education.
- ✓ Developing curricula for vocational education courses.
- ✓ Promoting discussion and formulating policies and guidelines for vocational education.

