

New Economy and Local Economic Development Centre(NEWLED)

The logic of globalization, on the one hand, and local economic development, on the other, are often distinct. The relationship between the two need concrete thinking and action. The new economy is a reality. How to make it useful to the interests of the masses, is a challenge. This requires a new policy approach, quite different from the traditional “balanced regional development” approach.

Decentralization of governance (the so-called ‘Panchayati Raj’ in India) is an emerging trend in many countries. In the countries of early industrialization, the focus today is local economic regeneration; in developing countries, economic governance is often subsidiary to the wider question of political decentralization.

Economic governance need to be based on a sound understanding of the decision making process by the economic actors, ie., consumers and producers. The relevance of SMEs in this context, need to be properly understood by policy makers. The focus of this Centre is on research and action projects beneficial to the local communities.

This Centre originated from a major programme of the Institute called “Programme on Globalization and SMEs (2003-2006)”..

The activities of the Centre are geared to the following focal areas:

1. Private Sector Development

There has been a wave of private sector development around the world, spearheaded by governments and international agencies. In a changing global scene, of a reduced role of the government, the private sector need to ensure the opportunities of income and employment, as increasingly desired by the local people. Being the micro form of the private sector, development strategies with MSMEs at its centre, forms the focal theme of private sector development strategies. Research and advisory services in this area.. These are offered by the Institute.

2. Support Services to Local Governments.

Local governments need to address the increasing aspirations of the local people relating to entrepreneurial activities. These aspirations are often not well-articulated and focused. The task of local governments is to help them analyze the ground level situation, and make such articulation in a proper manner. While this, by all means, is a professional task, such element is often ignored. In States where the panchayati raj institutions are relatively strong, these institutions often unilaterally announce programmes and projects, either based on their limited understanding, or simply on the basis of head-c-ount. Where local governments are weak, their powers are often usurped by the bureaucracy, which in turn, identify and impose such projects. What is often lacking is professional expertise that is capable of designing and applying the tools and techniques of local enterprise planning and development. The Institute's mission is to offer this missing link. The ISED has specialised programme called Regional Enterprise Development Audit(REDA)in this context.

➤ Expertise and Track

This Centre has been closely monitoring globalization and its impact on local economic development, at the global, national, and regional levels.

- Designed and implemented the 'Globalization and MSMEs Programme' in 2013.
- Initiated several studies on local economic development.
- Designed and modelled 'Local level Skill Mapping'.
- Organized the 'International Conference on Local Economic Development and SMEs, jointly with the ILO.

- Initiated the 'International Network on SMEs in Local Economic Development', with participation from 12 countries..
- Initiated the International Network on SMEs in Local Economic Development(INSLED).

➤ **Services**

The Centre makes interventions in the following areas:

- Local Enterprise Development Audit.
- Research and Evaluations
- Consultancy Services for Local Self Governments
- Documentation of Best Practices
- Training Opportunities for PRI staff and leaders
- Industrial Cluster Development assistance
- Information Exchange
- Development of LED model to be implemented by local governments.
- Private sector development consultancy and advisory services.
- 'Local level Skill Mapping' for local governments.
- Institution development.

➤ **Publications**

- Globalization and Local Economic Development : A Report
- Cochin Declaration on SMEs in Local Economic Development
- Small Enterprise Development in Kerala: The Experience under Globalisation.