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# Strategic plan and local economic development of Cordoba, Argentina

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**IHS**



Making Cities Work

**SINPA**  
CENTRE FOR IMPLEMENTATION  
OF NATIONAL PLANS OF ACTION

# Strategic Plan and Local Economic Development of Cordoba, Argentina

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Santa Cruz, Bolivia October 2001





**The Strategic Plan  
and  
Local Economic Development of Cordoba, Argentina**

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**Santa Cruz de la Sierra, Bolivia  
October 2001**

**Support for Implementation of  
National Plans of Action  
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## SUMMARY

The Strategic Plan of Cordoba (SPC) is one of the few strategic urban development plans in Latin America, which has actually been implemented in the majority of its components. The SPC was conceived as a collective and global project of the city as a whole without excessive conflicting interests or special ownership by a few. The SPC integrated a policy of public works – oriented at the “social debt” which existed in the city – with a work on urban norms and directions and economic development. The SPC as a space for articulation achieved to organise a great number of representatives from civil society organisations, achieving legitimacy and representation in the work of the SPC.

The SPC has given a new orientation and increased the municipal capacity to manage the city. The SPC has developed innovative and participatory forms of management (e.g. the Follow-Up and Monitoring Groups, with their annual meetings for presenting audit reports known as “presenting the bills”).

The population has perceived the incentive to participate in the planning process of the SPC since it was possible to propose concrete projects, as long as these were feasible. The SPC has pursued the detailed feasibility study of a number of these projects others have been delegated to sectoral agencies.

The SPC has shown flexibility in the incorporation of new projects, and there existed two directions of work initiatives: “top-down” project planning for the big “strategic” projects of global importance, and it stimulated “bottom-up” planning of projects that reflected the social demand side. It needs to be noted that the SPC has known how to mobilise and diversify sources of finance of its projects and been able to obtain additional funding. Financing agencies like the Inter-American Development Bank (IDB) have appreciated the SPC as a reference of a consensus-based Programme. The formulation of the SPC has been executed, basically, with own resources of the municipality.

Nevertheless, in certain moments it has been difficult for the Municipal Technical Team (MTT) to establish commitment and willingness to cooperate between civil society and the municipal government. For example, the MTT was seen as an “elite team” by other municipal units. The Municipal Council conceived the participation of citizens as a kind of competition. The members of the Municipal Council did not participate regularly in the workshops and meetings of the SPC.

An interpretation of the dynamics of the transformation of the relationship between the municipality, the institutions and the civil society of Cordoba can draw up three main periods: the first pre-SPC period when the citizens were seen as “*taxpayers*”; a second period when the inhabitant of the city and his conformity with the municipality’s actions made him a “*client*”; finally the new perspective of “*partner*”. In this sense the SPC contributed to the transformation of the relationship between municipality and citizens.

The new relationship established with the private sector lead to the creation of the Agency for Economic Development of Cordoba (AEDC). The AEDC is an important innovation since it is a product of joint efforts of the municipal government and the private sector, directed at the building of entrepreneurial capacity, promoting “development” not just economic growth. Such

an approach required a mental change within the local government as well as the various Chambers of Industries, Trade and Commerce. Not all of these Chambers are members of AEDC. Previously many of these would not cooperate much among themselves and even less with the public sector.

The Programme and activities of AEDC reflect an open and strategic vision towards the business and industrial community of Cordoba and respond to the strategic propositions of the SPC. Depending on the overall improvement of the national economic situation, it is assumed that the AEDC could achieve a significant impact in regard to competitiveness of local companies and the generation of employment. Nevertheless, the AEDC experienced a slow start. Despite its interesting pool of projects under development, it is mostly working on capacity building for staff of private companies and providing logistical support for companies that participate in industrial or trade fairs and commercial missions. The AEDC does not have its own investment funds, which could be used as counterpart funding for the negotiation of projects. If within the municipality there exists a transformation of attitudes regarding a facilitation of local economic development, there exist no municipal budget in order to attend to “non-municipal” economic development issues. The AEDC has also not been in a position to incorporate among its members the bigger and richer Chambers that could co-sponsor the functioning of the AEDC.

It is assumed that the AEDC functions as window counter to obtain information and services. Nevertheless, the promotion of AEDC and its physical location on the 8<sup>th</sup> floor of one of the municipal buildings are a disadvantage for the accomplishment of this function. Being in such a location, it is difficult for small entrepreneurs to and other persons to get in touch or to obtain information. The exterior of the building carries no signboard and the “yellow pages” of the local telephone directory does not carry any registration. In addition, the AEDC does not have representations in the ten decentralised sub-municipalities known as Centres for Community Participation (CCPs).

The SPC has not been approved by the Municipal Council and for that reason does not have a legal backing, despite the inscription in the City’s Statutes (“Carta Orgánica”) of 1997, which tried to introduce and institutionalise the concept of strategic planning. The Mayor and the MTT had assumed it to be more important to have social legitimacy of the SPC than legal status.

With the new municipal government that assumed power in early 2000, the SPC and the respective parts of the City’s Statutes (“Carta Orgánica”) were ignored and virtually discontinued. However, its projects, which had been initiated previously, were continued.

In summary, the SPC has been a very valuable experience which, in any case, to reflect about the limits of the “new forms of city management”.

## RESUMEN EJECUTIVO

El Plan Estratégico de Córdoba (PEC) es uno de los pocos Planes Estratégicos en Latinoamérica que fue implementado en la mayoría de sus componentes. El PEC fue concebido como un proyecto colectivo y global de la ciudad sin protagonismos excesivos o “dueños” del proceso. El PEC integró la política de obras públicas - orientada a la “deuda social” - con un trabajo de urbanismo normativo y desarrollo económico local. El PEC como espacio de articulación logró organizar una cantidad representativa de las organizaciones cívicas, logrando legitimidad y representatividad al trabajo del PEC.

El PEC ha tenido el valor de dar un nuevo enfoque y aumentar la capacidad de gestión de la municipalidad. El PEC desarrolló formas novedosas y participativas de gestión (Comisión de Seguimiento y Monitoreo, reunión anual de “rendición de cuentas”).

Había un incentivo para la participación ciudadana en el PEC porque se podía proponer proyectos concretos. El PEC ha perseguido la elaboración detallada de algunos proyectos, pero otros fueron delegados a las agencias sectoriales.

El PEC mostró flexibilidad para la incorporación de nuevos proyectos integrales, el PEC pudo iniciar proyectos de “arriba para abajo” pero también adoptó proyectos presentados “de abajo para arriba”. Se destaca que el PEC ha sabido movilizar y diversificar fuentes para obtener mecanismos de financiación de los proyectos integrales o adicionales al mismo. Financieras como el BID han apreciado el PEC como punto de referencia de un Programa consensuado. La formulación del PEC se realizó básicamente con recursos propios de la municipalidad.

Sin embargo, en ciertos momentos ha sido difícil para el Equipo Técnico Municipal (ETM) construir compromisos y voluntad entre sociedad civil y el interior del gobierno municipal. Por ejemplo, el ETM fue visto como un “equipo elite” por algunas otras oficinas y secretarías municipales. Para la parte legislativa del gobierno municipal, el Concejo Deliberante, la participación ciudadana representó una especie de competencia. Miembros del Concejo no participaron de manera regular en los talleres y reuniones del PEC.

Una lectura de la dinámica de la transformación de la relación entre el Municipio, las instituciones y la ciudadanía Cordobesa, puede resumirse en tres grandes periodos: el primero y pre-existente, cuando el ciudadano fue principalmente visto como *contribuyente*; un segundo momento, cuando el vecino y su conformidad con las acciones públicas lo hicieron *cliente*; finalmente, la nueva perspectiva de *ciudadano-socio*. En este sentido, el PEC contribuyó a la transformación de la relación municipalidad-ciudadano.

La nueva relación entre sector privado y gobierno municipal que resultó de este proceso se manifestó en la creación de la Agencia de Desarrollo Económico de Córdoba (ADEC). La ADEC es una innovación importante, hija de esfuerzos conjuntos entre el gobierno local y los actores del sector privado, para el fortalecimiento de la comunidad empresarial, promoviendo “desarrollo” y no sólo “crecimiento” económico. Tal experiencia requirió tanto un cambio de mentalidad dentro del gobierno municipal como dentro de las cámaras empresariales socias. Las cámaras (no todas las cámaras en Córdoba son socias) anteriormente no cooperaban mucho entre sí y mucho menos con el sector público.

Los programas y proyectos en acción, tanto como los que están en cartera, reflejan una visión amplia y estratégica de la problemática empresarial en Córdoba y responden como tal a los lineamientos estratégicos propuestos. En la condición de un mejoramiento de la situación económica nacional, se supone que la ADEC podría lograr un impacto significativo sobre la competitividad de las empresas y la generación de empleo. Sin embargo, la ADEC sufrió de un lento arranque. A pesar de una cartera interesante de proyectos, mayormente esta operando un Sistema de Bonos de Capacitación y el Apoyo Logístico para Ferias y Misiones Comerciales. La ADEC no tiene un fondo de inversión propio que podría usar como apalancamiento en la negociación de proyectos. Si bien existe una transformación en la parte administrativa de la municipalidad para atender el desarrollo económico, no se ha dado una transformación similar del presupuesto municipal para poder orientar la inversión pública también hacia fines “no-municipales” como el desarrollo empresarial. La ADEC tampoco ha sido capaz de incorporar, dentro de su conjunto de socios, a las cámaras más ricas de Córdoba u otros socios que podrían aportar más al funcionamiento de la ADEC.

Se supone que la ADEC funcionara como ventanilla para obtener información y servicios de apoyo. Sin embargo la promoción de la ADEC y su ubicación física están inadecuadas para poder cumplir con esta función. La ADEC tiene oficinas en el octavo piso de un edificio municipal en el centro de Córdoba. El estar en un octavo piso ya significa difícil acceso para pequeños empresarios u otras personas que quieren obtener información. Pero además, al exterior del edificio no hay nada que indica que la ADEC reside allí y no figura en las paginas amarillas de la guía telefónica. La ADEC tampoco tiene ventanilla en las 10 “sub-alcaldías” descentralizadas, los denominados Centros de Participación Comunal (CPCs).

El PEC no ha sido aprobado por el Concejo y por tanto no tiene ningún respaldo legal, a pesar de que la Carta Orgánica de 1997 introduce e institucionaliza el concepto de la planificación estratégica. De alguna forma el Intendente (Alcalde) y el ETM pensaban como más importante la legitimidad social que la legalidad del PEC.

Con el nuevo gobierno municipal de Córdoba que entró a partir de Enero del 2000, ignorando la Carta Orgánica del 1997, el PEC fue virtualmente discontinuado, aún sus proyectos ya iniciados fueron continuados.

En resumen, el PEC es una experiencia muy valiosa que obliga, en todo caso, a reflexionar sobre los límites de la “nueva forma de gestionar la ciudad”.

## INTRODUCTION

### 1.1 Justification for a case study on strategic planning

Since late 1998, the Support for Implementation of National Plans of Action – Habitat II (SINPA) has been implementing activities in Kitwe (Zambia), Tangail (Bangladesh), and Santa Cruz de la Sierra (Bolivia). As an outcome of the Second World Conference on Human Settlements (HABITAT II) of the United Nations Centre for Human Settlements (UNCHS), held in Istanbul in 1996, SINPA supports local governments and civil society organisations for the implementation of Habitat's agenda. To accomplish this, the programme is based on several principles:

- The local actors prioritise areas of attention within the vast context of the Istanbul agreements.
- SINPA works to strengthen the capacities of the actors to implement the prioritised strategies and activities.

To build and strengthen capacities, the SINPA applies three tools:

- Training
- Technical assistance
- Applied research.

Several institutions are involved in the development of these tools, mainly universities that can provide continuity to institutional capacity strengthening activities. SINPA is a Programme implemented by the Institute of Housing and Urban Development Studies (IHS) of Rotterdam, The Netherlands, and is financed by the Dutch co-operation programme.

Since it is a legal duty for every Bolivian municipality to have a Municipal Development Plan as per October 2000, in Santa Cruz de la Sierra, urban planning, with the application of tools for strategic planning and participatory planning, was among the city's priorities.

The city of Cordoba, Argentina, is known for its Strategic Plan (SPC). It is not only the output of a vast participatory planning process that involved public and private institutions and the civil society, but it has also resulted in the implementation of projects prioritised during that process. It is supported by a monitoring and accounting system in which representatives of several institutions participate.

In addition, Cordoba is one of the first and few cities that has incorporated local economic development as a strategic area in its planning, and it is developing public-private alliances for its implementation.

This case study has been conducted within the framework of the SINPA programme, with the objective of transferring the knowledge acquired from the Cordoba experience to the actors involved in the Santa Cruz de la Sierra planning, as an example and concrete mirror of a participatory strategic planning process.

## **1.2 Methodology**

The purpose of this case study is to obtain information on an actual strategic planning process, in particular the following aspects:

- The background of the process
- Who leads the process, and which key aspects explain the success achieved?
- The planning process, step by step
- Obstacles found
- The achievements and weaknesses in the participatory process
- The achievements and weaknesses in the project implementation process

The study is the outcome of co-operation between two consultants in Cordoba, a researcher from the Catholic University in Santa Cruz, and two HIS consultants. The Cordoban consultants, widely experienced in work on the Cordoba Strategic Plan, produced two basic documents: an outline of the planning process and a document reflecting it. Both documents are incorporated in this study.

After the two basic documents, two visits were made to evaluate and discuss the process. The first was to evaluate and discuss further the planning process as such and the implementation of the project in three of the strategic areas of the plan. The second focused on local economic development.

During both visits, the IHS and Catholic University consultants interviewed different actors, their questions being based on the above-mentioned points. Key informants were sought within the municipal government, private-sector institutions, and the civil society. The aim was to talk to representatives of organisations and institutions related to the process, beneficiaries of the projects, or organisations not related to the Strategic Plan.

## **1.3 The Strategic Plan of Cordoba: structure of the document**

Is the Strategic Plan of Cordoba (SPC) intended for the urban development of the city? It is to a certain extent. However, the territorial dimension of the SPC is one of the main areas of action associated with the other areas of the Plan.

Is the Plan a programme to promote local economic development? As in the case of the urban aspect, the economic development of the city is one of the tools to achieve the general objectives of the Plan. These aspects, together with the environmental and social dimensions covered by the SPC, are its fundamental components, which integrated and indissoluble, constitute the “object” of the work of this process: the city-system in its widest sense.

This is an important consideration, since they propose an essential assumption for this new way to manage the city. We recognise that the city is a complex organism with several interdependent dimensions, different interests, rationales, and actors, with their own rights and

obligations, all worthy of consideration. In summary, *the city is the collective product of all its inhabitants and institutions*, not just a few. This also implies that in the diversity and contrast of perspectives, there is the potential for consensus that should be reached by prioritising the common interests of the individual or sector.

From the outset it was proposed that the Strategic Plan be formulated in accordance with the wishes of Cordobans, strengthening both public and private sector participants, as well as the so-called third sector, in a process of institutional *symbiosis* among the protagonists of this experience.

In formulating the Plan, 194 public and private organisations have participated through work groups involved with different phases of the planning process and also the Executive Committee. This committee comprises 23 city institutions that represent the municipal and provincial governments, the financial, industrial, and commercial sectors, basic and neighbour organisations, universities and professional colleges, unions, churches, media, and NGO's.

During the period 1994/95, the different inter-sector and multidisciplinary work groups were able to:

- carry out an analysis (identify and systematise a complex set of weaknesses, threats, strengths, and opportunities of the city);
- select strategic area for action and define the general objectives of the plan (objective to be achieved by the city) and the specific aims for each point;
- define and design the projects and actions which, because of their character, dimension, or localisation, have a structural function within the frame of the defined strategic points, and thus contribute to the transformation and development of the city.

Chapter III includes a detailed description of the participatory planning process that resulted in the SPC's formation. The process itself, as well as the progress in the different strategic area of the SPC, are analysed in Chapter IV. The analysis sought a balance between the achievements, observations in terms of the weakness of the process, and eventual threats and recommendations.

Local Economic Development is a non-traditional theme within urban planning, which generally means that its acceptance and conceptualisation is more difficult than other new themes. The debates on the role of the State and the new balance between the State and the private sector much attention is placed on the role of the private sector in implementing public services. Also, the role of the State to support and strengthen a private sector capable of facing the challenge of international competitiveness, generation of local employment, and contribution to social justice is less clear. Through the SPC, Cordoba assumed responsibility for the economic development of the city and has sought its own tools to execute the relevant actions.

Chapter V describes and examines the theme of Local Economic Development and the tools created within the SPC's framework. For a better understanding of the city of Cordoba, Chapter II includes a general description. Chapter VI contains general conclusions.

## **II. GENERAL DESCRIPTION OF CORDOBA**

### **2.1 Introduction**

Cordoba is one of the most dynamic cities in the country and is the capital of the province with the same name. The configuration of the city responds to a set of economic, political, social, geographic and cultural factors that gradually gave the city its current profile. Its location in the centre of the country has caused constant population growth; it has also facilitated the development of a network of 81 satellite cities within a radius of approximately 80 km, with a population of approximately 1,500,000 inhabitants, thus forming a metropolis with Cordoba as the main urban centre.

Cordoba is the main urban conglomeration of the country's central, northern and north-eastern areas. It covers approximately 870,000 km<sup>2</sup> and has a population of about 6.7 million inhabitants. In this multi-provincial area with varied geographic and economic characteristics, the city is the main area point for commercial exchange, road and communications systems, and advanced tertiary and education services. Cordoba forms part of a group called "*balanced cities*" in the national territory as they counterbalance the overwhelming concentration of population and economic activities in the metropolitan area of Buenos Aires.

Since the 1950s, almost all the provincial public administration, tertiary and university education, specialised, highly complex health services, advanced services, and industrial activities have been located in the Province of Cordoba. Furthermore, the Province of Cordoba is the second most important in demographic and economic terms, as it has one of the highest indices of national population growth.

### **2.2 Demographic characteristics**

According to estimates from the National Institute of Statistics and Census (INDEC, Instituto Nacional de Estadísticas y Censos), under the Ministry of Economics, the city of Cordoba currently has a population of 1.3 inhabitants, which represents 4% of the total national population. With a municipal territory of 576 km<sup>2</sup>, its average population density is 2,274 inhabitants/km<sup>2</sup>. Internally, it is sharply varied, with both highly populated and semi-rural areas.

According to Ministry of Health and Social Services data, from 1991 to 1993, the Capital Department (the district where Cordoba city lies) had a mortality rate of 7.1 0/00, while the infant mortality rate was 23.5 0/00.

According to a census and the estimates conducted by INDEC, the city of Cordoba would recover from the decline experienced in its annual population growth rate, which would be relevant to the recovery of the national economy during the 1990s, and the flow of investments to the city of Cordoba, which began in 1991.



### Evolution of the Rate of Annual Growth in the City of Cordoba

Year	1947/60	1960/70	1970/80	1980/91	1991/97
Equivalent rate of annual growth	2.10%	2.71%	1.97%	1.37%	1.77%

Source: Statistical Guidelines of Production and Services 1998-1999. Municipality of Cordoba.

Simultaneously, some municipalities near the city would have absorbed part of the important migratory flows from the interior of the province and from other provinces in the north and west of Argentina, causing the increased urbanisation of Cordoba.

## 2.3 Territorial characteristics

### Regional Connectivity

The city of Cordoba is located in one of the most important areas of the national urban system. This permits the articulation of many transport routes, connecting it directly with the main urban centres of the country and neighbouring countries. Furthermore, it is part of the bi-oceanic corridor that links Santiago de Chile with the Argentine Mesopotamia and the south of Paraguay and Brazil.

The following table shows the distances between Cordoba and the main urban centres of the country and region.

### Distance from Cordoba to the Main National Urban Centres

URBAN CENTRE	KILOMETERS
Buenos Aires	713
La Plata	762
Rosario	401
Mendoza	721
Tucuman	599
Ushuaia	3.566
La Quaiaca	1.232

Source: Strategic Plan for the City Cordoba (SPC). Municipality of Cordoba.

In terms of road networks, national road 9 (N) links the city of Cordoba to the provinces of Santiago del Estero, Tucuman, Salta, other northern Argentine provinces, and some areas of Bolivia. National road 9 (S) connects it to the cities of Rosario, Buenos Aires and the Atlantic coastline, whilst national road 36 connects it to the cities of Santa Rosa (La Pampa), Bahia Blanca, and Patagonia. National road 19 links it the provinces of Santa Fe, Entre Rios, Chaco, Formosa, Paraguay, the Argentine Mesopotamia, Uruguay, and the south of Brazil. It is also connected via National road 20 with Cuyo and Chile.

The city also has two railroad systems that connect it with the north and south-east of Argentina. Currently these systems only offer freight transport services. Cordoba also has a bus terminal used by over 80 companies dedicated to medium and long distance routes.

The International Airport of Cordoba, “Ing. Taravella” handles both passengers and freight. It has a modern instrument landing system (ALS), which guarantees almost uninterrupted

operations; this makes Cordoba the best national alternative in case of problems with international flights to Buenos Aires.

It also has Customs services to facilitate external trading through direct dispatches from Cordoba. Thirteen airlines operate from “Ing. Taravella” Airport with national and international flights. Cordoba is thus directly linked to Santiago de Chile, Asuncion (Paraguay), Tacna (Peru), Santa Cruz de la Sierra (Bolivia), Montevideo (Uruguay), Porto Alegre, San Pablo and Curitiba (Brazil), Mexico City, and Miami, among others.

### **Urban Infrastructure**

Cordoba has a network of basic infrastructures (drinking water, sewage, electricity, public lighting, paved roads, drainage, and natural gas), which have wide geographic and demographic coverage.

Regarding green areas, Cordoba has 641 has. of large urban parks, 56 has of green areas with bicycle paths, and 522 has designated to town squares; this translates into 9.5 m<sup>2</sup> of green space per inhabitant. It also has 200 km of bicycle paths also used by walkers, cyclists, and motor cyclists.

### **Education, Culture, and Health**

Cordoba has six public and private universities, which include the Cordoba National University, the oldest university in Argentina and Latin America. It also has several centres for primary and high school education, as well as for superior non-university and special education, which means there are very few inhabitants without education.

The city also has a number of cultural institutions, shown below.

#### **Cultural Institutions of the City**

Musea	22
Art Galleries	7
Cultural Centres	11
Exhibit Halls	74
Theatres	6
Cinemas	26

Source: Statistical Guidelines of Production and Services 1998-1999. Municipality of Cordoba

According to Ministry of Health and Social Services data, in 1995, Cordoba had 110 public and private health establishments with 5,983 beds available in the local hospitals. Cordoba also had one medical doctor per 165 inhabitants and one medical specialist per 335 inhabitants, according to reports from the School of Medicine in the Province of Cordoba.

## **2.4 Economic details**

In terms of Geographic Gross Product, at the national level, the Province of Cordoba is third in importance, and highly relevant in the context of Argentine regional economies.

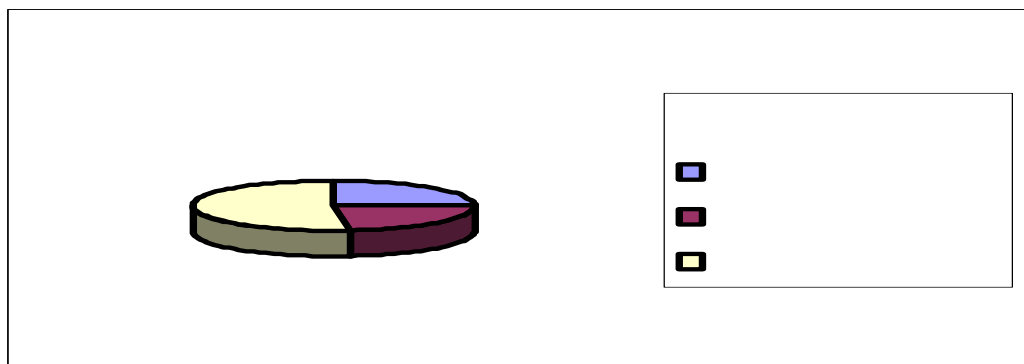
On the other hand, the city of Cordoba, with a Geographic Gross Product (GGP) of 13,000 million dollars (1997) represents 3.94% of the Internal Gross Product of Argentina. This GGP allows an average per capita income higher than the national and provincial average, as the following table shows:

**Compared Income per Capita (1997)**

Country	\$8,825
Province	\$8,744
City	\$9,924

Source: Statistical Guidelines of Production and Services 1998-1999. Municipality of Cordoba.

In aggregated terms, in the provincial context, the tertiary sector is of the highest relevance within the provincial economic structure, followed by the primary sector and, finally, by the secondary sector, as can be seen in the following diagram.



Within the manufacturing sector, the production of food, drinks, and tobacco, combined with the production of the basic metal industries and their products, machinery, and equipment, represent more than 70% of this sector, which explains the high concentration in this sector.

Regarding the agricultural sector, the main activities in the municipal territory relate to intensive crops, as the city of Cordoba is the main vegetable producer in the province. Potato is the most important crop in terms of surface area dedicated to its production and volume. It is followed by the production of carrot and leafy vegetables (lettuce, spinach, etc.). Fruit production is also important. Peach is the most relevant crop in the province - the Department Capital cultivates nearly 50% of the total provincial production.

## 2.5 Administrative and financial organisation of the municipality

### Centres for Community Participation

With the objectives of promoting people participation and increasing administrative efficiency and effective, the Municipality of Cordoba has organised its administration within 10 zones. Each zone is managed by a Centre for Community Participation, which are central points for delivering services and conducting administrative activities. They function as sub-sites of the Municipal Palace. They also host other activities such as cultural and educational events, informal training, and social Programmes for the elderly and children.

### **Municipal Finances**

The Municipality of Cordoba has an important financial autonomy, as 67% of the municipal resources come from its own municipal jurisdiction. Twenty seven percent correspond to a national and provincial co-participation, and the other 6% originate from miscellaneous sources, according to information provided by the Budget and Finances Directorate of the Municipality of Cordoba.

## **2.6 Local idiosyncrasies, civil society, and Cordoban actors**

Cordoban society has two main characteristics - one is its faithfulness to tradition, and the other is its culture of change, two dimensions that have lived together for a long time. “Changes pass through Cordoba” is an affirmation that summarises precisely Cordoban social mobility. It describes the great social movement in the province that has influenced several generations of Argentines and Latin Americans.

The University Reform of 1918 and the “Cordobazo” are two meaningful examples. The first broke the university political discourse of the power sectors of that time and established the foundations for a democratic academic model. The second, framed within the context of profound social and economic reforms during half a century, had the workers as the main actors of the events that generated changes.

In 1965, the automobile sector, whose assembly plants were mainly installed in Cordoba, became the dynamic nucleus of capital accumulation. This opened a long cycle of economic growth in Argentina, remembered as the “industrial boom”. It was characterised by the highly organised workers centred around the metal-mechanic sector unions and by its leading role in the Cordoban and national scenario.

Furthermore, the intellectuals and students played an active role in the social changes of the time, and there was a significant increase in the number of registrations in the universities.

Faithfulness to tradition also affected Cordoban society. Tradition is linked to orthodox and conservative thinking, the predominant role of the Church, and a strong sense of social hierarchy among some families, which affects the rest of society.

Culture of change and faithfulness to tradition are two traits that exist sometimes in opposition and conflict, and others in different directions - two currents that generate vast forms of organisation and action in civil society. We can find both publicly in conflict at significant moments.

We can say that, traditionally, important sections of society participate in civic matters. As a result, new ways of expressing Cordoban social diversity have evolved, some being sectoral. Others, due to interaction between public and private sectors, have the common denominator of searching for innovative ways to find areas to exercise social control, consensus and, in general terms, government.

Socially, Cordoba is densely woven, with institutions and means independent from the State, which have generated a capacity to respond to and propose important themes. It is unacceptable that “others decide for me”. Consequently, people are often involved in relevant public matters.

“La Docta” has been able to cultivate its own relationships with scientific and cultural centres in European and Latin American countries, as well as the United States, renouncing any kind of protection, especially that exercised by the capital of the Republic, Buenos Aires.

### **III. STRATEGIC PLANNING PROCESS IN CORDOBA**

#### **3.1 Background**

In 1991, a process aiming at getting the municipalities to reduce national public expenditure was started. The Municipality of Cordoba was then financially healthy and stable. Although this was not a determinant fact for the process of the SPC (other cities in different conditions made strategic plans), it helped to get some projects implemented and to negotiate new projects with financiers like the Inter-American Development Bank (IDB).

In 1992/1993, the Economic Commission for Latin America (ECLA), in co-operation with the Municipal Government of Cordoba and the National University of Cordoba, undertook a diagnosis of the municipal government's performance. This diagnosis was part of an initiative to reform the municipal government. The ECLA report includes three recommendations to improve the municipality's performance, which are:

The need to

1. de-concentrate municipal functions in order to improve public access to the municipality;
2. incorporate greater public participation in formulating municipal policies;
3. modernise urban planning methods.

In response to the first two recommendations, the municipal government introduced Centres for Community Participation (CCP), with the aim of promoting public participation and increasing the effectiveness and efficiency of administrative procedures. The Municipality of Cordoba has administratively organised the city into 10 zones, each managed by a CCP. They are areas where services are rendered and administrative procedures undertaken. They function as sub offices of the Municipal Palace. They are also venues for cultural, educational, and informal training activities, as well as social programmes for the elderly and children.

The CCP were also centres for micro-planning, an initiative in the context of the area with wide public participation. This planning experience, the result of ECLA's Recommendation 3, showed that problems identified in the context of district or area were not the most important for the city. It was concluded that to overcome obstacles in the development of the city, planning should be undertaken at the municipal level and, therefore, the Strategic Plan for the City of Cordoba (SPC) came about.

From the above, it is clear that Cordoba's Strategic Plan originated from ECLA'S recommendations. However, the initiative to follow up the recommendations rested with the municipal authorities. The entire process of the ECLA study, municipal de-concentration, micro-planning, formulation of the SPC, and initiation of the SPC projects, took place during two municipal administrations from 1989-1999. During this period, the mayor of the same municipality took charge of forming the SPC, and in so doing provided the process with the necessary political will.

### 3.2 Methodology used to formulate the Strategic Plan for Cordoba

The Strategic Plan for Cordoba (SPC) represents *a collective global project of the city*, with inter-sector objectives aimed towards forming an integral, ethical, and sustainable development model.

The intention of the plan is to build an area for interaction between diverse public and private actors in order to develop an orchestrated process to formulate and implement strategies. The SPC was thus conceived as a proactive plan *to identify and agree on strategies and make sense in terms of collective commitment to joint action*. On the other hand, regarding the SPC's methodological support to the participation and consensus of different actors in the city, it contributes decisively to developing and strengthening diverse democratic mechanisms. At the same time, it helps the management of public affairs to be more effective.

The SPC is based on developing a process of open analysis and debate with the participation of diverse actors to generate an area for strategic agreement and social mobilisation. The main methodological aspects of the development of the SPC can be defined by:

- **Recognition** that the city is built daily by developing certain activities undertaken by local individuals and actors. For this reason, it was necessary to implement state policies that would permit the generation of the consensus needed to achieve synergy and capitalise on this kind of collective effort.
- **Development of mechanisms for consultation and public participation** that, through wide convocation, sought to gain consensus for the strategic actions needed to confront successfully the opportunities and threats challenging the city.
- **Prioritisation of main local problems** in order to concentrate resources and management capabilities on aspects identified by a group of social actors as truly *important* by the degree of impact on the current and future situation of the city. The actors would then have a necessary element to orient the decision-making process.
- **Development of a comprehensive view of the city** which, based on recognising the complexity of the urban phenomena, would give an integral view of Cordoba's different problems and help achieve more integrated interaction. This would overcome the partial undertakings, a common practice in our city, that have limited the impact of the policies and actions implemented.

In terms of the above, the SPC expressed the political will of the municipality and some important local institutions to participate in a global project for the city. The project would allow the establishment of a transformational model, qualitatively different to the previous one.

The formulation of the SPC assumed *the elaboration of strategies to achieve the profound transformation of the city*. The intention was not to prepare a wide list of small "corrective" projects of the city's problems (a kind of "Directive Plan") even if they were products derived from the SPC itself. Instead, the objective of developing the SPC was to establish clear priorities and reasonable, effective commitments for the huge transformations needed for Cordoba to achieve qualitative change and move ahead.

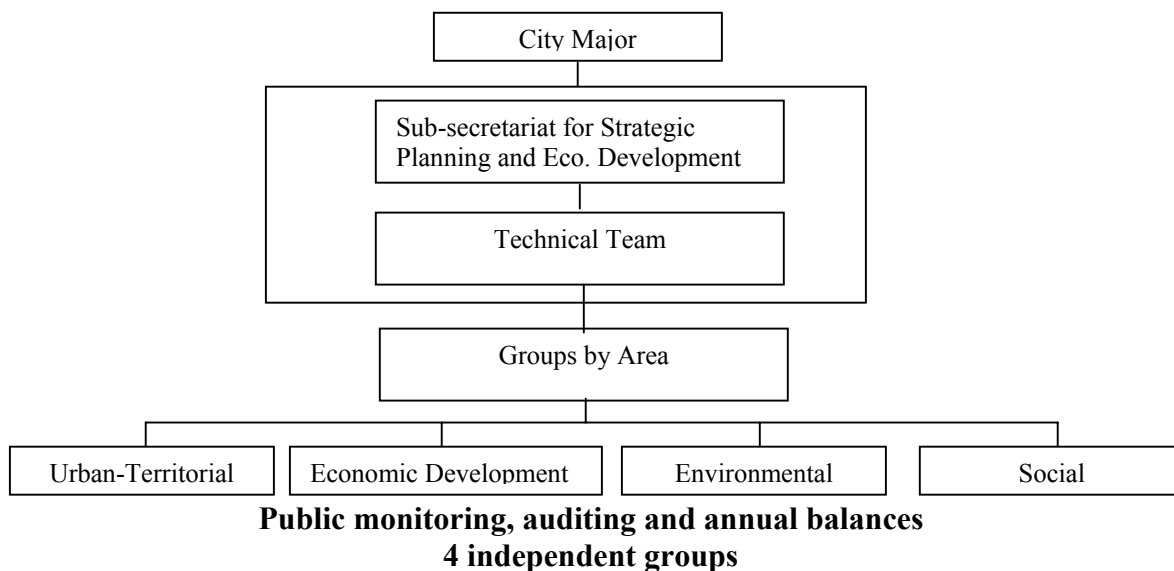
### 3.3 Formulation and development process of the SPC

#### Functional structure

To formulate the SPC, the following initial organisation structure was defined:

- 1. Executive Committee:** Formed by public and private institutions and organisations that conduct activities in the city, including the Municipality of Cordoba;
- 2. General Co-ordination:** Initially under the General Secretariat of the Municipality of Cordoba. In the second phase, the creation in the municipal context of the Sub-secretariat for Strategic Planning and Development, in charge of the latter.
- 3. Technical Co-ordination:** Under the responsibility of the Directorship for Urban Planning and the Directorship for Managing the Organisation, Systems and Control, both belonging to the municipal structure.

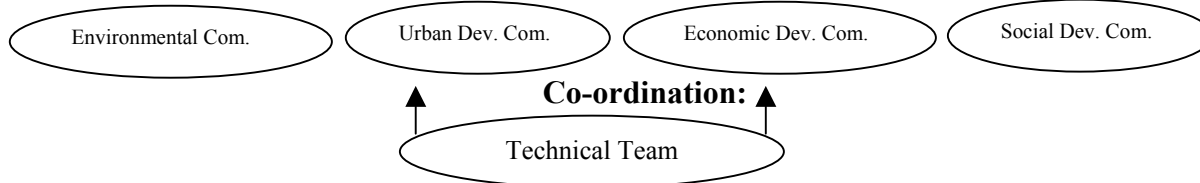
#### Functional Structure of the SPC



#### Consultations and Supervision of the Strategic Plan for Cordoba (SPC)

- I. SPC Public Assembly**
- Executive Committee
  - Sub-secretariat for Strategic Planning and Economic Development
  - Technical Team

#### Public monitoring, auditing and annual balances by FU & Monitoring Groups





The formulation of the SPC and the implementation of the strategies, projects, and actions related to it, used a logical sequence of operation comprising a series of complementary phases. The following table shows the general scheme adopted:

**Phases for the formulation of the SPC**

<b>Phase 1.</b>	<b>DIAGNOSIS</b> <ul style="list-style-type: none"> <li>• Studies and preliminary analysis</li> <li>• General rationale</li> <li>• Stakeholder analysis</li> <li>• Intra- and extra-municipal work agreements</li> <li>• Tentative formulation of the general diagnosis and the diagnosis per area</li> </ul>
<b>Phase 2.</b>	<b>SWOT WORKSHOPS AND THE DEVELOPMENT MODEL</b> <ul style="list-style-type: none"> <li>• Delivery of workshops and SWOT analysis (strengths, opportunities, weaknesses and threats)</li> <li>• Definition of the development model</li> </ul>
<b>Phase 3.</b>	<b>STRATEGIC AREA, ANALYSIS OF SCENARIO AND PROJECT PROFILES</b> <ul style="list-style-type: none"> <li>• Determination of the strategic area for action</li> <li>• Formation of working groups</li> <li>• Definition of the general objective of the plan and its specific objectives</li> <li>• Analysis of the scenario</li> <li>• Identification and formulation of projects and strategic actions</li> <li>• Formulation of agreements for concerted action</li> </ul>
<b>Phase 4.</b>	<b>IMPLEMENTATION</b> <ul style="list-style-type: none"> <li>• Implementation of the projects formulated</li> </ul>
<b>Phase 5.</b>	<b>FOLLOW-UP AND MONITORING</b> <ul style="list-style-type: none"> <li>• Follow-up and monitoring</li> <li>• Incorporation of new strategic projects</li> <li>• Presentation of annual reports</li> </ul>

The following is a description of each phase of the formulation of the plan.

**Phase 1. DIAGNOSIS**

- Between April and May, 1994, the Municipal Planning Unit was formed with a group of professionals from the SPC Technical Team. Simultaneously, preliminary urban analyses were done and the internal organisation of the tasks to initiate the plan. For this purpose, the final reports prepared by ECLA, within the frame of the afore-mentioned ECLA Project BT-HO-0038, were used.

- In May, 1994, a seminar on “Urban Management of Intermediary Cities” was delivered by ECLA staff specialised in urban themes. The objective was to area on main trends and urban-regional scenarios.
- In June 1994, the Municipal Technical Team – MTT – devised a set of preliminary documents called “Pre-diagnosis by Thematic Area”, in which the preliminary identification of critical themes to be prioritised during the diagnostic phase was proposed. They also presented the main positive (strengths) and negative (weaknesses) aspects identified in the city. The areas and critical themes selected were:
  - Poverty and Social Development
  - Urban environment
  - Public Health
  - Education
  - Reform and Modernisation of the Municipal State
  - Traffic and Transport
  - Urban Development
  - Economic Development of the City.
- In July and August of the same year, based on the preliminary documents devised, a process was developed for analysis and debate between professional members of the MTT and the different municipal areas and departments. ECLA also prepared methodologies to define the conceptual framework for the strategic planning process, the main aspects of the planning system, and the general principles to bear in mind for the diagnosis of each area.
- Simultaneously, the SPC General Co-ordination and Technical Co-ordination and the MTT of UCLA began to issue a journal, “Cordoba, City and Development”. The aim was to broaden local and international debate around the different themes being studied. Also, contacts were initiated with different agencies for international co-operation so as to increase the feasibility of implementing the actions that would emerge from the plan.

## **Phase 2. SWOT WORKSHOPS AND THE DEVELOPMENT MODEL**

- Between September and November 1994, nine workshops were delivered for Diagnosis and Priority Setting (SWOT Workshops). They were attended by over 150 institutions and almost 180 participants. This work methodology included the general formulation and work of sub-groups. The content of the workshops emerged from the critical themes previously identified.
- In October 1994, as part of the task to formulate the diagnosis and to prioritise the objectives, a seminar was delivered on “Strategic Planning for Cities”. Dr. Jordi Borja, one of the persons responsible for formulating Barcelona’s Strategic Plan, delivered the seminar.
- In November 1994, Document No.1, with the minutes of the SWOT workshops delivered, was prepared. Also, Document No 2, “Final Synthesis of the Integrated Diagnosis and Proposals for Strategic Areas and Objectives”, was prepared. It describes discussion between

the participating actors on the integrated diagnosis and a proposal for the general and specific objectives of the plan.

- From the analysis and discussion of Document No. 2, the integration of the analysis in four dimensions began: physical-spatial, economic, contextual, and social. These perspectives enabled the definition of the global development model for the city.

### **Phase 3. STRATEGIC AREA, SCENARIO ANALYSIS AND PROJECT PROFILES**

- After defining the global development model for the city, the MTT focused on the identification of the strategic area that would form the plan. Four strategic areas were defined that corresponded to the four dimensions worked on in the previous phase. The objective of defining the strategic areas was to overcome sectoral approaches and consider instead the scenarios constituting the different areas and, within these, the behaviour and strategic projections of the different sectors.
- In December 1994, the working groups were formed from the different strategic areas by workshop participants and several representatives from public, private, profit and non-profit institutions, who were invited after the workshops. These groups were defined as inter-sector and multidisciplinary groups, whose task was to act as a tool to prepare and devise proposals for the strategic plan.
- Based on Document No. 2, the working groups conducted analysis and discussion from which contributions emerged on the problems identified during the workshops. Also, they generated objectives for the plan and the scenario faced by the city. The general objectives for the plan were thus defined, as well as specific objectives for the different strategic areas, as summarised in the following table.

<b>General Objective</b>	<b>Specific Objectives</b>
Cordoba “la Docta” (“the Learned”), a modern, environmentally sustainable, competitive, and solid Latin American city,	<b>Area 1.</b> A functionally balanced, spatially integrated, polycentric city, articulator of its metropolitan environment.
	<b>Area 2.</b> Cordoba to be a competitive city, articulating the systems of the central, northern and western cities of the country, within an economy integrated with Mercosur.
	<b>Area 3.</b> Generate the social-environmental conditions to enable Cordoba to be one of the most attractive metropolis in the Southern Cone, thanks to its environmental quality
	<b>Area 4.</b> A city with solidarity and equity, socially integrated, committed to implementing specific actions to favour the decrease of urban poverty

- An environmental analysis was done, based on the strategic areas defined, using the “scenario technique”. Its objective was to evaluate the impact of the different internal and external conditions on the city. The task was carried out through workshops with wide collaboration, sub-groups, and contributions from diverse specialists.

The scenario analysis enabled the discussion of trends anticipated for the next 10 years, with optimist and pessimistic hypotheses on them. It was thus possible to differentiate the strategic options and so guide the decision-making processes of the different local actors. Two scales of analysis were used - a universal one (called “central countries”) and a sub-regional and national one (Latin America).

- In April 1995, an international seminar on “Development and Strategy in the City of the 1990s” was held, with presentations from many national and foreign experts. The objectives of the seminar were to finish formulating the diagnosis, defining the general and specific objectives of the plan, and the formulation of future scenarios. Also, one aim was to begin to define the activities and projects to launch the framework for the SPC.
- During the second semester of 1995, Working documents No. 3, “Final Synthesis of the Integrated Diagnosis of the Strategic Area and Objectives”, and No. 4, “Strategies for a Global and Participatory Project”, were prepared. They were used by the working groups to identify and define project ideas and action plans in line with the general objectives and the strategic areas defined. At the same time, as support to the Strategic Plan, a System for Municipal Information (SMI) was established in the context of the municipality.
- In September, based on the initiative of the General Co-ordination, the Inter-American Development Bank (IDB) approved the formulation of the Programme for the Integrated Development of Greater Conglomerates in the Interior. The objective of the Programme was to promote the funding of the different projects that emerged from the plan. Also, the Institute for Ibero-American Co-operation (IIC), the German Agency for Technical Co-operation (GTZ), the international organisation METROPOLIS, and the Economic Commission for Latin America (ONU/ECLA) approved different co-operation and funding programmes for the implementation of the SPC.
- Between October and December, specific groups per project were formed. Their task was to prepare profiles for each project idea previously identified. These groups sought compatibility between the project ideas identified in terms of the existing common objectives.

To finalise and evaluate this task, an International Seminar on “Cordoba, City and Development” was held. It was attended by different functionaries from the municipality and local organisations committed to the implementation of the different proposed actions.

#### **Phase 4. IMPLEMENTATION**

- In January 1996, the Sub-Secretariat for Strategic Planning and Economic Development was created in the context of the municipality. Its mandate was to co-ordinate the general development of the plan.
- In April of the same year, based on the proposals formulated in the framework of the SPC, “Guidelines on Business Opportunities Offered by Cordoba”, and “Guidelines on Procedures to Establish Enterprises” were published.
- Between December 1995, and April 1996, Document No. 5, “Definitive Document on the Strategic Plan” was prepared.
- In 1996, the home page of the Municipality of Cordoba was launched on the INTERNET.
- In October 1996, the Management System for the Central Region of the Cordoba Province was initiated, as an output of SPC proposals.
- In the same month, the Municipality of Cordoba became a member of the Administrative Council of TRADE POINT/UNCTAD, that operates from the city of Cordoba.
- Through an agreement signed with the National University of Cordoba and the Technological National University – Regional Faculty in Cordoba, the Incubator for New Businesses was launched in December 1996, a project conceived within the framework of the SPC.
- Simultaneously, the Agency for the Economic Development of the City (AED), was launched, with the integration of 12 Chambers of Commerce of the City, the Municipality, and representatives of the Provincial Government.
- Different projects funded by the SPC budget were launched successively in each of the four areas of action, with the co-ordination of public and private efforts, or specific to each sector.
- Regarding funding required to attain the designed activities, it is worth mentioning that the Inter-American Development Bank (IDB) granted a credit to implement the SPC projects. This was done within the framework of the “Programme for the Integrated Improvement of the Greater Conglomerations of the Interior”. In the process that followed, it is important to highlight the value of the SPC as a decision-making tool, and as an exemplary element for other cities hoping to integrate the Programme together with Cordoba.

#### **Phase 5. FOLLOW-UP AND MONITORING**

- In 1996, the four SPC Groups for Follow-up and Monitoring were formed and organised by strategic area. The groups worked in a complementary way with the MTT of the SPC, observing the progress of the projects during their implementation.
- The groups prepared a set of indicators for the follow-up and achievement of programmatic objectives, as well as the sources of information to consult during the monitoring and follow-up phase.

- The information prepared by the group was summarised in specific reports reflecting the SPC's progress, from the views of the different actors and following the methodology and parameters previously agreed upon.
- In December 1997, an annual extraordinary public meeting was institutionalised. During this meeting, each group per strategic area presents their corresponding reports to the Cordovan public. This event results in a transcendental civic meeting in which "accounts are openly rendered" on the Plan's progress. It is also used to present achievements and propose any necessary corrective measures.
- During the same annual meeting, new projects to be funded by the Plan's budget are presented for the consideration of the Executive Committee. Thus, in response to the city's new needs, projects such as Cordoba Teleport, the Programme for the Integrated Development of the Ferreyra Area (PRODIAF), the Strategic Plan for Urban Mobilisation, Cordoba Olympic City (ODESUR Games), Green Belt, and Ecological Zone of Agro-food Production (EZAP) are incorporated.
- A summary document is prepared for each meeting and distributed to all the participants. It describes achievements during the reporting period.

Within the frame analysed, Cordoba faces the double challenge today of becoming a more efficient, competitive urban structure that attracts global market investment and simultaneously develops better, environmentally sustainable, socially ethical living conditions for its population.

## **IV. ACHIEVEMENTS, OBSERVATIONS AND RECOMMENDATIONS**

### **4.1 The SPC and the Municipal Government**

#### *4.1.1 Achievements and observations*

In describing the strategic planning process, the previous chapter strongly emphasises the participation of public organisations. The MTT's task of linking a greater number of organisations to the SPC resulted in achieving its high social legitimacy. This is important, not only to achieve joint implementation between the municipal government, private-sector institutions, and the public, but also to allow public ownership of the SPC. Legitimacy could, therefore, be a tool to protect the SPC against drastic political changes when there are administrative adjustments.

It has been difficult, however, for the MTT to combine links with the public and the commitment and willingness to co-operate within the municipal government. For example, the MTT is perceived as an "elite team" by some municipal offices and secretariats; the Sub-Secretariat for Strategic Planning has the same or greater influence on the Superintendent than the Secretariats of other offices. Furthermore, the MTT has better offices and equipment than the rest of the administration.

On the legislative side of the municipal government, the Municipal Council, public participation was a kind of opposition. Council members did not participate regularly in the SPC workshops and meetings. The SPC has not been approved by the Council, and has no legal endorsement, in spite of the City's Statutes of 1997 introducing and institutionalising the concept of strategic planning. However, the Superintendent (City Mayor) and the MTT consider the SPC's social legitimacy to be more important than its legality.

In terms of party influence, the SPC actors have done everything possible to be free of it. Thus, the MTT has not been formed by members of the same party as the Superintendent, nor by municipal personnel only. Instead, to emphasise its professionalism and neutrality, the team has included professionals from other organisations. Perhaps because of this strategy the MTT projects the image of an "elite team".

In summary, it can be said that the MTT has achieved important social legitimacy, but simultaneously, linkages with the Municipal Government Executive and the Municipal Council have been weak. Perhaps, then, the SPC belongs more to the public than the Municipal Government, although the Municipal Government initiated the process.

Some recommendations follow.

#### *4.1.2 Recommendations*

##### A Plan for the internal front

The official bureaucracy in the region is widely accepted. It is common to find an institutional culture in the public sector with strong resistance to change, lack of co-ordination and an integrated view of work, disinterest in continuous improvement and high levels of inefficiency and ineffectiveness, among other conflicting aspects.

Because of these problems and permanent lack of resources, specific actions on the “internal front” should be developed when starting the strategic planning process. The aim would be to attain concrete support and commitment to the proposal from the different municipalities. In turn, it is important to work with the different functional levels of each department: managerial, intermediate technical, and lower, each having its own logic. The higher and managerial levels tend to have political or functionary positions; the technicians have a language of their own, while the simple civil servant tends to be totally uninterested.

Special activities should be planned for each level, taking into consideration their particular characteristics. Complete, clear, understandable information delivered regularly is essential to consolidate the proposal. It is also important to transfer the team spirit by strengthening ownership of the initiative by each party involved. Care should also be taken to give recognition of ideas. It is important to be transparent regarding acknowledgement and authorship of contributions to the plan, and break from the classic perception of “robbery of ideas” by enabling access to the different sources of information and consolidating the idea of collective output.

##### Political transitions

What do politicians want? They want to win elections and be re-elected. However, they do not want to have to politicise a strategic plan, but instead to present it as an achievement during his or her administration. At the same time, a new functionary may find a plan already formulated by his predecessor and may try to minimise its importance as his output.

During transitions between governors, plans can become reorganised, dismembered, or renamed to the point of acquiring a new “architect” depending on the current government. But if the plan is correctly formulated, it would cover the projects and programmes needed by the city, anyway, regardless of who leads the municipal government.

However, the politicians do not always have this kind of logic and are often guided by opposite processes. They seek to impose their own seal on the proposals. One option is to accept the lesser evil such as a change of name, or marketing the plan as being devised by the new authorities; thus the plan, projects, and participants will continue and the city will get what it needs. Perhaps in future this kind of situation will be overcome and the politicians will work for true state policies and not for parties.



### The relationship with the Municipal Council

It is important to keep the representatives of the political sectors of the city well informed and involved. The local legislative systems (Municipal Councils in Argentina) should be invited to intervene during the different phases of the plan at all levels.

Normally, a representative of the majority and the first minority are invited to participate in the managing committees of the Plan. The Council members tend to see these areas for participation as a risk for their institution and at times as a parallel government imposing on their normal functions. The message must be explicit: a strategic plan is an extremely useful tool for the Council members. It is an area for legitimisation by public will and integral proposals are brought to the legislators to be analysed and validated.

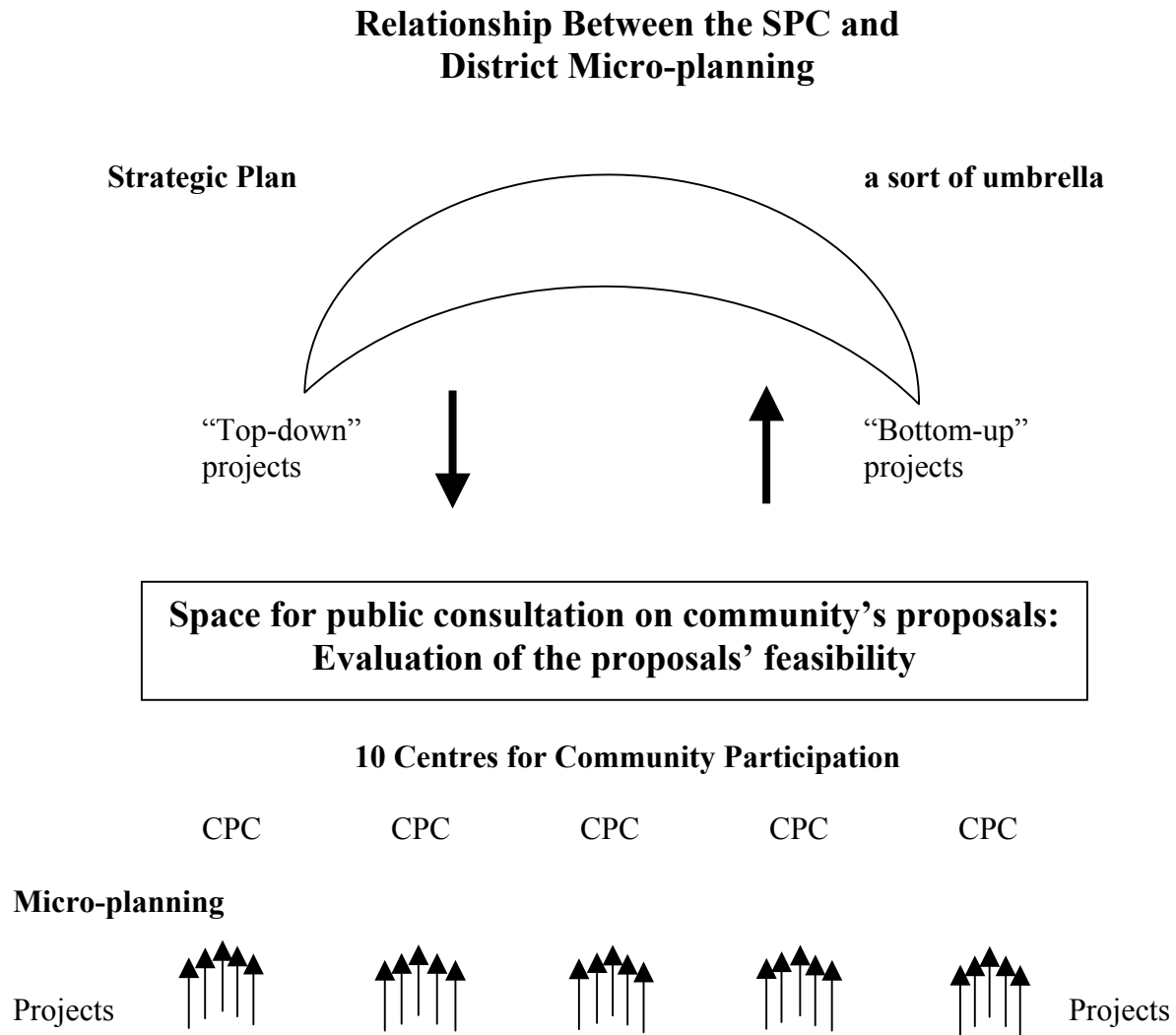
It is not a competition, nor a reduction of their functions; it is instead a complement to and a source for their work, from which concrete proposals evolve. Keep the blocs always informed, invite them systematically, insist on their participation and get together with the legislators who need a personal explanation of the proposal.

### The projects of the Executive

There is no municipality with a strategic planning process in progress that does not already have ongoing projects. All cities have some kind of planning process or projects under implementation. A way must be sought to integrate committed or ongoing activities into the strategic plan insofar as they are conducive to its objectives. This is not a simple process. Existing projects could be included in the plan without careful consideration about their priority or any other reason (political commitments, non-transparent economic arrangements, for example).

Preconceived projects could be proposals from the Executive, often with pressure for their acceptance and inclusion in the plan, which can be a difficult situation. The technical teams often have to choose between pressure from the Superintendent and abiding by the rules proposed for the work methodology, according to which all the projects must be approved by consensus. The technical teams, regardless of who is their employer, must stick to the established rules. If there are proposals from outside the process they must be explained and justified to the partners of the Plan, otherwise their credibility could be seriously affected.

## 4.2 The SPC, participatory processes and roles of the actors



**Table 4.1. SPC: Actors and Roles**

Actors	Roles and Different Processes, Activities, and Actions					
	Pre-diagnosis	Diagnosis	SPC Formulation	SPC Implementation	Follow-up & Monitoring	Remarks
Municipality, Mayor	Political, Technical, Logistic, Financial Support	Information and specific data Projects Proposals	Political Technical Logistic Financial Support New project proposals	Initiation of projects	Providing data and information about projects Sources of verification	The municipality made the call
UCLA	Technical assistance	Technical assistance	-	-	-	UCLA became MTT
Municipal Technical Team MTT-SPC	Technical support Methodology	Technical support Methodology Preparation of documents Organisation of events	Technical support Logistics Analysis of consistency and editing the projects Preparation of documents Organisation of sensitising events, training Contacting experts	Supports to the specific formulation Support financial management Co-ordinates contacts and actors	Supports data and information gathering Co-operated with groups Starts the report formulation Provides logistics	The MTT was an essential actor along the whole process
Cordoba's Industrial Union	Active participation with occasional proposals	Active participation with occasional proposals	Active participation with occasional proposals	Participates in AEDC and the EC and in the Incubator for New Businesses Also, active intervention in the working groups		
Chambers				Participate in ADEC and channel some programmes such as the Training Bonuses		

Trade Stock Market				Supports with information Participates in debates and conferences		
Professional Associations	Active participation with occasional proposals	Active participation with occasional proposals	Active participation with occasional proposals	Provide a vision for the projects from their institutional view point		Participate very actively debating in defence of their interest
Universities	Active participation with occasional proposals	Important contributions from the academic view point	Propose and promote projects	Participate in the Incubator for New Businesses, contribute human and economic resources Act as technical input	Spokespersons on reports Provide data for preparing them Academic contribution	Interns, students on scholarships, and professionals get involved in diverse projects
Neighbourhood Leaders	Active participation with proposals	Active participation with proposals			Informants and spokespersons in public meetings	
Unions	Legitimise with their presence	Legitimise with their presence	Legitimise with their presence	Legitimise with their presence	Legitimise with their presence	
NGOs	Active participation with proposals	Active participation with proposals	Active participation with proposals	Promote projects	Prepare reports Present reports as spokespersons	Intense debates about definitions policies, and priorities
Union of Base Organisations	Active participation with proposals	Active participation with proposals	Active participation with proposals	Active participation with proposals	Legitimise with their presence	Their participation declined along the process
Provincial Government	Legitimise with their presence	Legitimise with their presence	Legitimise with their presence	Legitimise with their presence	Legitimise with their presence Co-ordinate resources for occasional projects	
Church	Active participation with proposals	Active participation with proposals	Active participation with proposals	Active participation with proposals	Legitimise with their presence	
Media/TV	Legitimise with their presence and contribute the dissemination of the Plan	Legitimise with their presence and contribute the dissemination of the Plan	Legitimise with their presence and contribute the dissemination of the Plan	Legitimise with their presence and contribute the dissemination of the Plan	Legitimise with their presence and contribute the dissemination of the Plan	



#### 4.2.1 Achievements and observations

##### Relationships between the Municipality, the Private and the Public Sectors

Flexibility and participation are both essential to Strategic Planning. Participation in the management of the city is a novel opening to the visions of the different local actors. It should be between the different institutions, whether public, private or third sector, the classic asymmetry of perspective and power being surpassed by an explicit symmetrical proposal.

The experience of the SPC at the managerial level (Executive Committee) and the operational level (Follow-up Groups) brought about interaction so that the participants could carry out their contributions equally and without conditions. It should be emphasised that the SPC required high public participation with the aim of obtaining a flexible output, which is still maintained even in its implementation phase. This is done by the Follow-up Groups who monitor the progress of the plan. They comprise the different actors who participated in the formulation phase; however, their functions differ to the previous phases. These Groups are also responsible for identifying reasons for non-achievement, modifying the contents, and formulating new projects. This results in an adjustment procedure so that the Plan can remain flexible and be updated when necessary.

As part of the new paradigm of participatory management, the Plan has two main strengths, with innovative proposals relating to the public-private sectors. This new way of co-operating between sectors is expressed as concrete joint projects in which each sector contributes what they do best. In this sense, the SPC forms a platform of agreements and consensus of the area around which the Municipality will develop its governing actions and the private sector its activities. It becomes a large “umbrella” under which each decision maker plans according to clear, legitimate rules of the game, agreed by the other local actors.

Furthermore, the experiences of the SPC helped develop novel and participatory management methods, such as the Follow-up and Monitoring Group and the annual meeting to “render accounts”. Those are permanent areas that go beyond participating in the formulation of the Plan or the execution of its projects.

For the areas of participation to occur, change is needed within the government and the private and public sectors. There must be a profound change in the relationships between the citizens and their country. This change can be described as being: from client citizens to partner citizens.

The dynamics of the transformation in the relationship between the Municipality, the institutions, and the Cordoban citizens can be summarised in three significant periods: the first, during which the citizens’ vision focused mainly on their capacity to contribute. In other words, a vision of *citizen-contributor*. The second, in which the neighbour and his/her conformity gained weight in relation to the orientation of public activities, can be synthesised in a vision of *citizen-client*. Finally, a third period, to which the SPC adheres itself particularly, in which the new relationship between the actors crystallised, responds to the perspective of *citizen-partner*. During this last period, there was consensus on the model to be promoted, participatory decision to be made,

responsibilities, rights, and duties to be shared. In this sense, the SPC contributed to the transformation of the Municipality-Citizen relationship. However, all the actors linked to the SPC overestimated the capacity of the private sector institutions and the public to participate.

In the countries that first experienced strategic planning for their cities, the social scene is very different to the Latin American reality, specifically regarding the behaviour of the city's private institutions. Briefly, in Spain or the USA, the organisations that group the citizens, have a stronger capacity to propose and intervene in the public arena than in the Latin American cities.

Then, the degree of development, or the average institutional capacity of the Cordoban institutions, was not as effective as expected or desired. There was a call to participate in the strategic planning processes, but the capacity of the external partners to intervene was overestimated, which meant serious problems at the time of implementation. Typically, space for discussions about the city was created but it remained empty or partially occupied because the institutions lacked the capacity to become involved.

### Methodology

Sometimes, an excessive adherence to theory and methodologies can become an inconvenience or cause conflict. This happened when applying the follow-up and monitoring of the Plan, using the Logical Framework methodology. However, this is not a criticism of the method mentioned – just reference to the suitability of the method for the needs of the process.

This method includes training those responsible for follow-up, usually groups with members from different educational backgrounds. The Logical Framework is a useful tool for following the progress of one or more projects and the achievement of their objectives at distance. It uses methodological elements like objectives at different levels, assumptions, sources of verification, indicators, etc. However, the “logic” of the Logical Framework cannot be learned by common sense alone. Besides basic training, it involves a learning process and exercises. In a plan of this nature, we work with representatives from all kinds of organisations. Perhaps is easier for university or college students, but can be more difficult for persons from basic or neighbourhood organisations, the elderly, etc.

Attention should be paid to which methodology to use permanently - simple techniques that everyone can understand that do not produce unnecessary waste and are suitable for the actors to be able to claim ownership.

### A blank page

This comment refers to the inconvenience of the overly free request for projects from the actors, like inviting them to formulate on a blank page profiles of projects considered necessary for the city by the institutions.

If there is no preliminary verification of who will set the idea in motion, who the interested parties are, its true viability and financial feasibility, the participants could have false expectations and the plan could be jeopardised.

Sometimes, this kind of invitation has caused the institutions to believe that by merely presenting a project profile it would be included automatically in the portfolio of projects of the Strategic Plan; therefore, “someone” would take charge of its development and implementation. On other occasions it has been assumed that the municipality would take charge of them.

Not all the projects submitted are strategic nor could they all be included in the Plan. The message to the invitees must be clear in order to avoid the risk of creating false expectations and damaging the credibility of the proposal.

#### *4.2.2 Recommendations*

##### Capacity of the external partners (private and public sectors) to participate

From the beginning of the process, the capacity to absorb the proposal by the participating institutions must be included as another work dimension, additional component, and object for analysis and design. Thus, specific sensitisation activities and institutional strengthening by participating in the Plan should be proposed. The expected institutional development would not occur automatically, but it would be part of the process and one of the achievements of the plan. These points should be included in the process from the beginning and there should be awareness of the limitations of the organisations without assuming their non-existent capacities.

##### Sense of ownership

Besides the actors’ effective intervention in the Plan, a feeling of its ownership should be built. It is less complicated to receive contributions than to achieve profound ownership by the external actors. These two dimensions complement each other but are not equal. The participants should, therefore, appear to be part of the public image of the Plan. It is usually advisable that the spokesmen of the Plan be the external institutions rather than the technical teams or municipal functionaries.

##### Birth of ideas

Regarding the authors of the project profiles of the plan, it cannot be said that this or that institution was the sole author of a determined project. On the contrary, projects of this type of plan often tend to evolve from the initial ideas of the different actors and sometimes through the edition and integration with other projects and programmes proposed by the technical team. Also, during the design phases the projects tend to be modified until a definite version is reached. However, the different contributions that gradually accumulate during the project cycle should be borne in mind. Not all the participants in the plan have a shared work practice or need time to achieve trust between themselves. In this context, the actors can often be quite sensitive to some of the contributions.

In general, it would be simpler to integrate rather than restrict. If in doubt, include an actor rather than leaving him or her out. Participants enjoy credit - this is important, especially when publishing documents pertaining to the Plan, or in other forms of publicly presenting its outputs.



### Who initiates the projects?

The projects included in the Plan's portfolio must have an actor with the sufficient interest and capability to promote and motivate them. When a project is formulated, the viability of its motivation is not always verified. Sometimes, as a response to an invitation to participate, the institutions present a wide variety of interesting project profiles, but perhaps not all are strategic. However, all projects must have a "godfather" or rather, an institution to be responsible for its development. This can be an initiative from a public or private actor, large or small institution, with or without resources. What cannot occur is that there is no interested party or "godfather".

When a project lacks this motivation, it is invariably pushed to the bottom of the Plan's priorities and can become discarded regardless of its quality or relevance. This can be quite negative for the group of participating actors and, more importantly, for those who formulated it.

### **4.3. Urban strategic area**

#### *4.3.1 Achievements and observations*

#### Primary, Urban and Metropolitan Road Network

The SPC has had important impact on improving and optimising the primary, urban, and metropolitan road network implemented by the private enterprise "Highland Roads". It has been modernised via concession of the Access Network (AN) and Cordoba's role as an interchange connection has been consolidated, and investment guaranteed and diversified. The SPC strengthened the decision in favour of improving traffic/transit management rather than high-cost investment in building tunnels.

However, the municipality had to renegotiate the contract with the company responsible for improving the roads and bypass in the package of highways affected by the collection of tolls, and the issue became highly politicised. The AN had impact on the value of the surrounding land, which motivated speculation on its value. The "country" settlements represented a liberalisation of policies to attract private investment. This had a negative affect on the realisation of the urban ring road to reduce traffic in the centre. Only 40% of this project was implemented due to problems related to land acquisition.

#### Housing

The project to urbanise and revitalise the areas around the city has managed to address 40% of the communities prioritised in terms of housing assistance for low-income families. The search for strategies and funds to enable associating the different actors, national, provincial, and municipal governments, NGO's, and basic organisations to solve housing problems for these families should be highlighted.

## Urban infrastructure

With the SPC and the incentive of privatisation and concessions, important advances in the delivery of services was achieved. It was therefore possible to ensure an important flow of capital for infrastructure. Approximately 50% of municipal investment in public works corresponds to providing and maintaining the urban infrastructure.

In spite of the achievements, it was impossible to fulfil the objective of revising and reformulating urban policies for the general and industrial-commercial use of the land. An up-to-date referential frame and an impact study of the policies is needed. The high flexibility of the commercial sector did not facilitate intervention. Shopping centres not only have acquisitive power but their predominance surpasses any rationality related to urban planning.

The construction of large shopping malls has had a negative effect on the centre, which is losing its vitality and attractiveness. New commercial centres are springing up in the form of micro-towns built around the hypermarkets.

The SPC's Directive Plan could not proceed with the integral delivery of urban infrastructures because of causes linked to the privatisation of service providers. In spite of serious attempts, it was impossible to establish a framework for the orchestration and co-ordination of the service enterprises and infrastructures.

## Revitalisation of the centre

The revitalisation of the centre has advanced considerably with the recuperation-rehabilitation of the monumental patrimony, the modernisation of sidewalks, planting of trees, frequent garbage collection, and measures to reduce traffic bottlenecks. There was partial success in motivating private investment for the re-valuation of typical sectors, including the maintenance of houses. However, the reclassification of the centre because of new trends in city development is still pending. Apparently, the existing non-monumental patrimony has no adequate measures for incentive or protection.

The conflict between total liberalisation of urban policies and a guided, structured development has not yet been resolved by the SPC.

### *4.3.2 Recommendations*

The task of planning must be controlled by the technicians and not the politicians. It requires mental change in favour of planning professionalism. The dynamism of the changes needed by the city demand the prioritisation of an up-to-date project or the reformulation of tools for urban management.

## **The context area**

### *4.4.1 Achievements*

The following projects of the context area are being implemented:

#### Integrated management of natural surface waters

This project, which has mainly had impact on the Suquia and La Canada rivers, means substantial improvement for the city in terms of landscaping and a green belt.

#### Environmental education

*Education of the citizens about environmental problems through formal and informal education programmes*

The Technological and National Universities have developed courses on Environmental Management at Masters' Degree level, while the municipality's Free University for the Environment has held many events for the general public, with large attendance. Contests and prizes were organised to motivate the recycling of glass and other materials.

#### Management of industrial waste

To gradually update corresponding policies, a census of industries and their waste, and the emission of gases, was conducted.

#### Evaluation and control of the contamination

The Municipality established a permanent system to monitor air, soil, and water contamination. They established a laboratory that permanently conducts analyses of the samples.

#### Sustainable development of the Green Belt

Parks, squares, promenades, and new areas for flora and fauna have been built on the city's green belt. There is also a programme for flowers and horticulture. The introduction of an agro-industrial park for environmentally sustainable industries is still pending.

### *4.4.2 Observations*

It has been difficult to convince the municipal professionals that environmental management is more complex than just planting trees and building parks.

According to industry representatives, the municipal government has not yet been able to formulate suitable policies for managing the environmental impact of the industries. Meanwhile, there is a conflict of interests between the environmental criteria and the capacity to generate stable employment.

The environmental rehabilitation of the University City and its inclusion in the environmental landscaping system has been one of the least successful projects of the area, mainly due to lack of consensus on the objectives and how to implement them.

The SPC and the environmental area lost credibility with the ecological organisations. At the beginning of the strategic planning process they were enthusiastic, but they withdrew later as the vision of the environmental needs was not received as anticipated.

#### *4.4.3 Recommendations*

Dialogue should be restarted with the environmental organisations in order to re-orchestrate the establishment of a multi-institutional public-NGO-basic organisation.

### **4.5 SOCIAL AREA**

#### *4.5.1 Achievements and observations*

The social area is the weakest part of the SPC. Although some projects have been implemented, they lacked innovative vision and links with other strategic areas, particularly the economic development one. This is because of two reasons:

- Argentina's economic crisis came after the diagnosis of the SPC. Despite having been identified, the unemployment problem did not receive the attention then it would have received today.
- It was more difficult for the social area group to reach consensus on the causes and solutions to the problems. The group strongly reflected Cordoba as a conservative, traditional city (see 1.6.) seeking solutions to social problems, especially paternalistic and assistance projects. On the other hand, some NGO's and the Union of Base Organisations sought solutions to citizens' rights and self-management.

However, it appears that, in this case, "traditionalism" won, and consequently the NGOs and Base Organisations became disillusioned with the SPC.

Projects implemented are:

- Mother-Child and Nutrition Programme (PROMIN), that receives support from the World Bank and works in the community centres with a substantial infrastructure;
- Community Promoters of Health, as a strategy for local participatory programming;
- Improvement of Emergency Sanitary Attention;
- Transformation of Approaching Food Problems in Urban Communities, other projects that are being implemented, but they are controversial and hence operate with difficulty;
- Local Participatory Strategy for Sexual Health and Reproduction;
- Project for Children and Adolescents in risk of "Street Children" situations, which is controversial as the children continue to sell the magazine "Luciernas".

## **V. STRATEGIC AREA OF ECONOMIC DEVELOPMENT**

### **5.1 Introduction**

The economic development of Cordoba, one of the four strategic areas, was given considerable importance in the strategic planning process and the implementation of its institutional projects. This attracted much attention, as for Cordoba, like most Latin American cities, local economic development is new. Most municipal governments have neither the administrative structure nor the knowledge to promote local economic development. Furthermore, they are unaware that economic development should be a local government task. It is interesting, therefore, to analyse how Cordoba organized the city's economic development.

### **5.2 Local economic development in the planning process**

This issue was championed by the Municipal Technical Team (MTT) which was in charge of the Strategic Planning process. Initially, it was one of the themes of the pre-diagnosis prepared by the MTT as an input for the participatory diagnosis workshops. The inclusion of the theme at the beginning of the pre-diagnosis was because of the personal conviction of some MTT members. At that time, the municipal government had neither policy, administrative structure for the theme, nor a normative framework to indicate they would have to carry out this theme.

As an output of the analysis of the participatory diagnosis workshops, the theme of local economic development was included as one of the SPC strategic areas. A sectoral group was formed to deal with the problems, and strategic guidelines and project ideas were formulated. The group mainly comprised representatives of the municipal government and the private sector. This meant innovation in relationships between the two sectors. However, it can be argued whether the group reflected all the institutional aspects of the case, considering the important social aspects of the Local Economic Development (LED) in its links with employment.

The MTT selects and invites the institutions and organisations forming the group. In this sense, the group reflects more the MTT's interpretation of the LED than of society. In spite of other organisations being free to join the thematic groups, in practice they tend to feel excluded if they are not actually invited by the MTT. The Union of Base Organisations, for example, who represent many unemployed and small businesses, wished to participate in the sectoral group on economic development, but they were only invited to participate in the group for social and territorial development. On the one hand, this situation shows the MTT's particular interpretation of subjects related to economic development and poverty. On the other, it shows the limited capacity of the Union of Base Organisations to occupy spaces for participation created in the SPC process.

The group identified the following obstacles and problems in terms of the local economy:

1. The competitiveness of the city in a scenario of rapid regional integration, requires modern and efficient infrastructure.

2. There are important constraints to improving the business dynamism and innovative capacity (competitiveness), especially the Small and Medium Enterprises (SME).
3. The labour market lacks articulation between supply and demand. Although new jobs emerged in the more dynamic sectors and the sectors that benefited from the economic model, they were not sufficient to absorb the workers expelled from the sectors under restructure.
4. Insufficient training of qualified human resources of all types. The changes in the productive system and technological innovation constantly demand a more qualified work force.
5. Little regard for the city's economic development, which was always submerged under national and provincial policies. There are no studies or institutional areas that work in an integrated way to reactivate Cordoba's urban economy.
6. The city is not yet efficiently integrated in the macro-regional context (MERCOSUR) and thus has no possibility of competing with other large urban centres.

In view of this situation, the group for the strategic area on economic development formulated the following objective:

***Position Cordoba as a competitive city, articulating the system of cities from the centre, north, and west of the country, in an integrated economy within MERCOSUR.***

Specific objectives are:

1. Strengthen the city's urban economy through teamwork, jointly with the municipal state in public and private institutional areas.
2. Diversify the economic base of the city and its metropolitan area by:
  - 2.1. Strengthening the following activities:
    - 2.1.1. Industrial
    - 2.1.2. Services (cultural, enterprises, etc.)
    - 2.1.3. Tourism
    - 2.1.4. Products from the city's green belt
  - 2.2. Improve the quality of human resources in accordance with technological innovation and promoting integration between the production system's training centres
  - 2.3. Consolidate the regional capital market
3. Structure the city as a physical communication, telecommunication, and distribution centre hub within the region
4. Promote the development of new specialised activities to provide high skill services oriented towards revitalising the SME's in particular.

To put the strategic guidelines into operation, the group met to propose projects to contribute to implementing strategies for the LED. The ideas that emerged came from suggestions from group members. However, the final institutional proposals were the output of the MTT, and require high-level technical knowledge. This is how the idea of "supporting the small entrepreneur" became the project "Incubator for New Businesses" which corresponds to professionals educated in entrepreneurial development.

Within the strategic area of the LED, the SPC has two project proposals seeking a new institutional category: public-private cooperation/association. The projects are: the Agency for Local Economic Development and the Incubator for New Businesses. However, to cooperate with the private and public sectors in this context, the municipal government must also transform its administrative structure. For this purpose, the Municipal Sub-Secretariat for Strategic Planning and Local Economic Development was established. The two institutional projects were initiated through this unit, which includes the MTT and staff specifically assigned to the LED.

### **5.3 The Agency for Local Economic Development (ALED)**

#### **5.3.1 Background of the model**

The Agency for Local Economic Development (or regional development) originated in Europe, where since the 1970s, the national governments promoted the economic development of cities and regions with difficult economic development or obsolete industrial structures. At the beginning, these policies were oriented to attracting external investment and enterprises, but later there was more emphasis on developing the potential of indigenous entrepreneurs. With this shift, the LED has become more a local government concern, although there is still national public investment and, more recently, European Union investment.

To implement the policies, institutional structures were developed. Despite depending on strong national and local government investment, these structures are independent but often operate in partnership with the private sector. Their general objective is to generate local employment through the development of local industry.

Until now, in Latin America, the Agency model has not been widely disseminated, although the LED has had experiences in Chile, Peru, Brazil and Central America.

In general, the principles of LED Agency are:

- It is a public-private organisation that brings together actors related to economic development within certain territories. The ALED seeks consensus in terms of the direction of local economic development. In this sense, an ALED could be a continuous realisation of a strategic planning process.
- Besides consensus, the ALED seeks coordination between the different actors involved in terms of their functions and activities, with the aim of avoiding duplication of efforts, waste of resources, or wide gaps in linking local services and economy. An ALED, therefore, is an institutional tool that contributes to the city's efficiency and competitiveness.

In most European cases, the ALED centres have the following functions:

- Information and study on the local economy, instrumental for decision making on the strategies to follow (city or region)
- Instrumental for attracting new investment
- Coordination and supply of services for development and entrepreneurial innovation, especially addressing the SME sector

- Coordination and provision of business training and education of human resources
- In some cases: administrative centre for specific programmes to generate employment.

Why support Small and Medium Enterprises (SME's)?

- The SME's and micro enterprises form the potential indigenous businesses in the locality.
- Once established and functioning, the SME's are a source of stable employment (contrary to large enterprises with flexibility to relocate if conditions are more favourable elsewhere).
- The SME's generate more employment per capital unit invested than large enterprises.
- Small enterprises usually have their own service and innovation departments, while the SME's must seek these services outside the enterprise.

### **5.3.2 The Agency for the Economic Development of Cordoba**

The Agency for the Economic Development of Cordoba (AEDC) is the city's first experience of a public-private partnership in an institutional form (distinct from a public-private association for a specific project like the construction of a highway).

The founding partners of the AEDC are 13 entrepreneurial chambers and the municipal government. Lately, the Professional School of Economists has shown interest in taking up membership. The AEDC has a Board of Trustees, whose president and vice-president are from the municipal government. In principle, the mayor is also president of the AEDC. The other three positions on the Board are for private partners. The municipal government thus has an important right to vote, but as a minority.

The AEDC has an office and a small technical team comprising a manager and administrative support. Under the supervision of the Board of Trustees, the manager performs the following duties:

- Design and manage projects that contribute to implementing the strategic guidelines of the SPC's economic development;
- Establish and maintain strategic alliances with other bodies with the purpose of enabling the implementation of the projects and activities with sufficient financial and institutional support;
- Keep the Board of Trustees and Assembly informed.

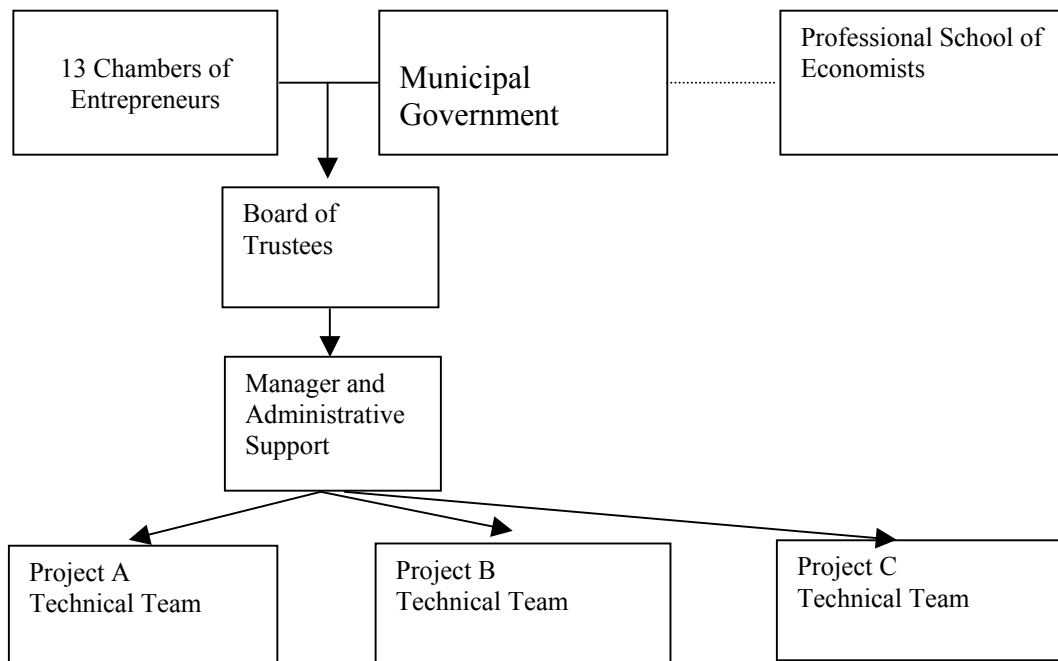
As far as the management generate projects, the AEDC can contract more technicians to implement the projects. The technical team only works with the AEDC for the duration of the project. This formula of a small technical team with the possibility of contracting more technicians when needed makes the AEDC an agile tool that operates efficiently with minimum resources.

The salary of the manager and administrative staff are included in the budget of the municipal government. All the partners contribute funds to cover AEDC operational costs, although there are no fixed fees. All depends on the solvency of the partners. This results in the AEDC also



being affected by the economic crisis in Argentina, since the member of the chambers cannot make a sufficient contribution.

### **AEDC Organisation Chart**



### **5.3.3 The AEDC objectives and projects**

The AEDC's objectives are:

- Constitute a tool to transform, administer, and promote the economic and social development of the city;
- Optimise the use of indigenous resources;
- Diversify the productive economic structure;
- Place Cordoba in a competitive position in the regional and international arena.

The AEDC formulates and manages projects in the following areas:

- Training
- Information
- Promotion.

#### *Training*

The general purpose of the training programme is to raise the levels of productivity and competitiveness of the Micro, Small and Medium Enterprises (MiSMEs) through actions oriented to developing the training market.

Currently, the AEDC programme is implementing the project “Managerial Training Bonus System”. The objective of this project is to make training more suitable by orienting it to cover more flexibly the needs of the MiSMEs with less than 20 employees for qualified and re-qualified human resources. Furthermore, to provide information on the supply and demand of training and partially subsidised training through a bonus system. This programme is funded by a grant from the Multilateral Investment Fund (FOMIN), of the Inter American Development Bank (IDB) and with resources from local counterparts.

The programme consists of:

- A system of training bonuses which channel a partial subsidy toward the enterprises to buy training services oriented at motivating investment;
- A referential information system (RIS) on the programme’s supply of training to decrease the discrepancies of information between suppliers and buyers of training contributing towards re-orienting the supply.

The programme expects to train 20,000 beneficiaries of bonuses by 2001. During its first year (1999), the program registered on its RIS more than 150 training institutes that offer more than 200 courses especially designed for MiSMEs.

### *Information*

The AEDC offers information on the following aspects:

#### Products

An information and consulting system about the products produced by the city of Cordoba, which also forms part of the Mercosur Commercial Exchange Network. The information was edited in CD format with data on 28,000 enterprises from the cities forming part of the Mercocity Network.

#### Databases

The AEDC provides information databases for the MiSMEs of Cordoba. This activity was initiated in May 2000.

#### Referential Information System

This information system for the MiSMEs can address requests related to training supply in Cordoba (thematic, institutions, courses, prices, etc.).

### *Promotion*

#### Export Promotion Campaign

The AEDC promotes and manages the “Statement of Municipal Interest” for commercial fairs, missions, commercial rounds, exhibitions, congresses, etc. held abroad. The aim is for local enterprises to obtain municipal support through a Certificate of Municipal Fiscal Credit.

### Industrial Park for Agro-food Production

The Cordoban municipality has set up a project to create an Industrial Park for Agro-food. It would be located on a 65 ha ground next to Cordoba's fruit and horticultural market. Its main objective is to establish environmentally suitable industrial enterprises from the agro-food sector. The AEDC is promoting this project and aspires to administer the park.

### Commercial Fairs and Missions

The AEDC coordinates the logistics of the commercial missions from abroad. It prepares agendas, arranges meetings and contacts with local and international enterprises, and promotes and participates in national, Mercosur, and international commercial fairs.

### Support Programme for the SME's

The AEDC functions as a source of information on finance, training, technical assistance programmes, etc., offered to the SME's by the different levels of the government. The purpose is to offer enterprises alternatives and opportunities to increase their competitiveness.

### Centre of Awareness of the Support Programme for Entrepreneurial Restructuring (PER)

The AEDC is authorised to provide information on the Support Programme for Entrepreneurial Restructuring (PER) of the Secretariat for Small and Medium Enterprises, under the office of the country's President.

Besides these programmes and projects at different stages of implementation, the AEDC has a portfolio of projects and programmes under development or negotiation. They are:

### Southern Cone Programme for Technology Transfer

This programme consists of an agreement between the AEDC and the International Society of Professionals in Economic Development of Quebec (ISPEDQ) to obtaining grants within the framework of the Canadian International Development Agency's funding and technology transfer programmes. The initiatives of cooperation of this agreement are:

- a. Industrial re-conversion
- b. Quality certification
- c. Strategic alliances
- d. Funding
- e. Information

### Establishment of a Tertiary Technical Institute (non-university)

The purpose of establishing this Institute is to develop technical careers oriented by the demand of the local productive sectors. The idea is to achieve better quality and efficiency in this higher education sector which addresses technical training, promote attention to labour demands, formulate new profiles for professional training, and offer alternatives to overcome the sector's most critical problems.

### Sectoral studies on competitiveness

Increasing globalisation, the commercial and financial openings of the early 90s, and the constitution of Mercosur are three undeniably important factors. They helped to broaden a number of markets that the production of Cordoban enterprises can, at least potentially, supply.

In this context, the AEDC, the National University of Cordoba, and the Government of Cordoba Province are collaborating to formulate a project for conducting sectoral studies on competitiveness with the aim of contributing to economic development.

#### Tourist and Investment Guide to Promote the City

An agreement was signed with the Municipality of Cordoba in Spain, to prepare a guide to promote the city and attract tourists and investors.

#### Establishment of an Entity to Offer Micro and Small Credits

In response to the need to solve the financial problems of micro and small enterprises, a sector with few national and provincial government policies to address the problems, a project has been formulated to create an entity to offer micro-credits. This entity would provide financial services to micro and small entrepreneurs by an innovative credit technology with costs adjusted to the capacity of the credit subject. It would also be faster and less bureaucratic than the existing banks and more efficient, secure, and cheaper than the non-banking sector.

### **5.4 The Incubator for New Businesses**

A project entitled the “Incubator for New Businesses” is being developed jointly by the Municipal Government, National University, and Technological University. It falls under an inter-institutional agreement, separate from the AECD.

In principle, an “incubator for new businesses” is an organisation offering intensive technological and administrative support to “risk” enterprises. Their risks could be due to:

- Insufficient knowledge of the product or productive process;
- Lack of entrepreneurial experience.

An incubator develops in a specific physical space: several premises within industrial buildings where small enterprises and support services are located. This way, the enterprises can share, for example, an administrative office with telecommunication facilities. However, this space is not essential for the principle of incubation to function. The enterprises “in incubation” may use the service during the first few years, usually until they find a balance. Then it is assumed the enterprise can stand on its own feet and a new business can occupy its space.

The “incubators” developed in a determined space are usually very visible so are very attractive for political purposes. However, if there are only a small number of enterprises, the “incubator” can be costly especially in terms of overheads. The choice of enterprises is, therefore, important: only innovative entrepreneurs should be invited to join. They could contribute strategically to local economic development and could have considerably more impact than an already functioning small business.

As mentioned, Cordoba’s “incubator” functions under an agreement between the municipal government and two universities. The municipality provides the building and the manager’s salary and the universities provide technical and administrative assistance. To reduce costs and take advantage of the “incubator” as a tool for mutual learning, the universities grant their

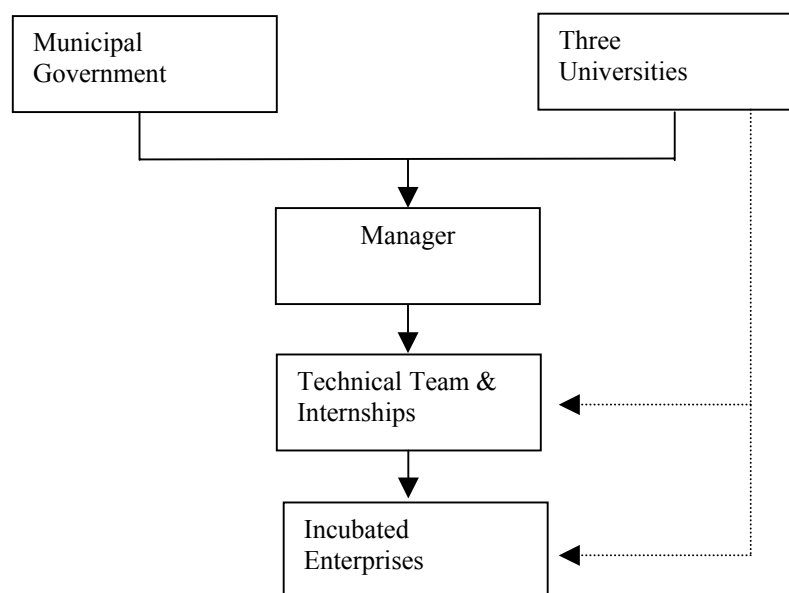
services through final year technical and business administration students doing their internship in the “incubator”.

The “incubator” occupies an obsolete factory transformed for the purpose with space for 15 enterprises that remain in the premises for three years; after that, they receive a post-incubation service. The “incubator” has functioned for just over a year, so it is too early to measure its success. The enterprises in “incubation” pay US\$120 per month for the space. Once independent, they will each pay 1% of their gains for the years they were “incubated”.

The entrepreneurs “incubated” have usually university education, so the incubator could develop as a research and innovation centre if enough innovative projects were received. However, this is not the case at the moment.

The operating costs for the “incubator” are a problem, or rather the lack of funds. It might be necessary, therefore, to diversify its services and offer external “incubation” and general entrepreneurial support services. For the enterprises in incubation their greatest problem is the commercialisation of their products.

### Incubator Organisation Chart



## **5.5 Achievements and observations on the LED of Cordoba**

### **5.5.1 Participatory and planning processes**

#### *5.5.1.1 Achievements*

Thanks to the determination of MTT members it has been possible to convince the municipal authorities and public actors that the local government should assume responsibility for the city's economic development. It has been possible to transform the administrative structure of the municipal government and include a sub-secretariat for it.

In the thematic group for the strategic area on economic development it was possible to involve several relevant actors and so create broad social legitimacy to include the theme of municipal policies. The new relationship between the private sector and the municipal government resulted from this planning process and consolidated the AEDC assembly. It has been an important in interpreting the municipal government's role in strengthening the entrepreneurial community. These new attitudes and aptitudes achieved by the municipality and the productive agents have created a favourable basis to embark on promotion of local economic development.

#### *5.5.1.2 Observations*

Although the LED group had ample consultations, with the aforementioned achievements, the MTT's interpretation of the theme is the most noteworthy. The MTT's notice to the group meant the cancellation of the opportunity to participate, not just because other organisations were not allowed to participate, but because they were not able to take advantage of the opportunity created in the strategic planning process.

It was impossible to establish a stronger link with the strategic area for social development because of the MTT's interpretation and the composition of the LED group, who leaned strongly towards entrepreneurial development and competitiveness.

Although unemployment was identified as one of the problem areas within the theme of economic development, neither the strategic guidelines nor the project proposals reflected it. The proposed projects did not have direct impact on the generation of employment and few activities are foreseen to guarantee access to the jobs created by the locally unemployed. The strategic guidelines for social development do not take into account links to local economy and there are no proposals for generating income and employment.

One explanation could be that the municipality assumed that entrepreneurial development was a local government role, but the same did not apply to employment. The Sub-Secretariat for Economic Development explained that employment is a State issue.

The exception to the above could be the proposal for a Tertiary Technical Institute (non-university). However, this proposal is oriented more towards the qualified manpower needed by transformed competitive and innovative enterprises that other LED projects try to generate. It is,

therefore, a long-term proposal to address the needs of the enterprises but not the current work force.

There is discrepancy between the likely projects proposed by the group members and the institutional projects finally prioritised and implemented. This situation could lead to the group's lack of support. However, it is not just a question of implementing socially legitimate projects that are not really relevant.

### **5.5.2 The AEDC**

#### *5.5.2.1 Achievements*

The AEDC is a first experience in joint efforts between local government and the private sector. This needed a change of mentality within the municipal government and the associate entrepreneurial chambers (not all chambers in Cordoba are associates). Previously, there was little cooperation between the chambers nor within the public sector. The AEDC's constitution has therefore been an important step towards a more coordinated and efficient city in the field of economic development.

The current programmes and projects, including those in the portfolio, reflect a broad strategic view of the problems of the Cordoban enterprises and respond to the proposed strategic guidelines proposed. As far as the AEDC's ability to implement them is concerned, they will have significant impact on the competitiveness of the enterprises and generation of employment (providing the nation's economic situation improves).

#### *5.5.2.2 Observations*

The composition of the AEDC's assembly does not reflect the continuation of the group in the SPC's economic development. It is rather the product of a new call by the MTT to specifically constitute the AEDC. This call is the second case where the opportunities for participation are being cancelled. Although thirteen institutions are private founding associates of the AEDC, all are entrepreneurial chambers. For the chambers to join efforts has been a great achievement. However, their union does not reflect the institutional structure for economic development. Not all the chambers are represented in the AEDC nor organisations like workers' unions, as remarked by the AEDC's management. Finally, the assembly does not include organisations that provide entrepreneurial services or professional training.

The AEDC tries to balance this situation by including other institutions from other spheres. This is the case of the Referential Information System, where 150 training organisations are registered. However, the AEDC as a society has a social basis with narrow legitimacy. On one hand, it is understandable that the constitution of the AEDC is difficult to achieve even with broad participation. On the other, once constituted upon a relatively narrow base with particular interests, it will be difficult to change and open the assembly to new members. As expressed by the Chamber of External Commerce, "the AEDC functions well as it is, but if members like unions are included it will just become complicated".

Because of its own members, it is doubtful that the AEDC can implement its objective of being a tool for social development. Although there is a project proposal to create an entity to offer micro credits, it does not necessarily reflect the interests of the AEDC's assembly, although it could reflect the interest of the city itself. However, eventually it could happen that the manager would not receive the support necessary from the assembly for this type of project, in which case there could be two possibilities:

- The management should follow its own course, representing the interests of the members and non-members, with the risk of losing the assembly's support.
- The management could adapt to the interests of the members and cease to be a tool for the city's economic and social development.

The AEDC was slow starting. After one and a half years in existence, despite its projects being interesting, only two of them are functionally fully - the Training Bonuses System and the Logistic Support for Commercial Fairs and Missions. This slow beginning could lead to the initiative losing momentum and credibility. One reason may be the AEDC's economic situation. Although it has a small operating fund made up of salaries from the municipality and other contributions from the member chambers, it does not have its own investment funds that could be used as a lever when negotiating projects. Despite changes in the municipality's administration to address economic development, a transformation of the municipal budget to orient public investment in "intangible" objectives like entrepreneurial development has not occurred. The AEDC has been unable to attract the richest chambers of Cordoba or other members who could contribute more to its operation.

Regarding the various projects being initiated or already in the portfolio, it is assumed that the AEDC will function as a source of information and support services. However, the promotion of the AEDC and its physical location are totally inadequate for this function. Its offices are next to the Sub-Secretariat for Strategic Planning and Economic Development on the eighth floor of a building in the centre of Cordoba, which means difficult access for anyone seeking information. Besides, there is nothing on the outside of the building to indicate that the AEDC is located there, neither is it included in the yellow pages of the phone directory. It does not even have a place in the CCP's.

#### *5.5.2.3 Threats*

The combination of a narrow legitimate base, no capacity to negotiate projects quickly, and lack of visibility, make the AEDC vulnerable, especially in terms of municipal political change or the loss of support from its members. The new municipal government is introducing a new project "Business House" to speed up the registration of micro and small enterprises and support entrepreneurial development. It could complement the AEDC but could also mean a too many functions and duplication of efforts if the new government does not recognise it as a proper institution that could implement the project.

The different characteristics of the "Incubator for new businesses" (high visibility, easy to understand its function) and the desire to broaden its responsibilities, could lead to too many functions for the AEDC and the "Incubator", with greater political support for the latter. It



would have been better for the AEDC if the “Incubator” had been conceived as its own project rather than an independent association (as a separate initiative).

### **5.5.3 The Incubator for new businesses**

#### *5.5.3.1 Achievements*

An association was established between the municipality and the university to manage a tool for innovation and economic diversification. Tools for innovation are used to reduce costs (students’ internships). The Incubator’s usefulness still needs to be proved. It is an expensive tool and it will be necessary to consider whether the benefit is worth the investment.

#### *5.5.3.2 Observations*

Because of its high visibility, the Incubator received more attention than the AEDC, despite the AEDC’s agenda being more varied and important than the Incubator’s. There is little cooperation between the AEDC and the Incubator, which aims at diversifying its services, so it could easily enter the AEDC’s field and duplicate efforts.

## VI. CONCLUSIONS

The conviction prevails that development is a community task and not the just the responsibility of the State without the intervention of other social actors. Greater interaction between public and private actors and civil society is needed to solve the common problems.

For the different social actors to effectively fulfil their roles, the new governance is trying to promote the recognition and active roles of three major development actors: the state or public sector, the private business sector, and the third sector/civil society. These conditions could be attained by implementing concrete projects, like those set up by the SPC, with the interaction of these sectors. In this sense, the SPC's experiences could be used as a tool to build Cordoba's new governance.

The model adopted by Cordoba is a planning methodology that differs from the traditional approach mainly because it analyses the context. When incorporating the strategic dimension, the city's weaknesses and strengths are analysed and future opportunities and threats identified to try to benefit from them and neutralise them.

The Strategic Plan of Cordoba reflects the political will of the municipality and important local institutions to orchestrate a collective, tangible, global project for the city. This way of conceptualising a shared future could motivate the public sector to consider and propose joint activities with the private sector and public institutions.

The methodology has been mainly participatory and open to the different sectors of society. It has taken into account the different aspects of the community's discussions and also achieved the commitment of those engaged in building the urban areas, acting like a guarantor of its continuity independently from the government in power and facilitating the implementation of what has been planned.

Obviously, the private sector is an important actor in this process. The productive and commercial efforts are some of the forces for the development of the city. When considered as part of urban society, and aware that it is a participant in a project shared with other actors, the entrepreneurial sector increases its efficiency in terms of growth taking into account environmental, urban and social aspects.

The SPC is therefore a table for agreement and consensus on the area on which the municipality and the private sector will develop their activities. It is like a large "umbrella" under which each decision maker carries out his or her own planning, but this time the rules of the game are clear and more legitimate. It has been an instrument to build new governance. However, experience shows that the attitudes and capacities necessary to consolidate this process do not emerge only with the political will of the Mayor of the city and the private sector and civil society's willingness to participate.

Participating in this process of social maturation that involves strategic planning, generates a "gymnasium" for private and public sectors, and creates a new context, work methodology, and

trust. It helps the joint activities for developing the city, and moves towards the formal institutionalisation of this relationship.

However, participation, co-operation and the search for the integration of themes involve institutional capacities that cannot be taken for granted. The process of formulating the SPC, and the first years of its implementation were very important to begin building these institutional capacities. However, for the SPC project to be consolidated as a common tool, it requires strong political support for its medium- and long-term continuity. With the cultural change that comes about by the change of public management in Argentina and Latin America in general, the required political support for the SPC's continuity cannot be taken for granted.

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