

Local Advantages

Shop Local Advantages

```
function toggleMe(a){
var e=document.getElementById(a);
if(!e)return true;
if(e.style.display=="none"){
e.style.display="block"
}
else{
e.style.display="none"
}
return true;
}
```

Go Social - Go Local - Go Connect

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of The Local Multiplier Effect.

source: The Local Multiplier Effect

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A Different Approach

The issue is not necessarily that too little money flows into a

neighbourhood. Rather, it is what consumers, public services and businesses do with that money. Too often it is spent on services with no local presence, and so immediately leaves the area.

- Our starting point is the energy for changing the local economy from within a community, and the natural resourcefulness, skills and passions of local people.

- The principle behind this approach is that people who live and work in a place, and others who care about its future, are best positioned to find enterprising solutions, implement them and reap the rewards.

- In many places, local energy and creativity become trapped, and different parts of the economy - local businesses, voluntary sector agencies, and the public sector - do not talk to each other to maximise local opportunities.

- For the local economy to undergo durable and robust change, the capability and energy of everybody needs to be harnessed.

- We believe that promoting and supporting local enterprise should be part of any strategy for economic regeneration.

- Local enterprises are more likely to employ local people, provide services to improve the local quality of life, spend money locally and so circulate wealth in the community, promote community cohesion and, by reducing transportation of goods from across communities, are likely to have a smaller environmental footprint.

- The approach also recognises that communities do not develop their local economies in isolation.

Source

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How do we recognise sustainable local economic development?

A plugging the leaks approach is built around supporting community-based action towards developing a more sustainable local economy. This we describe as having the following outcomes:

- Diverse range of businesses and enterprises in terms of size, social & private mix, and diversity of goods and services produced.
- Positive local money and resource flows (a high local multiplier and local re-use of waste).
- Strong local asset base including local people's attitudes, skills and knowledge; physical, financial and natural resources.
- Responsive public and business sector which is working to strengthen and invest in the local economy.
- Strong community & civic voice including local activism, leadership, volunteering, and engagement in debate.
- Sustainability and a reduced environmental footprint.
- Increased understanding of economic, cultural and ecological inter-connections that link communities, span the globe and impact on the future.

This is captured in the enterprising communities framework.

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How it works

nef uses the metaphor of a leaky bucket to open up conversations in communities about a local economy and money flows into and out of that community.

We explain the local economy as a bucket with water being poured into it - to represent for example tourism spending, local school budgets, benefits or salaries of people living in the area. Then we consider all the ways that money then leaks out of the bucket, such as taxes, utilities, and purchases of goods and services from outside of the area.

In a plugging the leaks approach all those outflows of money are potential enterprise opportunities for people. It builds up a community's confidence in its own ability to determine its economic destiny; to make decisions about how the community wants the local

economy to develop. We then support that action through a coaching approach, drawing on local networks of support. In deciding on what actions to take forward, it is important that the local economic, social and environmental impact is understood - the impact on the triple bottom line.

Within a community a plugging the leaks approach supports a move from an awareness of opportunities to taking action by exploring four questions:

- What are the opportunities for enterprise development of both new and existing businesses - What do we want to do?
- How could goods and services be delivered differently - to keep money circulating locally, and reduce waste?
- How can we mobilise resources to do what we want to do?
- Will these actions result in positive local economic, social and environmental outcomes?

Suppose you paint a pound coin red and watch where it goes. Every time it changes hands within a community, it means income for a local person. The more times it changes hands, the better for that community. In fact, money that is re-spent in a local area is the same as attracting new money into that area. Either way, it is new money into the hands of the person who receives it. This is termed the local multiplier.

In addition to considering money flows, we also look at how other resources such as energy, water and consumer products flow into a community (their source) and how they leave that community (the waste created) to find enterprising ways a community could reduce their impact on the environment.

Within the public sector (State sector, and other institutions), a Plugging the Leaks approach supports this sector to open up local employment and business opportunities in the way they contract and deliver capital projects, and purchase goods and services.

source: nef- economics as if the people and planet mattered

