



Leicester
City Council

DECISION TIMETABLE:

**STRATEGIC PLANNING & REGENERATION
SCRUTINY COMMITTEE
CABINET**

**20TH FEBRUARY 2003
10TH MARCH 2003**

A NEW STRATEGY FOR INTERNATIONAL DEVELOPMENT

**Report of the Service Director,
Environment, Regeneration & Development**

1. Purpose of report

- 1.1 This report sets out proposals for a new International Development Strategy
- 1.2 The paper outlines how international development should be approached by the Council and its partners in the future

2. Recommendations

Strategic Planning & Regeneration Scrutiny Committee

- 2.1 Members of the Strategic Planning & Regeneration Scrutiny Committee are asked to comment on the proposals set out in this report.

Cabinet

- 2.2 This paper recommends that members endorse the new International Development Strategy, which sets out a new strategic framework for the Council's international activities and aims to move the authority away from its traditional civic approach to trans-national technical partnership working. The new International Development Strategy reflects:

- External funding opportunities;
- Linkages with mainstream programmes and policies;
- A shift towards trans-national technical partnership working;
- The need to co-ordinate international development work corporately and to encourage greater involvement in the corporate OSLWP by all service areas.

3. Summary

3.1 Overseas Links work comprises the Council's formal twinning links and other less formal links with local authorities and organisations from other countries. Leicester is currently twinned with five cities. These are:

- Krefeld (Germany);
- Strasbourg (France);
- Masaya (Nicaragua);
- Chongqing (China); &
- Rajkot (India).

Leicester City Council have also agreed protocol arrangement with Haskovo in Bulgaria and have established good working relationships with Lativa through previous EU funded proposals

3.2 The modernisation of international work at a Government level provides a new strategic framework for overseas links. The re-alignment of external funding regimes requires local authorities to develop professional, technical links with partners from other European Union (EU) Member states and beyond.

3.3 Some of Leicester's existing twinned cities have modernised their approach to international work. There is increasingly an emphasis from some of Leicester's twinned cities (especially Strasbourg and Masaya) to develop technical, rather than civic, links with Leicester.

3.4 Most EU Programmes require local authorities to work with partners from at least two other members States. In particular, the EU is keen to encourage inter-regional co-operation across Europe. Significant sums of grant funding are available to support these types of initiatives.

3.5 In addition to this, the enlargement of the European Union to include Central and East European countries will require local authorities to develop partnerships in these new Member states. Structural Fund support from 2006 onwards will increasingly require UK based organisations to work with East European partners.

3.6 Overseas Links was previously delivered within the framework of the "Strategy for Twinning & Linking" which was agreed by Committee in 1993. That Strategy set out a broad framework for overseas links activities but did not provide a firm sense of strategic direction or performance indicators. As an interim measure, members agreed to support a new framework for international development on 2nd July 2002. This framework broadly outlined the aims and objectives set out in greater detail in this report.

3.7 The reasons for adopting an International Development Strategy are:

- To access European and regional grant funding through transnational partnerships;
- To promote trade links and contribute to the economic prosperity of the city;
- To work with local and international partners to encourage inward investment;
- To seek grant-funding to support the sustainable development of Leicester and Leicester's international partners;
- To exchange experience and best practice in terms of strategy, policy and development;

- To promote cultural exchanges that demonstrate a real benefit to the City Council and the people of Leicester;
- To promote educational and young people's exchanges, which demonstrate a real benefit to education in Leicester and to young people living within the city;
- To promote social justice as set out in the White Paper on International Development '*Eliminating World Poverty: Making Globalisation Work for the Poor*';
- To help alleviate global poverty through building the capacity of local government in developing countries as set out in the Local Government Association's Policy Position paper on International Development;
- To secure technical agreements with European and international partners.

3.8 The main benefits of developing a new International Development Strategy will include:

- Grant funding: Access to European Union and other external sources of grant funding for technical links / exchanges (i.e. environment, policy);
- Cultural and educational exchanges: these will benefit schools, colleges and communities across the city;
- Trade: increased trade links between Leicester and Leicester's international partners will contribute to the economic development of the city;
- Linkages with mainstream City Council and partner organisations' regional policies and strategies;
- Developing a modern, professional approach to international work, which reflects the Council's approach to performance management and Best Value.

4. Financial Implications

4.1 Limited funds are available for overseas links work. The Council's Overseas Links Controllable Budget for 2002/03 is £73,400.

4.2 Significant levels of grant funding are available from the European Union and other external sources to support technical twinning activities. These funds are delivered as programmes and as a consequence, grant funding is often subject to clearly defined rules and regulations. However, EU grant funding has been secured by Leicester City Council to pursue work with Rajkot and the Communaute Urbaine de Strasbourg have submitted a number of successful bids for EU grant funding.

5. Legal Implications

The Council has a power to provide advice and assistance to bodies outside the UK in the carrying out of the activities of local government under the Local Government (Overseas Assistance) Act 1993.

6. Report Author

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DECISION STATUS

Key Decision	Yes
Reason	Citywide impact on communities
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)



Leicester
City Council

DECISION TIMETABLE:

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**20TH FEBRUARY 2003
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A NEW STRATEGY FOR INTERNATIONAL DEVELOPMENT

SUPPORTING INFORMATION

1. Report

1.1 Leicester City Council's new International Development Strategy sets out how international development should be approached by the City Council and its partners. The Strategy has been produced as a result of a review of existing international co-operation activities within the City Council and to reflect the following policy developments:

- The re-alignment of external funding regimes will require local authorities to develop professional technical links with partners from other European Union Member States and beyond. Sources of grant-funding could include the Department for International Development, the Foreign & Commonwealth Office, United Nations and the Council of Europe.
- The modernisation of international work at a local government level provides a new strategic framework for overseas links.
- In February 2002, the Local Government Association published its new Policy Position on International Development. This document calls on all UK local authorities to become involved in international development. Setting out the various motivations for such involvement, it closes by making practical suggestions for activities, which partners can undertake. The Local Government Association's International Development Policy formed part of the UK local government contribution to the World Summit on Sustainable Development, which was held in Johannesburg.
- According to the Local Government Association "the involvement of local government in international development is not only justified for moral reasons. It is also a matter of self-interest in a world that is increasingly interconnected and interdependent".

- Enlargement of the European Union to include Central and East European countries will require local authorities to develop partnerships in these new Member States. Structural Fund support from 2006 onwards will increasingly require UK based organisations to work with East European partners.
- Most EU Community Initiatives require local authorities to work with partners from at least two other Member States. In particular, the EU is keen to encourage inter-regional co-operation across Europe. Significant sums of grant funding are available to support these types of initiatives.
- Some of Leicester's existing twinned cities have modernised their approach to international work. There is increasingly an emphasis from some of Leicester's twinned cities, especially Strasbourg (France) and Masaya (Nicaragua), to develop technical rather than civic links with Leicester.

1.2 Globalisation and European integration mean that we live in an increasingly connected and interdependent world in which we both compete and co-operate with each other. In this fast-changing environment, local government has a crucial role to play in actively working with European and international partners for mutual learning and benefit.

At a global level, local authorities have set up networks of partnerships and links that represent a new form of international co-operation. From formal town twinning, to technical and project based partnerships and capacity building - all of these links give us the opportunity to exchange experience and learn from each other, to find effective solutions to serious problems and to strive for peace and stability.

The challenges that local authorities face in developing communities that are safe, sustainable, economically viable and inclusive are often global challenges that cannot be dealt with by local authorities in isolation but require partnerships at the local, regional and global level.

The City Council seeks to promote international co-operation and is directly involved in projects and initiatives in developing countries and in Europe.

The Strategy sets out the City Council's core aims and objectives, and the benefits to be gained from international co-operation activities.

1.3 The City Council's new strategy for international development will aim to work with Leicester's international links to support sustainable development, cultural diversity and social justice for both Leicester and Leicester's international partners. Leicester is currently twinned with Krefeld (Germany), Strasbourg (France), Masaya (Nicaragua), Chongqing (China) and Rajkot (India).

1.4 The City Council's new International Development Strategy aims to be open and inclusive. It is intended that local partners and Leicester's Twinning Associations will support the Strategy's main aims and objectives. The Strategy will ensure that all international development work benefits both the City Council and the people of Leicester. Consequently, the key objectives of the International Development Strategy will be:

- To access European and regional grant funding through transnational partnerships;
- To promote trade links and contribute to the economic prosperity of the city;
- To work with local and international partners to encourage inward investment;
- To seek grant-funding to support the sustainable development of Leicester and Leicester's international partners;
- To exchange experience and best practice in terms of strategy, policy and development;

- To promote cultural exchanges that demonstrate a real benefit to the City Council and the people of Leicester;
- To promote educational and young people's exchanges, which demonstrate a real benefit to education in Leicester and to young people living within the city;
- To promote social justice as set out in the White Paper on International Development '*Eliminating World Poverty: Making Globalisation Work for the Poor*';
- To help alleviate global poverty through building the capacity of local government in developing countries as set out in the Local Government Association's Policy Position paper on International Development;
- To secure technical agreements with European and international partners.

This thematic approach broadly reflects the themes set out in Leicester's Community Plan. The International Development Strategy will contribute to the delivery of Leicester's Community Plan and seeks to address the region's economic, social and environmental priorities as set out in the East Midlands Regional Assembly's '*Integrated Regional Strategy*', the East Midlands' Development Agency's '*Regional Economic Strategy*', the Leicester Regeneration Company *Masterplan* and the Leicester Shire Economic Partnership's '*Leicester & Leicestershire Economic Regeneration Strategy*'. Partnership working will enable the City Council to deliver these objectives. Partners will include private, public and voluntary organisations at local, regional and international level.

The City Council will revitalise its existing twinning arrangements to meet the objectives of this Strategy. In addition to this, Leicester will build upon its existing overseas links and develop new technical links in the European Union and beyond to meet the aims and objectives of the Strategy. In particular, links will be developed with Central and East European countries to meet the challenges of EU enlargement as set out in the City Council's European Strategy.

In addition to the above, this Strategy actively supports co-operation with African local authorities as recommended by the Johannesburg World Summit on Sustainable Development.

- 1.5** International Co-operation is a flexible concept that covers a wide range of activities, involving all members of the community and covering a diverse range of local government services. It can also bring about a number of benefits to the City Council and the communities that it serves. Listed below are some of the key benefits:

People to people benefits:

- promoting tolerance;
- promoting community partnerships and civil society;
- enhancing youth activities;
- exchanges of experience and best practice at a European and international level.

Local authority benefits:

- increasing global and European awareness;
- accessing EU funding and other external sources of funding for technical links;
- developing linkages with mainstream City Council and regional policies and strategies;
- improving service delivery and solving problems through shared experience;
- developing a modern, professional approach to international work, which reflects the City Council's approach to performance management and best value;
- low cost staff development and training.

General benefits

- improving social welfare and health;
- environmental improvements;
- public awareness and learning;
- cultural and educational exchanges: these will benefit schools, colleges and communities across the city;
- economic and business links: increased trade links between Leicester and Leicester's international partners will contribute to the economic development of the city.

1.6 International Co-operation between the City Council and other local authorities can forge community links between people of different countries and cultures, bringing about important benefits in increasing understanding of the world and helping to combat insularity and prejudice. Community contact can broaden the horizons of local people and promote tolerance, international understanding and respect for others, combating racism and xenophobia. It provides an opportunity to involve the whole community - regardless of age, ethnic or religious background, gender, disability, social or economic status, and can therefore contribute to breaking down barriers and increasing understanding within the community, as well as between the two different communities. Examples of international co-operation activities include:

Accessing European funding

European Union funding programmes require local authorities to work collaboratively with partners from other countries and twinning links are an excellent way for local authorities to find potential partners and to unlock funding for technical projects. The City Council seeks to develop technical links with its twinned cities i.e. Krefeld (Germany), Strasbourg (France), Masaya (Nicaragua), Chongqing (China) and Rajkot (India). It will also build upon existing links with Riga (Latvia) and Haskovo (Bulgaria) and develop new technical links in the European Union and beyond, in particular with Central and East European countries to meet the challenges of EU enlargement.

Appendix 1 shows how European funding has been used to develop a technical waste management project with authorities in Rajkot (India).

Improving service delivery and solving problems through shared experience

Decentralisation means that more and more local solutions are being sought to local problems. Transnational partnerships provide local authorities with the opportunity to work collaboratively and to learn from each other, to find real solutions to common problems. Practitioner to practitioner exchange of experience is a cheap and effective way of delivering technical assistance and can be more sustainable than one-off projects, enabling local authorities to compare problem solving and to exchange skills. The City Council is in the process of developing an exchange programme with Strasbourg (France) around best value and performance management.

Low cost staff development and training

Transnational partnerships can provide innovative training possibilities with management development and practical training opportunities for local authority staff through the challenges of resolving technical issues in a new environment. Better understanding of another culture can also help local authority officers and other professionals to work more effectively within their own community and can unlock sources of experience previously unknown.

Economic and business links

Transnational partnerships provide an opportunity for small and large organisations, in the public and private sectors, to explore potential economic benefits. This may lead to commercial transactions and trading, or the exchange of technical know-how to improve efficiency, service delivery, commercial links and involvement by business organisations in exchange visits. The City Council is currently developing links with Japan to improve trade links and develop other mutually beneficial links.

Promoting tolerance

International co-operation between local authorities can forge community links between people of different countries and cultures, bringing about important benefits in increasing understanding of the world and helping to combat insularity and prejudice. Community contact can broaden the horizons of local people and promote tolerance, international understanding and respect for others, combating racism and xenophobia. It provides an opportunity to involve the whole community - regardless of age, ethnic or religious background, gender, disability, social or economic status, and can therefore contribute to breaking down barriers and increasing understanding within the community, as well as between the two different communities.

As one of Europe's most successfully integrated multi-cultural cities, Leicester is widely respected for its excellent and stable race relations. The city is proud of the City Council's progressive measures to combat social exclusion.

Promoting community partnerships and civil society

Transnational partnerships provide an opportunity for a local authority to forge partnerships with, and between, members of the wider community. The local authority can stimulate local interest and assist local people, groups and organisations to make contact and exchange experience with their counterparts overseas. This can be used to motivate key sections of the community, such as ethnic minorities, young people and disadvantaged groups who may have less access to, and experience of, international activities. Partnerships established between local authorities can be an effective conduit for establishing links between commercial organisations and between voluntary bodies and the non-governmental sector.

Enhancing youth activities and education

Local government has an important role to play in the development and promotion of policies relating to young people, especially through the services it provides and supports. Many of the initiatives arising from the United Nations Convention on the Rights of the Child and the forthcoming EU White Paper on youth policy will be implemented by local authorities or will rely on positive local leadership to work effectively.

Transnational partnerships can provide young people with their first international experience through youth exchange or work experience, increasing key skills and enabling them to compete in the global workplace. These links can also provide an environment in which young people can explore a number of issues with their counterparts from other countries, enabling young people to express their views by increasing self-confidence. The City Council co-ordinates youth exchange programmes with its twinned cities.

Furthermore, Development education and awareness programme and both the Globeshare Partnership and Leicester Advocating Fairtrade Partnership (LAFT) have had very active programmes in the city over the last 18 months. There are direct links into education.

Increasing global and European awareness

Globalisation means that local authorities are operating in an increasingly international environment and dealing with European and international businesses on a regular basis. Local government is being increasingly influenced in its activities by European law and is becoming more involved in the European Union institutions. Transnational partnerships can increase awareness of European and international issues and help local authorities to be outward looking and to learn from their partners. International links forge important local government partnerships that can be of substantial assistance in preparing for political changes like European enlargement. The City Council is building upon existing links with Riga (Latvia) and Haskovo (Bulgaria) and seeks to develop new linkages with Central and East European countries.

Improving social welfare and health

By bringing together counterpart organisations, experts and interest groups in the area of health and social welfare, transnational partnerships can bring about improvements in social facilities for members of the community. By sharing expertise and experience on issues such as unemployment, drug and alcohol dependency, and facilities for the young, transnational partnerships can enhance the 'well-being' of the community.

Policy and good practice

Global problems often have local solutions. Internationally via Agenda 21, local communities are engaged in sustainable development. In Europe, through the EU employment strategy, local government is a key partner in developing sustainable jobs for local people. Policies agreed internationally and in Europe have a direct impact on local government and the communities that they serve. Although national governments collectively agree these policies, more often than not, it is local authorities who implement them on the ground.

Local government is the closest sphere of governance to people and has a vital role to play in the creation and delivery of European and international policy. Local government across the globe has a wealth of experience and good practice across a wide range of policies.

Public awareness and learning

International links can be used to promote public discussion and debate of major global issues such as the environment and Local Agenda 21, the European Union, racism and social exclusion related to drug abuse, poverty and unemployment. International links can be used to stimulate the interest of the local community and local press and promote awareness of European and international issues. The local authority's links can be used as a learning tool in understanding the social, political, environmental and economic issues that face other parts of the world.

Democracy and governance

Internationally, the UN is placing increasing emphasis on good *local* governance and democratic decentralisation. The Commonwealth likewise supports these objectives. The UK Department for International Development (DfID) is also placing an increasing policy emphasis on good governance, in particular in the urban sphere.

Employment, enterprise and innovation

The European Union adopted its employment strategy in 1997, with the aim of tackling the pernicious problem of unemployment and skills shortages across Europe. Over the last 3 years the local dimension of the Strategy has become a priority for the EU and as such the role played by local government has gained importance at the EU level. The EU is very keen to see innovation in job creation at the local level and in particular innovative use of the Structural Funds.

Appendix 1 provides an example of socio-economic best practice that could be adapted to local circumstances.

Lifelong learning

A number of programmes are available in which local authorities can participate. The EU's role is to contribute to the development of quality education by encouraging co-operation between Members States and, if necessary, by supporting and supplementing their action. The main purpose of this is to develop the European dimension in education, encourage mobility and promote co-operation between schools and universities.

The City Council's new International Development Strategy aims to promote school links, teacher and student exchanges. School links and educational exchanges have already been established with Strasbourg and Krefeld.

Programmes such as Leonardo Da Vinci and Socrates aim to strengthen the European dimension within the field of education by supporting projects, which improve the knowledge and awareness in EU languages, promote co-operation and mobility, and encourage innovation in educational practices and materials. Other programmes such as ALFA aim to create and strengthen links between higher education institutions, and create mechanisms of co-operation, especially to encourage mobility between continents.

Urban development

Worldwide, the proportion of the population living in cities is rising rapidly, and this brings major challenges for the planning, management, governance and quality of life of urban centres, and has consequences for sustainable global development as a whole.

In Europe and in the UK in particular, towns and cities have been at the forefront of developing civilisation and wealth. Whether we talk of cities as great centres for trade, commerce and governance or small towns as anchor points for rural communities, urban living has helped to define the way of life for a large proportion of the British population.

Towns and cities also have their share of problems. The British Government's recent White Paper on urban policy was the focus of an intense LGA campaign to ensure the role of local authorities as community leaders, service providers, land use and transport planners and urban designers.

Local government has an important role to play in the development and promotion of policies relating to young people, especially through the services it provides and supports. Many of the initiatives arising from the United Nations Convention on the Rights of the Child and the forthcoming EU White Paper on youth policy will be implemented by local authorities or will rely on positive local leadership to work effectively.

Environmental policy, sustainability and well-being

Local government promotes well-being for local communities over a diverse range of Policies. For the last decade local authorities across the globe have been at the heart of Promoting sustainable development via Local Agenda 21, a blueprint for sustainable Development in the 21st century. Local authorities are an essential part of ensuring Access to sustainable public transport.

As Britain's first "Environment City", Leicester has a strong reputation for its Commitment to sustainable development to improve the quality of life for its citizens. Leicester has achieved international recognition for its environmental policies. In 1996, Leicester won the prestigious "European Sustainable Cities Award" in recognition of the City's environmental achievements and commitment to future environmental Improvements. Our success in sustainability issues in the city has been built on partnership working with external organisations.

In September 2002 in Johannesburg, South Africa, the UN hosted a World Summit on Sustainable Development to measure global progress on Agenda 21, map out an International strategy for the next decade and review progress since the 1992 Rio Earth Summit. It is widely expected that the review will focus on poverty, environment and Development with the aim of bridging the gap between the North and the South on Sustainable development issues.

An EU commitment to sustainable development was added to the EU Treaty at Amsterdam in 1997, after which the Council of Ministers decided to assess all policy Areas for their contribution to sustainability. In June 2001, EU Heads of State and Government agreed the first EU sustainable development strategy, setting a long-term Vision for society in which economic growth supports social progress and environmental Performance. The strategy is part of the EU's global contribution to sustainable Development and provided input into the Johannesburg Summit.

Local authorities are equally concerned with maintaining a healthy community and Promoting equality and diversity. Leicester is both a multi-cultural and a multi-faith city. The vitality and vibrancy that comes from having many different cultures living and Working together can be experienced every day in Leicester. With the joy of being a Truly diverse city comes the responsibility and challenge to make sure everyone is Treated equally.

- 1.7** One of the Strategy's key objectives is to secure financial assistance for the development of projects and initiatives, which meets the aims of the International Development Strategy.

Significant levels of grant funding are available from the European Union and other external sources to support technical twinning activities. These funds are delivered as programmes and as a consequence, grant funding is often subject to clearly defined rules and regulations.

However, EU grant funding has been secured by Leicester City Council to pursue work with Rajkot (India). European grant-aid is available to support cultural diversity, social justice, environmental quality and economic prosperity (i.e. the European Union's Asia-Urbs, Urb-AI, Asia Pro-Eco Programmes). Other sources of grant-funding could include:

- Central Bureau for International Education and Training;
- Commonwealth Local Government Good Practice Scheme;
- Connect Youth International;

- Department for International for International Development;
- United Nations;
- Council of Europe.

The City Council’s successful European track record has enabled Leicester to secure funding for a number of social, economic, cultural and environmental initiatives. This has led to a need to establish effective management, monitoring and evaluation mechanisms.

2. Recommendations

Strategic Planning & Regeneration Scrutiny Committee

2.1 Members of the Strategic Planning & Regeneration Scrutiny Committee are asked to comment on the proposals set out in this report.

Cabinet

2.2 This paper recommends that members endorse the new International Development Strategy, which sets out a new strategic framework for the Council’s international activities and aims to move the authority away from its traditional civic approach to trans-national technical partnership working. The new International Development Strategy reflects:

- External funding opportunities;
- Linkages with mainstream programmes and policies;
- A shift towards trans-national technical partnership working;
- The need to co-ordinate international development work corporately and to encourage greater involvement in the corporate OSLWP by all service areas.

FINANCIAL, LEGAL AND OTHER IMPLICATIONS

3. Financial Implications

3.1 Limited funds are available for overseas links work. The Council’s Overseas Links Controllable Budget for 2002/03 is £73,400.

3.2 Significant levels of grant funding are available from the European Union and other external sources to support technical twinning activities. These funds are delivered as programmes and as a consequence, grant funding is often subject to clearly defined rules and regulations. However, EU grant funding has been secured by Leicester City Council to pursue work with Rajkot and the Communaute Urbaine de Strasbourg have submitted a number of successful bids for EU grant funding.

4. Legal Implications

The Council has a power to provide advice and assistance to bodies outside the UK in the carrying out of the activities of local government under the Local Government (Overseas Assistance) Act 1993.

5. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting Information
Equal Opportunities	YES	1.6
Policy	YES	1.6

Sustainable and Environmental	YES	1.1, 1.3, 1.4 & 1.6
Crime and Disorder	NO	
Human Rights Act	NO	
Elderly/People on Low Income	NO	

6. Background Papers

- “A New Strategy for International Development” produced by Leicester City Council
- “White Paper on International Development – Eliminating World Poverty: Making Globalisation Work for the Poor” published by the Department for International Development
- Local Government International Bureau website
- Local Government Association – Position Paper on International Development
- “Community Plan” published by Leicester City Council
- “Strategy for Twinning & Linking” published by Leicester City Council
- “Integrated Regional Strategy” published by the East Midlands Regional Assembly
- “Regional Economic Strategy” published by the East Midlands Development Agency
- “Leicester & Leicestershire Economic Development Strategy” published by the Leicester Shire Economic Partnership

7. Consultations

- Europe Officers’ Working Group
- Leicester’s Twinning Associations

8. Report Author

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European Asia-Urbs Programme – Links with Rajkot

Leicester City Council is working with the Indian city of Rajkot on a project looking at the environmental impacts of the textile industry. The European Commission Asia-Urbs Programme is funding a four month feasibility study in Rajkot. The partners, along with the Portuguese town of Maia, aim to develop an environmental and waste strategy for the whole Rajkot textile dyeing industry.

The objective is to enable textile-dyeing companies to develop their environmental management techniques on a sustainable basis. India's textile industry will inevitably have to meet tougher environmental standards demanding reductions in the discharge of untreated chemicals. The project builds on Leicester's success in working with its own local textile dyeing companies to improve environmental performance under an Article 10 European Commission programme.

Leicester has strong links with the Gujarat state with over a quarter of its population of Gujarati origin. As well as a formal twinning agreement between the two cities, there are also strong ties through family, business and social contacts.

A delegation from Leicester visited Rajkot and met with the Rajkot Municipal Corporation, non-governmental organisations, the university, community groups and business organisations to establish the level of need and expertise needed for the successful implementation of the project. Consequently, the partners have developed a two-year Asia-Urbs project proposal aimed at adopting a more holistic approach to water and waste management in Rajkot with the involvement of local business, the community and NGOs.

The Mondragon Co-operative (Spain) – Learning from international best practice

After the Spanish Civil War, a collection amongst local people from the Basque village of Mondragon enabled the purchase of a bankrupt factory. The factory was run by young people who were taught co-operative principals and engineering through the local communities' efforts to create an independent technical school. The co-operatives expanded into the Mondragon Group of Co-operatives, with the establishment of businesses across industrial sectors from engineering and research into banking, education and social welfare.

Within forty years of its establishment, 21,000 secure and well-paid jobs were created by the co-operatives. Today, if you look at the Mondragon Co-operative Corporation's (MCC) website on the Internet, you will find that they now employ over 50,000 people and have expanded internationally with plants as far apart as Brazil and China. The MCC is the largest corporation in the Basque region and it includes the fourth largest Bank in Spain.

The principals that the co-operators worked to are as follows:

- The principal of 'Equilibrio' was established; a requirement that every business must consider a holistic view to economic necessity, social need and the environment.
- They worked to the principal that they would not 'take-over' existing businesses on the basis that you cannot change the culture of a traditional business structure into a co-operative where concerns, election of management teams as well as profits/losses are shared.

- It was important for staff to continually upskill. At any one time 50% of Mondragon employees were on training or educational courses.
- Every member of the co-operatives had to invest their own financial as well as labour capital into the businesses. While it was not feasible for new starters to be expected to have the necessary money to invest (about one month's salary), the co-operatives would lend the sum to the co-operator.
- All business income including workers wages were to be kept in the Co-operatives bank; this would increase the capital available to reinvest back into the businesses.
- Wage differentials were to be kept at a maximum of 3¹/₂ to 1.
- Profits were to be shared amongst co-operators with a set proportion invested back into the business, and another proportion given as a donation to social concerns. Profits would not be paid as a straight financial payout, but instead would become a contribution to each co-operators capital account at the bank. On retirement members would receive all of their capital account monies with interest. However, if the member left the co-operative before retirement, then they would receive a proportion of the capital account sum dependent on length of service.
- The bank acted as business advisor with the equal priority of protecting and creating jobs as well as securing investments. For example, if a co-operative business member was having financial difficulties the bank would second a staff expert to work with the enterprises management at the work place over a long period of time.

The expansion of the MCC in terms of jobs and capital worth has continued at astounding pace. However, where as in the first forty years of the co-operatives these jobs were newly created, in more recent years they have involved the take over of existing businesses.

Although the Mondragon model was shaped by unique national and regional circumstances, the initial principals are well worth consideration as they enabled the survival and growth of the organisation at times of severe national and global economic downturn.