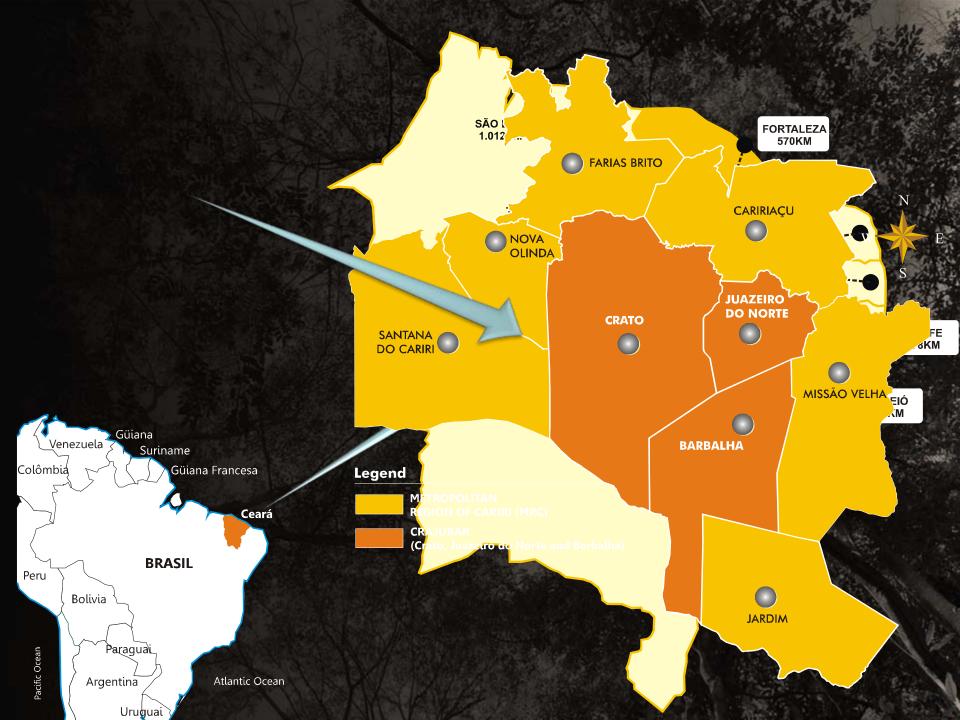


## **OUTLINE - A**

## Key issues

- Competitiveness
- Local and Regional Economic Development (LED)
- Local SME Clusters
- Case Study

# **OUTLINE - B** I. Why is Cidades do Ceara a case to be discussed? **II. Project concept** III. Cariri footwear cluster **IV. Caveats**



## I. WHY IS CIDADES DO CEARA A CASE?

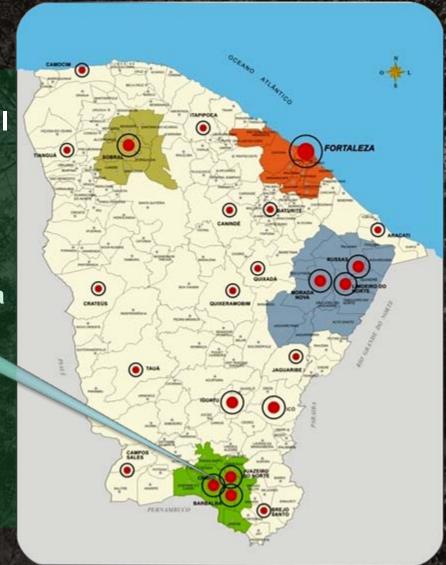
#### **Ceara's LED Strategy**

#### **METROPOLITAN REGION OF CARIRI**

- Urbanization challenge
- Comprises 9 municipalities
   Uneven development, which puts a
- Estimated population: 554,945 inhab

(IBGE / 2008) Secondary centers outside Fortaleza as priorities for the investments
■ 6,57% of CE

- - Focus on clusters and its potential tal pazieiocecter blooteic 246,5155 in hab
    - Crato: 115,724 inhab
    - Barbalha: 52,496 inhab



## I. WHY IS CIDADES DO CEARA A CASE?

#### Cariri's competitiveness vis-a-vis other regions in Ceara

- Reasonable infrastructure and concentration of public and private investments
- Potential of endogenous productive activities (footwear and tourism)
   to create jobs and business opportunities
- Exceptional location → equidistant from the main capitals in the Northeast
- Tripolar urban concentration → agglomeration economies
- Strong education sector

## I. WHY IS CIDADES DO CEARA A CASE?

#### Innovative approach towards regional development

- Decentralization of public policies and investments
- Focus on local / endogenous activities footwear and tourism – as priorities for development
- Territorial planning
- Decision to target investments to reinforce an urban hierarchy within the state – idea of network, flows, connections...
- Private sector engagement, partnerships and participatory processes

#### **WORKSHOPS**



#### **CONSULTAS PÚBLICAS**







## II. PROJECT CONCEPT



## CIDADES DO CEARA





## II. PROJECT CONCEPT

I. INFRASTRUCTURE IMPROVEMENTS

- II. CLUSTER-BASED LED

Innovation and direct support to private sector - footwear and tourism clusters

III. REGIONAL MANAGEMENT AND INSTITUTIONAL STRENGTHENING

- I.1. Regional Infrastructure
- I.2. Municipal Infrastructure
- II.1. Organization and Capacity Building
- II.2. Infrastructure to Support Selected Clusters
- II.3. Business Environment Improvement
- II.4. Marketing Initiatives
- III.1. Municipal Level
- III.2. State Level
- III.3. Regional Management Level / Enhancement of Metropolitan Governance

From leather tradition to manufacture of plastic materials







#### Location

→ Crato, Juazeiro do Norte and Barbalha

#### **Firms**

- → estimated 400 (SEBRAE-CE)
- → mainly Small and Micro Enterprises (SMEs)

#### **Jobs**

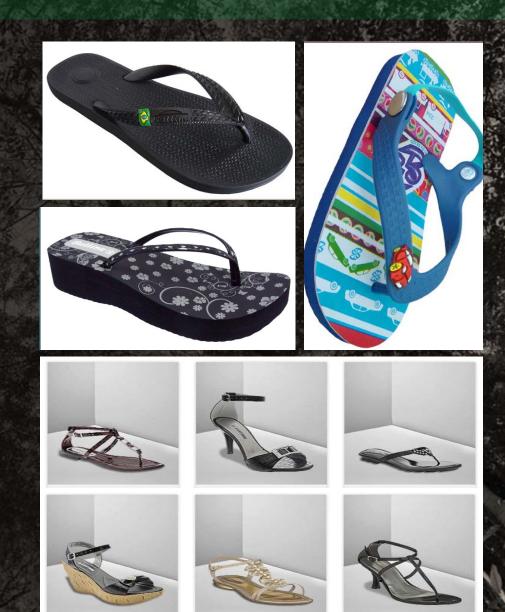
- → about 12,000 jobs (SEBRAE-CE)
- →10% of the Brazilian jobs in the plastic footwear industry (RAIS, 2006)

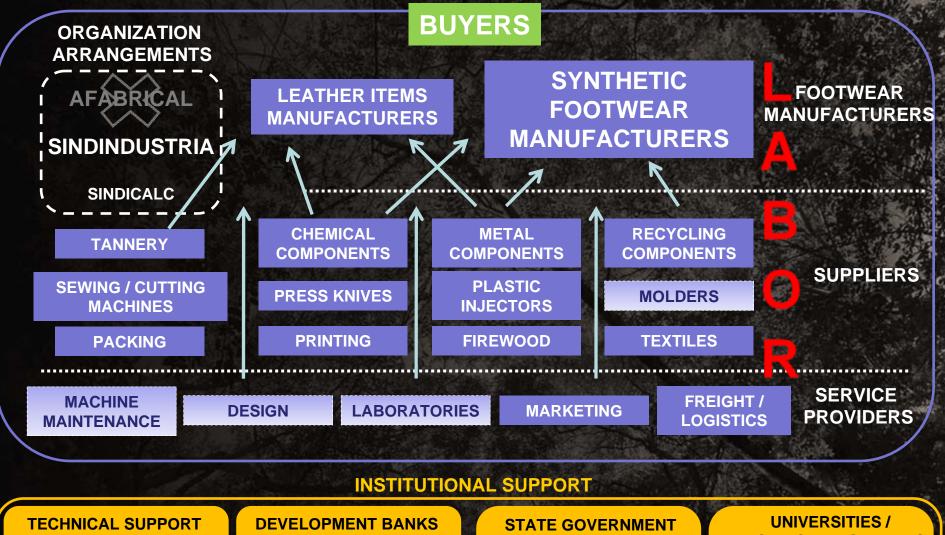
#### **Main products**

- → women, men, and children's sandals made of synthetic and plastic inputs
- recycled material

#### **Demand**

→ medium and low income consumers from local market, Northeast and North regions





**SEBRAE** SENAI

**BNB** BB

**DEVELOPMENT AGENCIES** (CEDE / ADECE / CODECE)

CIDADES DO CEARA

#### **TECHNICAL INSTITUTES**

**URCA** CENTEC NUTEC UFC

#### **Main opportunities**

- Low labor cost
- Entrepreneurship / traditional skills
- Existence of a reasonably structured footwear chain in the region
- Institutional / technical public support
- Cariri's strategic location
- Strong culture and potential to promote product identity
- Pioneering in recycling



#### **Key weaknesses**

- Low skill profile of local labor force
- Lack of working capital (SMEs)
- Low quality products (low value-added)
- "Copy-oriented practices"
- Low access to machinery / technology (e.g. for the production of molders, laboratory tests)
- Fragile cooperation

Cidades do Ceara: Innovation as key to enhance competitiveness

**Product innovation** 

- → design introduction
- → new inputs introduction

**Process innovation** 

- → technology introduction
- → layout improvements

**Management practices** 

**Branding** 

**Cidades do Ceara: timeframe for the investments** 

**Promoting organization** 

Information exchange (fairs, technical missions, consultancies)

Planning CITE (Center for Information and Technologies)

**Capacity building** 

Infrastructure (laboratories, equipment)

Marketing / promotion/ branding

2

**Main functions of CITE** 

**Coordination** of the local technology system

Assistance in design development

Production and diffusion of info (trends, consumer preferences, markets...)

Laboratory and equipment support

Training / capacity building

### IV. CAVEATS

Project as a "testing ground" to promote territorial economic development

Project's budget X complexity

Working with many institutions and partners requires refined coordination and effective implementation arrangement

Working with private sector demands prompt results, different practices and timeframe

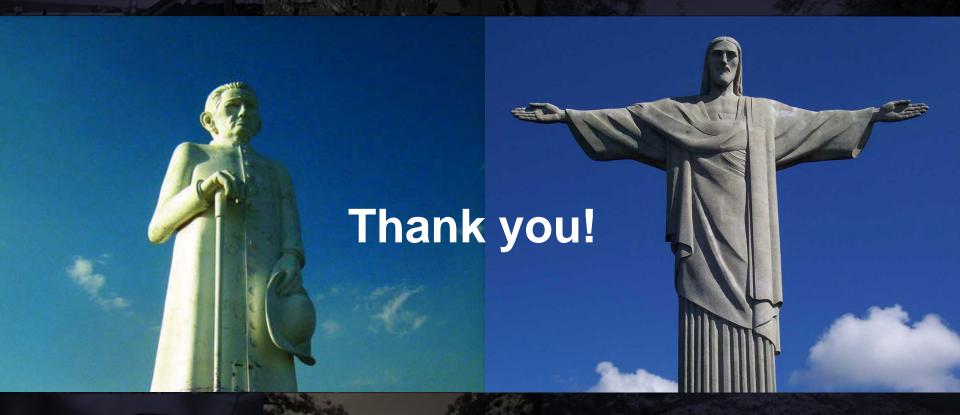
**Reducing expectations** 

Awareness of the limited role of the Project in cluster development and focus on private sector protagonism





Projeto de Desenvolvimento Econômico Regional do Ceará Cidades do Ceará CARIRI CENTRAL



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