

CHILE

VALDIVIA & TARAPACA



1. Foster collaboration between stakeholders of the competitiveness ecosystem at the local level

Key takeaways from the technical deep dive

Valdivia: skills retention strategy centered on improving the quality of living failed to take into account the labor demand side from the private sector (lacks an investment attraction policy for large firms that generate quality jobs, allowing to retain talent)

Tarapaca: current innovation strategy too general;

3 key factors for success going forward:

- Action plan should be progressive, with actions at short, medium and long term
- Importance to find a champion (e.g. an institution, a person) that can mobilize different stakeholders
- Importance of citizen engagement to achieve consensus

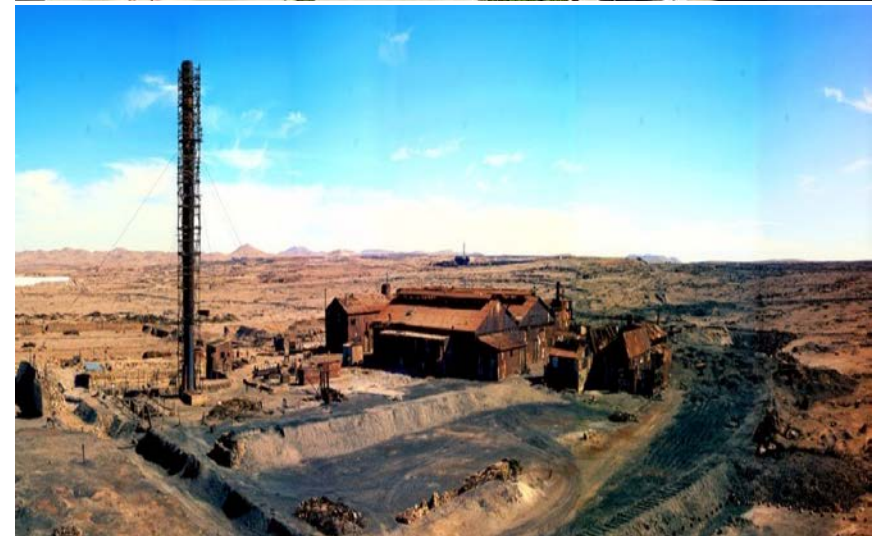


What needs to be accomplished

Main challenges

Valdivia: attract all stakeholders of the competitiveness ecosystem (highly ranked decision-makers with political and economical power) to achieve consensus on the type of firms that should be attracted; and produce an action plan to design and implement the investment policy attraction for the city.

Tarapaca: produce a detailed and realistic innovation strategy, based on good diagnostics of (i) the private sector capacity to diversify, innovate and be competitive at the national/international level; and (ii) how to link the indigenous communities to the productivity enhancing process. This strategy should be designed in collaboration between all stakeholders of the innovation ecosystem and reach consensus.



Action plan and milestones

Short term: Share lessons learned from this technical deep dive among decision makers (Mayor, Intendent, stakeholders of the local innovation ecosystem) to identify champions interested in supporting the efforts. Milestone: a meeting between high-level policy-makers has been organized

Medium-term:

Valdivia: find a formal mechanisms that will drive the collaboration efforts towards the design and implementation of the investment attraction policy (organize frequent meetings to start the conversation and have financial resources to finance the collaboration process). Milestone: resources to finance the mechanism secured.

Tarapaca: secure resources to finance the diagnosis performed by The World Bank Group that will become the basis of the next innovation strategy for the region. Milestone: diagnosis started.

Long term:

Valdivia: secure financial resources to implement the action plan for attracting investment. Milestone: key stakeholders working in the development of the investment policy attraction action plan.

Tarapaca: use inputs from the diagnosis to design the new innovation strategy and propose Tarapaca as a region to pilot the decentralization process for business support policies; Milestones: drafting of innovation strategy started.

Barriers and opportunities for implementation

Valdivia:

Barriers: circumvent political disagreements, eventually resistance to work on this topic by incoming government in case there is a change in the ruling party (rebuild trust with new leaders can eventually delay the implementation of the action plan).

Opportunities: (i) small city allows to know each other, making it easy to build confidence; and (ii) the region is piloting the decentralization process for the business support policies, making it easier to propose solutions that aim to make Valdivia more competitive.

Tarapaca:

Barriers: resistance from the competitiveness ecosystem stakeholders to engage in the collaboration (mainly the private sector due to a reluctance to go out from their comfort zone and to loose their position as incumbents).

Opportunities: regional government is committed to foster competitiveness and strengthen the collaboration between stakeholders of the ecosystem



Required support

Valdivia:

1. Accountability partner from the WBG to share insights from the implementation of the action plan in order to benefit from external insights, recommendations from best international practices and eventually access to resources/technical assistance if needed.
2. Diagnosis using economic geography tools on competitiveness in specific sectors of Valdivia relative to main international competitors/cities with similar characteristics.



Tarapaca:

1. Support from the World Bank to implement a “Competitive Cities” workshop in the region to identify competitiveness challenges in a participatory manner with stakeholders from the innovation ecosystem, in order to arrive to a consensus on key priorities that should be covered by the new innovation strategy.
2. Diagnosis using economic geography tools on competitiveness in specific sectors of Tarapaca relative to main international competitors/regions with similar characteristics.

