

LEADER transnational cooperation project and
17th Summer Academy joint seminar "Creating
innovation and smart solutions for sustainable
local development"

Future scenarios of local development

Mihkel Laan, Cumulus Consulting Ltd

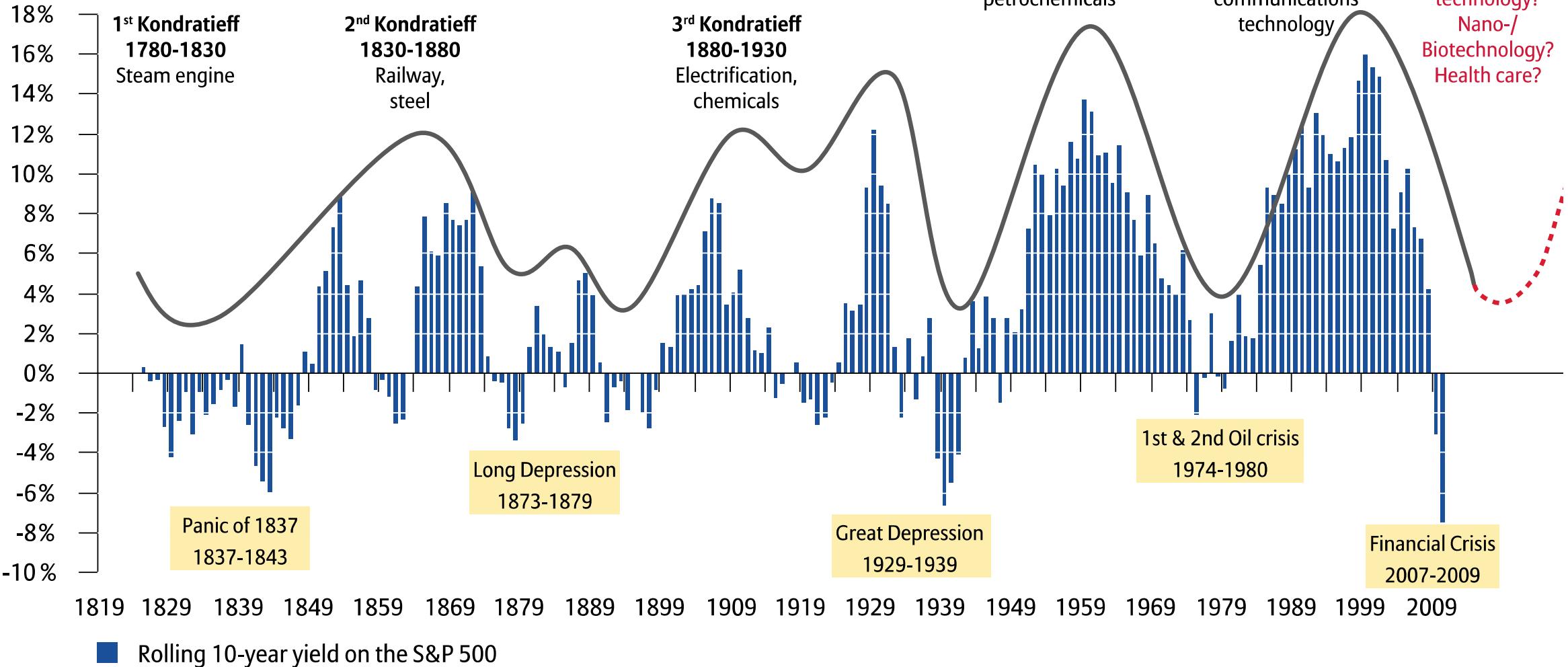
Tartu, Estonia
20th September 2018

cumulus
consulting.

My story for today

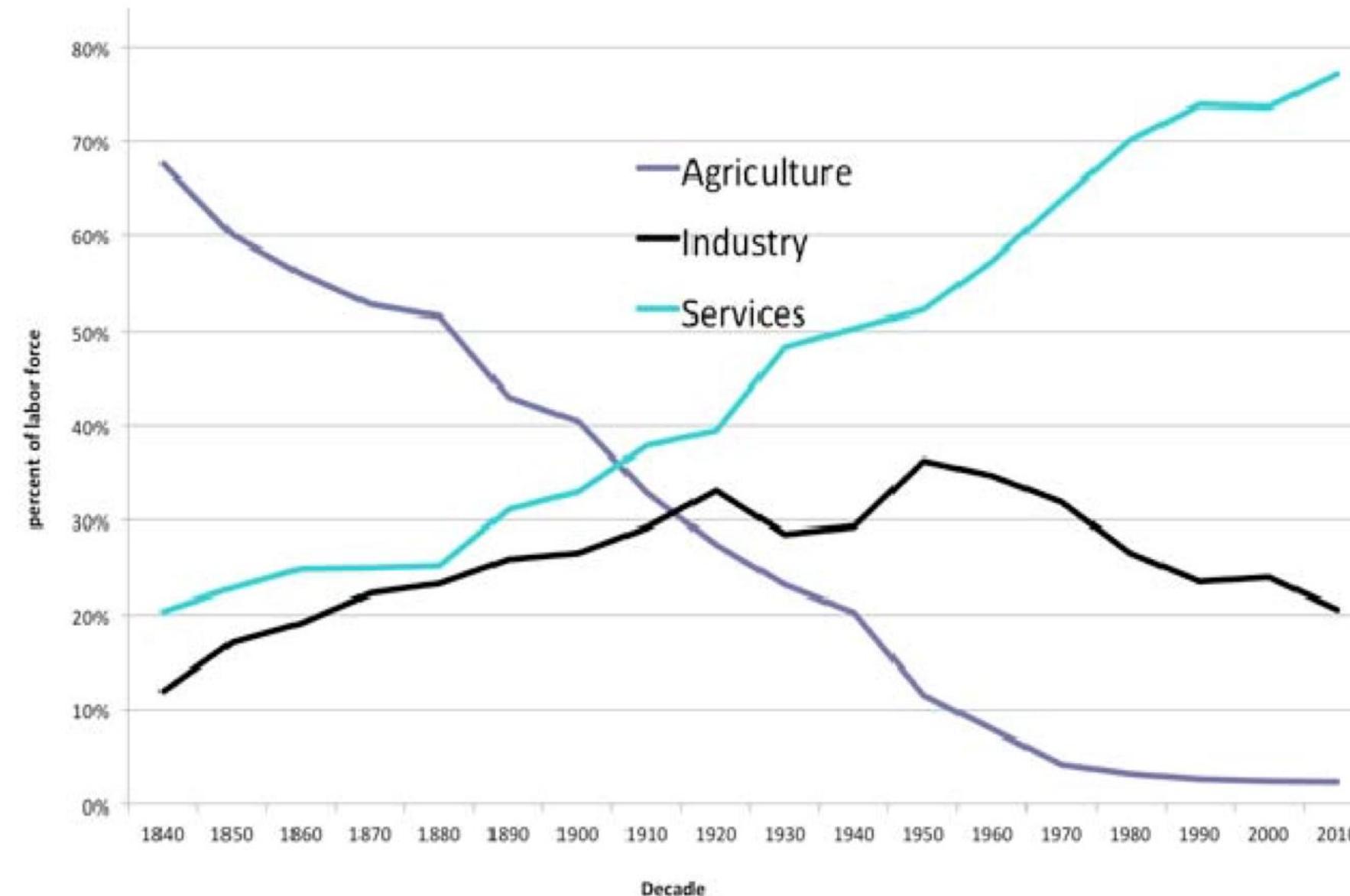
- General trends
- Challenges in Estonia
- Can LEADER save the world?

Kondratieff waves of innovation



Source: Datastream; Illustration: Allianz Global Investors Capital Market Analysis

Employment by sector: USA

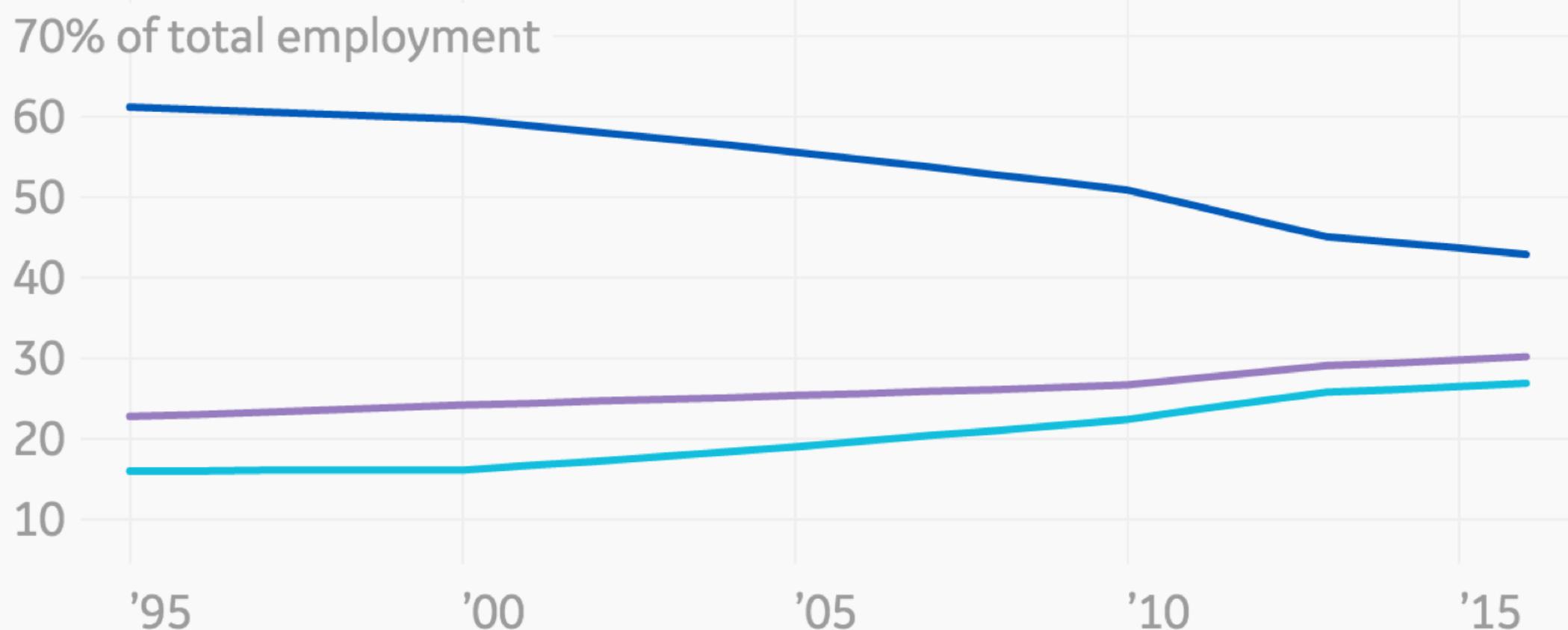


Employment by sector: India

Employment by sector in India, 1995-2016

■ Agriculture ■ Industry ■ Services

70% of total employment



Growing interaction and integration



Source: Tiit Tammaru

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Generation Z

2018



2035



Source: Tiit Tammaru

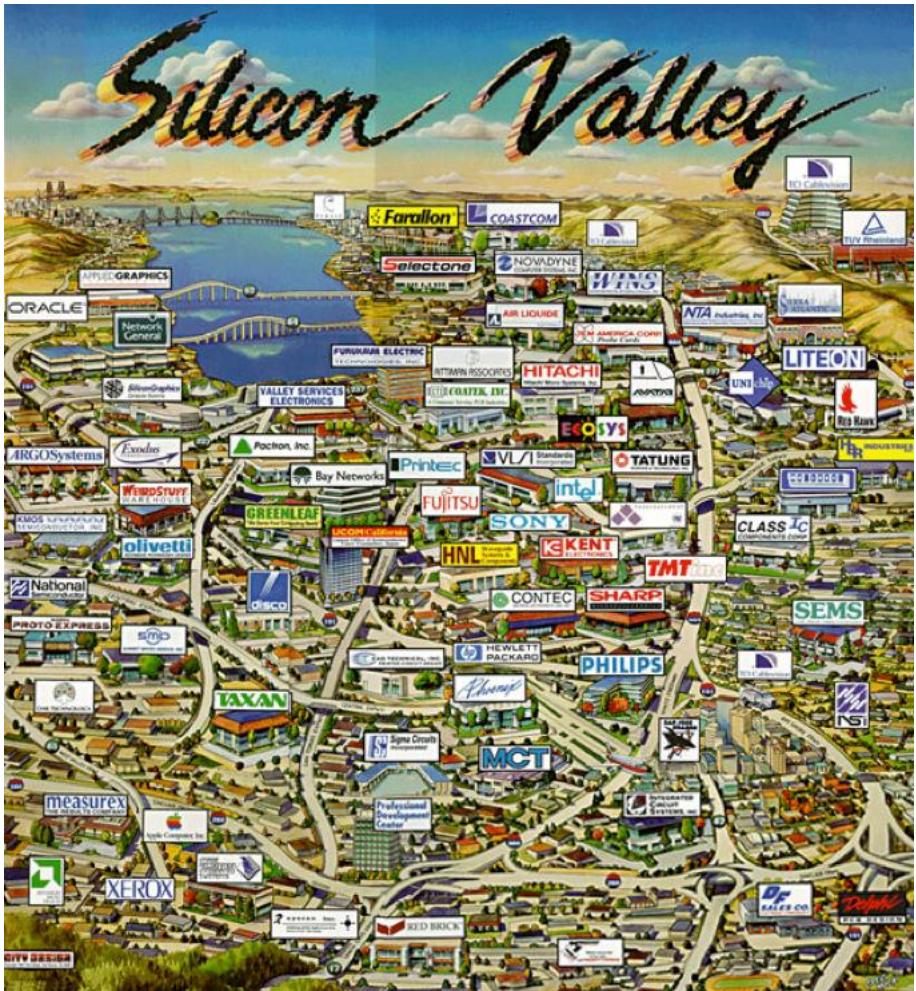
3rd and 4th wave: oil shale mining and industry in 21st century?



Or renewable
energy, health care
and tourism?



5th wave in California and Ülemiste City (Tallinn)



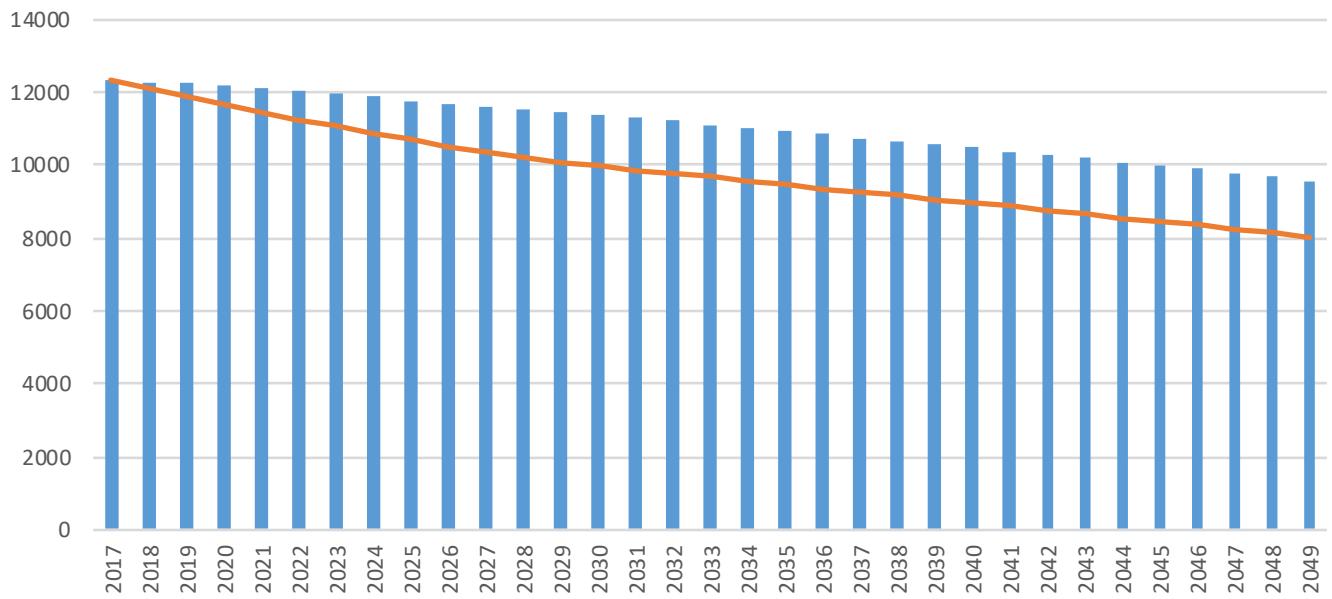
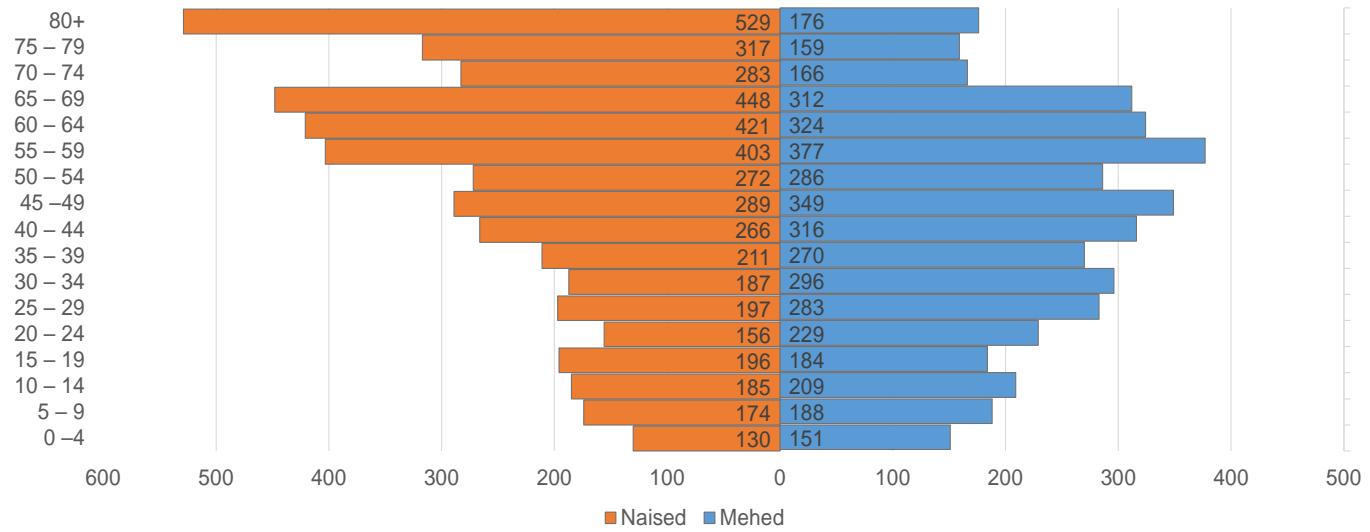
6th wave?



Source: Garri Raagamaa

Local challenges I: demographics

- Ageing – the rise of elderly from 18% in 2015 to 28% in 2050?
- In rural areas **-20%** in next 10 years?
- Who is „paying the bills“ - the pressure towards more efficient public sector?



Local challenges II: (empowered) community instead of public sector?

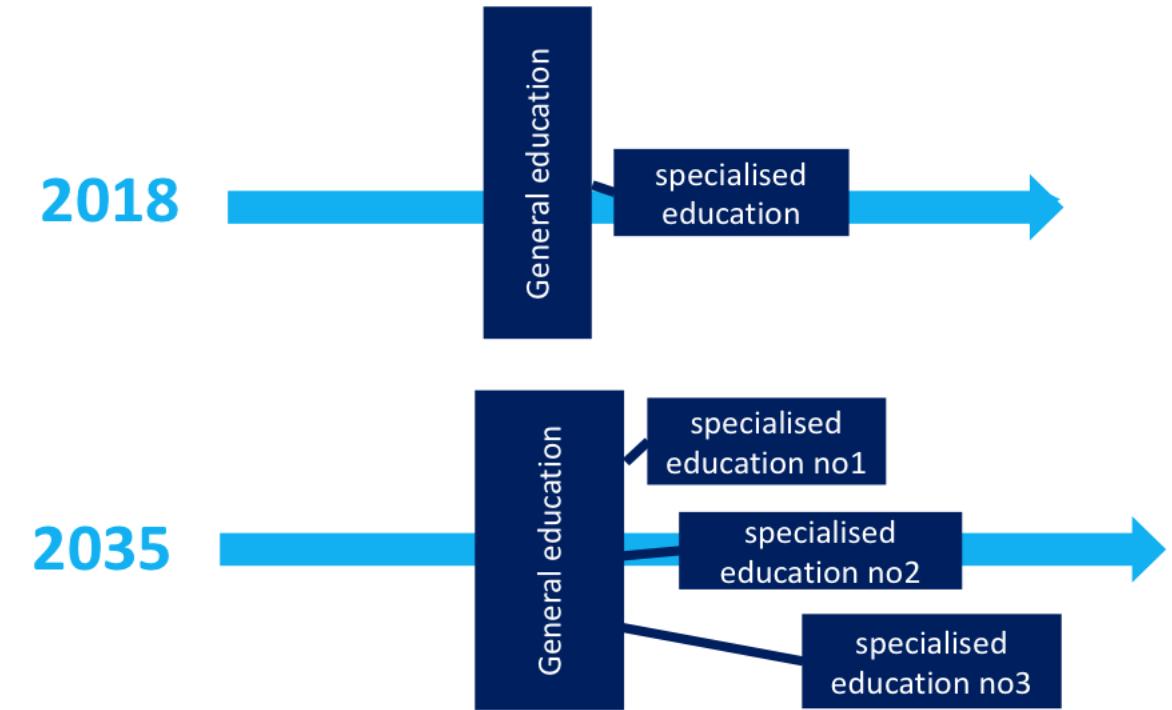
Local governments (LG) in Estonia	Before local government reform (Jan 2017)	After local government reform (Jan 2018)
Number of LGs	213	79
Less than 5000 inhabitants	169	17
5000-11 000 inhabitants	28	34
More than 11 000 inhabitants	16	28
Median inhabitants	1887	7739
Territory median (km²)	180	512

Local challenges III: cross-sector collaboration

- Public-private-3rd sector + education, social services, leisure etc
- Common strategy and goals?



Local challenges IV: investing in infrastructure or human infrastructure?



Source: Tiit Tammaru

Why LEADER saves the world?

- It focuses on integration and innovation, both are key words in 2035
- It deals with rural areas, where the (demographic) challenges are the biggest
- It helps to empower community and “can do will do” attitude
- It focuses on cross-sector collaboration
- It invests in people and networks not only infrastructure

Thank you!

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