

STRATEGIC AREA ASSESSMENT

Section One – What is the Strategic Area Assessment (SAA) ?

Strategic Area Assessment is an instrument for local and regional development. It combines the evaluation of the potential peculiar to a specific local area with the elaboration of the most promising development strategies in terms of leverage toward innovation. The procedure requires gathering a broad range of stakeholders, drawing on their specific knowledge, and intensifies their readiness to follow new paths. The main tool used for SAA is called *Innovation Compass*. Since its first appearance in 1999, the Innovation Compass has been revised several times by the author – besides unrecorded adaptations by other users. This is the **fifth version (2009)**.

Section Two: Detailed Description of the Method and its Functioning

Applicability – Potential and Limits

The strategic area assessment with the innovation compass is an instrument for local and regional development; it helps producing an area appraisal, from which useful innovation strategies can be directly deduced. The innovation compass as its main tool can be characterized as follows:

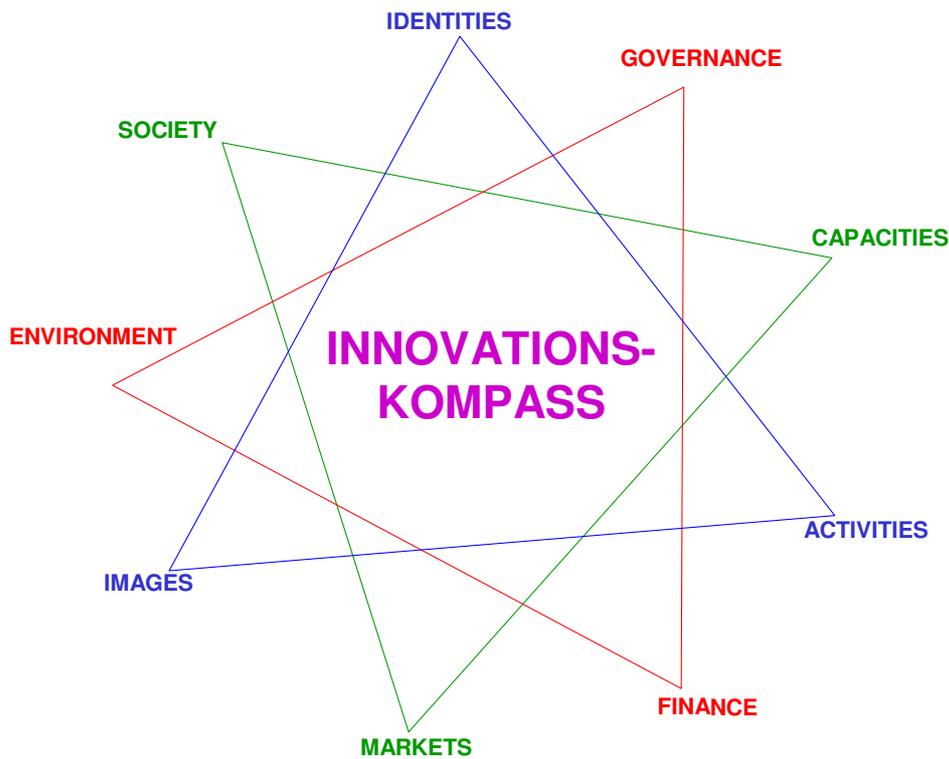
- **With the tool a “holistic” picture of an area can be generated.** A local area or region can be considered as a highly complex living system whose development is, at least in modern societies, object of public concern and of a multitude of supportive interventions. Well-coordinated multi-level governance and programme support are thought to foster local and regional development – building on endogenous potential and on targeted impulses from outside. The SAA is based on a systemic perception of regions, and does therefore not just add up strengths and weaknesses like a classical SWOT analysis. The particular features of an area are structured into **nine components**, divided into **45 sub-components**. The components and sub-components can be understood as nine respectively 45 ways to perceive an area. 15 key questions per component (or three per sub-component), summing up to 135 questions in total, help to construe a holistic picture of what’s going on in an area; as a matter of fact, many questions seem to be redundant, as they cover up similar aspects from different perceptual positions.
 - **The results can be visualized as a cobweb diagram**, which allows focusing on the relevant leverage points of innovation.
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- **The tool is „light“.** It can be used without a heavy theoretical rucksack; this means, it can be applied on academic ground as well as with local actors.
- **The tool requires group work** for unfolding its benefits. The more it is possible to bring in participants from highly different backgrounds, the better the results will mirror the *collective mental maps* of local/regional people. The number of actors and the required time can be kept flexible according to the purpose. Their main task is to work through the catalogue of 135 key questions.
- **The tool helps saving time.** The high redundancy, i.e. the multiple appearances of some aspects in more than one question, produces plausible and useful results. It is possible to go through the questions quite quickly; some questions can be omitted, if they don't make any sense in the respective context.
- **The tool is flexible, though within limits.** It gains relevance if the key questions are not just copied from the template, but adapted to the respective context by a small team of local actors beforehand. The answer should fit into the pre-defined Likert scale ranging from an excellent top-end (10 points), marking highest possible quality, to an inferior bottom-end (0 points), marking the lowest-possible one. Each question should be openly discussed and collectively reflected in a small work group.
- **The tool is applicable within the limits of a critical area size,** ranging between 20.000 to 2.000.000 inhabitants, or 1.000 to 10.000 km².

Concept and Structure of the Innovation Compass

The innovation compass is made up of **nine components**, forming an enneagram:





The nine components are clustered in three triangles, referring to **three different categories**:

<i>Category</i>	<i>Component</i>		
Capital	Environment	Finance	Governance
Levers	Images	Activities	Identities
Flows	Markets	Capacities	Society

We understand the denominations of the categories in the following way:

- „**Capital**“ signifies the natural, economic and socio-cultural endowment of an area.
 - ✓ **Environment** comprises the nature-borne physical resources as well as man-made structures such as cultural landscape, built heritage and settlements.
 - ✓ **Finance** refers to immaterial and material assets directly expressed as or convertible into monetary value, such as financial capital available to regional
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stakeholders and entities, immovable property, place-dependent goodwill or funding opportunities.

- ✓ **Governance** are the steering structures and processes, the common culture and operational modes by which regional authorities, institutions and local communities accomplish public tasks, how they are linked to encompassing or other territorial entities (regions, nation-states, multi-level governance arrangements) and how they interact with private and civil society actors for managing support to regional development.

Changes in the long term capital usually occur slowly, except for catastrophic events.

- „**Flows**“ refer to physical and immaterial resources and potential.
 - ✓ **Society**: Society is made up of people, understood from an individual as well as from a collective point of view. People “flow vertically” along the time axis (from birth to death, between generations) and “horizontally” in space (through in- or out-migration and intra-regional movements).
 - ✓ **Markets** signify the actual flow and potential of exchanges of labor force, financial capital, technology, goods and services.
 - ✓ **Capacities** are bound to people (qualification), tradable as services (know how), or embodied in producer goods (technology).

Changes in “flows” underlie shorter cycles than those in “capitals”, mostly following the ups and downs of macro-economic conjuncture and political conditions. Flow components more easily substitute each other than capital components.¹ In the long term, the states of flow components determine the states of the capital components. In other words, flow components ensure the quality and resilience of capital components.

- „**Levers**“ are catalysts influencing the flow components and hence, indirectly, the capital components. Expressed the other way round, capital components shape the context (potential and limits) of lever components.
 - ✓ **Identities** designate behavior and communication patterns, predominant and also less obvious cultural accordance and „ways to be“, the “felt reality”, not seldom opposed to “published reality”, epitomized in emblematic features, referred to as “typical”.

¹ E.g. either people (human resources), or goods (markets) or licenses (competences) can be exported to bring money into the region.

- ✓ **Images** are espoused, written or visual representations of reality, present perceptions or future projections of the area, its people and its destiny, including shared visions and programmatic strategies.
- ✓ **Activities** refer to any endeavour (be it for profit-making or for social aims) influencing the development of the area and of its subsystems (settlements, enterprises, organizations, communities, families), undertaken by individual people or collective actors from inside or outside the area.

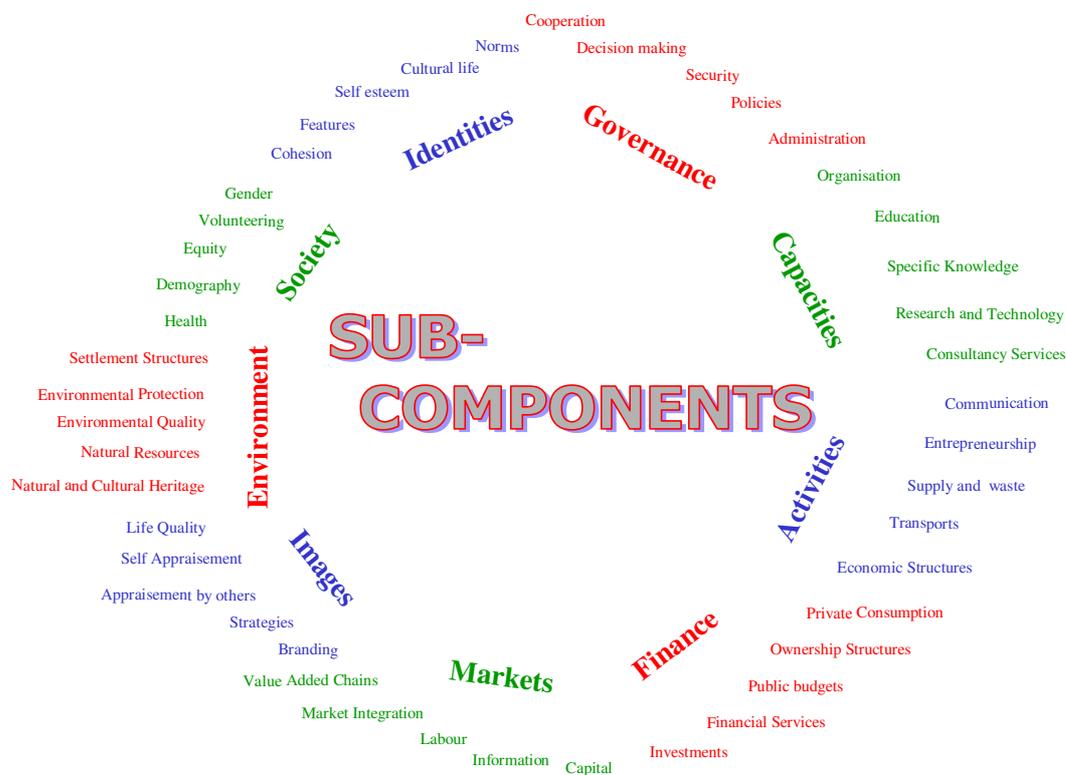
The levers are entry points for change, even rapid change, and their change takes effect on the regional context (i.e. on the flow and capital components). „To roll up one’s sleeves” (*Activities*) is but one way to change the conditions. Development may take a new turn through a strategy shift in regional policy or a new public *Image* of the area, or if territorial boundaries are redrawn, leading to the emergence of new *Identities*.

The components *Identities* and *Images* are plural terms considering the multiplicity and complexity of ways of life and perceptions which always prevail in a given territory.

The specific shape of the enneagram reveals that the components belonging to different categories follow each other periodically. Moreover, there is a certain logic in the respective position of the components. Components on the left side of the innovation compass rather represent the heritage from the **past**. They are also less likely to be influenced by purposive action, at least in the short term. The right side of the innovation compass rather reveals **present or future** aspects, which means that they are more easily accessible for rational planning; whereas the upper hemisphere rather represents **intrinsic** aspects, the lower part **extrinsic** ones.

The core supposition of strategic area assessment is that it is possible to draw appropriate strategic conclusions on the basis of an area diagnosis carried out with the innovation compass. This supposition is bound to the specific sequence of the nine components in the enneagram. Therefore the sequence should not be altered.

The sub-components operationalize the components. Each component is divided into five sub-components.



In a further step of operationalization, there are three key questions per sub-component. These questions are not reproduced here, but there is a standard template freely available on the website indicated at the end of this chapter. For rough and dirty appraisals, the number of questions may be reduced, as well as, for more comprehensive deliberation processes, the strategic area assessment can be complemented with quantitative analyses and in-depth investigations.

How to Organize a Strategic Area Assessment (SAA)

The SAA is not a one-off operation, but embedded in a process of putting up a local or regional development strategy. Accordingly this process may last from a few weeks until several months. The **SAA Conference** marks the turning point and interface between the analysis and the strategy building phase.

In essence the SAA Conference is a gathering of local/regional stakeholders under the motto: diversity beats competence. The quality of the outcome is less guaranteed by bringing together the apparent “gurus” and most brilliant thinkers or even the most powerful people in the area, but much more by the diversity and broadness of representatives, from farmers to engineers, mayors, housewives, retired persons and

youngsters, to sportsmen, artists, entrepreneurs and public officials. Good facilitation is a key to excellent outcomes. Regardless of the duration (a SAA Conference should be scheduled between one and two full days), we may distinguish five steps, whereas step one starts some time before and step five already points towards the aftermath. The five steps are:

Step 1: Preparing the SAA Conference

Step 2: Processing the key questions

Step 3: Putting up the cobweb diagram

Step 4: The critical point: drawing conclusions.

Step 5: Pitching the path ahead

Section Three – A Case Example

This section provides a model-like description of a strategic area assessment according to an (adapted) case example from Austria.

A number of municipalities and other stakeholders in the mountainous region of East Tyrol (social partners, environmental and cultural initiatives, entrepreneurs, people from the education sector, youth associations and local agenda 21 groups...) have decided to apply for a rural development programme providing co-funding for small regions. The area is predominantly rural, comprising around 50.000 inhabitants who live in small towns and scattered villages. Two major criteria are to be met in order to get funding for a seven years' period of implementation:

- To present an appropriate area-based and multi-sectoral development strategy, put up in a facilitated participatory process; and
- To build a consolidated, accountable public-private partnership as the promoter of the development strategy.

The provisory speakers of the partnership board, supported by the local development agency, had already organized stakeholder meetings in the previous weeks. The development agency drew together a host of statistical information thus providing a rough statistical analysis and SWOT of the area; now the moment came to organize the SAA Conference with the help of an external method provider, who was asked to design the conference and to co-facilitate the event together with the local development agent.

Step 1 Preparing the SAA Conference

The provisory board of the local action group, supported by the local development agency, drew up a list of people from different realms of public, economic and civic life in the area. This list of about 120 people was supposed to be well balanced in terms of place, gender, age, diversity of professions, political and religious adherences and origins, profit and non-profit, public and private activities, active and retired persons or people with specific needs etc.

☞ A useful formula for selecting stakeholders is provided in the following case box under the name **6R** (see below).

The selected people were formally invited by the provisory speakers of the local partnership. Around 80 of them followed the invitation – some of them sending proxies as they were not available at that time.

The event took place in a seminar hotel in a picturesque place in the area. It started after lunch the first day and ended around 17 o'clock the second day.

After flocking in, the speakers welcomed the participants and the facilitators explained the procedure.

The “6R” of a performing local development partnership

Although there is no “one-size-fits-all” recipe how local development partnerships should be composed in order to bring forth good results over a long period of time, we are able to suggest a model of six features of success, the “6R”, which are based on the sequence of personal pronouns (see the table below).

The 6R are not uniform:

- The features one to three (singular) are “ideal” features of the individual partners.
- The features four to six (plural) relate to the partnership as a whole, as a collective actor.

<i>Pro-noun</i>	Feature of success	Interpretation
<i>I</i>	Relatedness	Each partner has strong ties to the territory or to certain aspects of it. These ties can be emotional ones in respect to his/her origin; they can be related to his/her specific activity (as an artist, tourist guide, politician etc.); they can also be economic ties (ownership of land or of a firm)...
<i>You</i>	Resonance	The partners are good communicators and bridge-builders; they are committed to cooperate with others, might they share their world view or not.
<i>It</i>	Resource access	The partners use their individual access to (human,

		financial, material) resources to serve the common purpose: the bank manager provides support to financial issues; the school dean motivates students to participate in accompanying research etc. They hold the keys to specific resources in hands: That's why they are called "key stakeholders"...	
<i>We</i>	Representativeness	As a group the partners constitute the "area in a nutshell". The partnership composition should be balanced in terms of gender, age, profession, social status, political orientation, place of living, degree of education etc. Ethnical, religious and other minorities or people with specific needs should be also represented.	Features of the partnership as a whole
<i>You</i>	Reciprocity	The partnership is entitled and willing to set up equitable relationships (economic exchange, knowledge and innovation, solidarity, political agreements etc.) with external partners, other regions, within or across national boundaries, with trans-national organisations etc.	
<i>They</i>	Recursiveness	The partnership is related to embedded territorial entities (e.g. municipalities) in a similar way as governance structures of larger territorial entities are related to the local partnership. The partnership is self-organised and sufficiently autonomous in its respective realm of decision-making, and it does not interfere in the realm of decision-making of municipalities or other embedded entities. They are supported and encouraged by the national/regional government in the same way as they support and encourage the municipalities and other local actors.	
<p>We recognize that the 6th feature is a special one, as it points beyond the local influence sphere. It relates to the systemic relationships with other policy levels: A local action group is always embedded in an interlaced institutional context which strongly influences its room for manoeuvre and its quality of functioning. Local development partnerships are cornerstones of multi-level governance². Multi-level governance is defined as a flexible way of sharing power between territorial authorities, neither of which is in full possession of the "last word" in decision-making.³</p> <p>Thus the sixth R marks the limits of what a local development partnership may achieve relying on its own forces. It shows its contingency to the wider governance context.</p>			

² See for example: BACHE I. and FLINDERS M. 2004: Multi-level Governance. Oxford University Press.

³ ELBE S. e.a. (2007): Final report (in German) on the second phase of the accompanying research for the German pilot initiative "Regionen Aktiv" (2002-2007) of the Federal Ministry of Food, Agriculture and Consumer Protection. SPRINT GbR, University of Göttingen, University of Hagen, ÖAR Regionalberatung GmbH.

Step 2 Working through the key questions

After having presented an overview on the SAA concept, the participants were asked to split up into 9 small work groups (each one comprising 7 to 10 people). Each group was assigned – at random – two components. This means that they had no choice on which theme they would work. Their task was to process the 2x15=30 key questions belonging to the two components, and to translate their joint validation into rates:

- The rating scale starts with (0) „very bad“, „very weak“, „very negative“ etc. and ends with (10) „very good“, „very strong“, „very positive“ etc.; the middle position (5) is „neutral“ or „uncertain“.
- The rating for each subcomponent should not only be done for the present situation, but also for a past state. The facilitator proposed to remember like it used to be 10 years ago.
- Relative changes or trends should become visible by the difference between the present value and the historic value.
- Ideally the rating should be done on the basis of an intuitive estimation of the area's intrinsic development potential. The highest rate (10) would then be bestowed for the imagined state of excellence of this very area. If the participants hesitate to do so, they might take an extrinsic benchmark in reference to another region, which they consider as „more developed“ and „comparable“ at the same time.
- If a group do not reach consensus on the rate, they should calculate the arithmetic average of individual rates for the respective question, and jot down the “hot issue” on moderation cards.
- The individual ratings for each question and the aggregated ratings for each sub-component were filled in prepared sheets for each group and collected by the facilitators, who computed the arithmetic averages for each of the nine components.
- As each of the nine groups worked on two components, all the components were rated twice, without agreement between the groups; this is a means of controlling plausibility and coherence.
- In order to avoid obliterating strong divergences within sub-components or even between components by computing the average rates: the divergences were kept in evidence for further discussion and analysis.⁴
- Not only divergent opinions, but also sparkling ideas and memorable items are jotted down on cards, which are later on put on separate pin boards by the facilitators for the following plenary discussion.
- The rating of 30 questions required about three hours, including a small coffee break. Some of the questions went smoothly, but some other questions sparked hot discussions. It is advisable to let the groups nominate a spokesperson who at the

⁴ Usually, the components yield quite similar ratings across parallel work groups.

same time acts as timekeeper, in order not to spend too much time for single questions.

Step 3 Putting up the cobweb diagram

Computing the results requires swiftness and precision. The group ratings were aggregated by the facilitating staff during the evening, when the participants indulged in social networking. They visualized the ratings on a large brown paper as a cobweb diagram featuring two profiles (representing the averages of the rates): one in red for the present state and one in blue for the situation estimated for 10 years ago. This can be also done with a graphic MS-Excel function, projected on a large screen.

The relative changes within the last 10 years were visualized as the distance between the blue and the red profile.

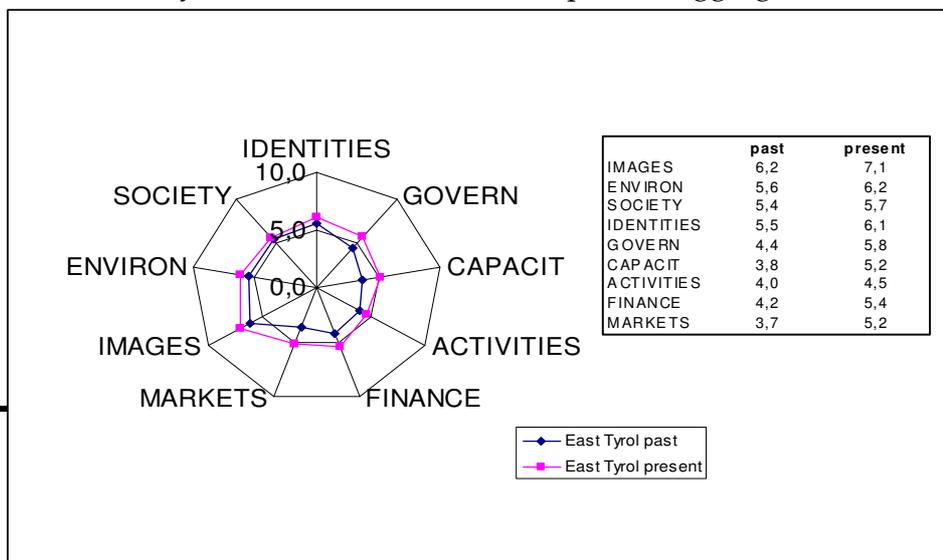
The facilitators also collected the memo cards with “hot issues”, divergent opinions or other interesting ideas produced by the participants during their work group discussions and clustered them on extra pin boards.

Step 4: The critical point: drawing conclusions

In the plenary session of the next morning, the innovation compass and the resulting cobweb profiles (for the present and for the past) were displayed.

This session is crucial for passing from the assessment profile to two to four strategic priorities for territorial innovation. The plenary should identify the thematic areas which promised to leverage the development of the territory as a whole.

To facilitate this hermeneutic process, the SAA offers six analysis criteria. The criteria are explained with by reference to the case example; the aggregated rates are depicted here.



1. **Criterion of resource orientation:** The selected strategy should always ensure the highest rated components, and not the components featuring low rating results. In our example the highest rated components are *Images, Environment, Identities*, quite typical for an Austrian mountain tourism region.
2. **Criterion of completeness:** A well-formed strategy should build on at least one component from each category. In our example *Environment* represents the highest rated Capital component, *Society* the highest rated Flow Component, *Images* the highest rated Lever component.
3. **Criterion of symmetry:** A well-formed strategy should consist of components which are more or less evenly distributed; in other words they should not just be placed on one side of the diagram. The highest rated triplet in our example would be „left-sided“. The triplets *Governance, Capacities, Images*, as well as *Environment, Markets, Identities* show a more adequate distribution pattern.
4. **Criterion of entrainment:** An axis which is flanked by two axes both featuring consistently higher or lower ratings, underlies a strong entrainment effect: In our example, the components *Capacities* and *Finance* would exert positive influence on *Activities*.
5. **Criterion of equalization („the triangle effect“):** If two components of the same category feature a similar rating level, the third component of the same category is likely to converge. In our example, the Levers *Identities* and *Images*, both featuring high ratings, are likely to exert a positive influence on *Activities*.
6. **Criterion of Sustainability:** In the long term the chosen strategies should aim at stabilizing the three Capital components at the highest possible level.

These rules of thumb should be pragmatically applied while discussing the cobweb profile. It's all about usefulness. The translation of the abstract terms into the reality of the area should finally "ignite" useful ideas. The translation process is not only fuelled by the intelligence and experiences of the participants, but also supported by the pin boards featuring the cards on which the important points from the group discussions are written.

The interpretative discussion in plenary should not last longer than 1,5 hours, otherwise the creative tension would slump. The facilitator resumes the discussion focusing on two, three or four strategic priorities through the combination of components (triplets or quadruplets), translated into the reality of the area.

In our example, three priorities were selected:

- Tourism and leisure based on nature adventure and sports (*Environment, Markets, Identities, Images*).
- Economic development through the promotion of education and training (*Governance, Capacities, Activities*).
- Combining and marketing of typical, ecological regional products (*Environment, Markets, Activities*).

Step 5: Pitching the path ahead

After having identified the priorities, the participants chose to contribute to new work groups formed for each priority. They formulated operational goals and agreed on concrete steps for elaborating the detailed strategy in the aftermath of the SAA conference. The participants interested in working on a theme were listed, responsible speakers were nominated and dates were fixed for meeting the required deadlines. The participants convened on further meetings and on further partners to be involved into the elaboration of the partial strategy. This process lasted from the late morning until the afternoon.

After the closure of the conference, the local development agency continued to support the local action group in finalizing their application for co-funding. The quest was finally successful.

Section Four – Reflection on the Strategic Area Assessment

The SAA is a powerful, time saving instrument drawing on what could be called “collective intuition”, brought forth by a dynamic mixture between (individual) intuitive knowledge and lively deliberation in small groups as well as in the plenary. However, there should be some caveats to be kept in mind in order to ensure a successful application of the instrument:

- If the number of participants goes beyond around 50, there should be at least two facilitators in order to keep the process running at a high level of quality.
 - A group working on the key questions should not be smaller than 5 people, and they should always be sufficiently dissimilar.
 - The time requirement varies with the number of participants: Below 50 participants one day should be enough, but beyond that threshold the SAA conference should be scheduled for at least 1,5 days, up to two days above 150 participants.
 - The critical point is the plenary discussion after the presentation of the cobweb profile. In a large plenary, this discussion could be diluted by irrelevant
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contributions of unfocused participants. This means that Step 4 (drawing conclusions) should be sub-divided into three parts, if the number of participants exceeds a threshold of around 100 people:

- during the first part the aggregated results and the cobweb profiles are presented in the plenary, with a short discussion on possible interpretation lines. The participants should be made familiar with the “rules of thumb” for interpretation.
 - during the second part, the plenary should split into smaller groups who should discuss the results and bring up their perceptions of the strategic priorities to be selected.
 - During the third part, again in the plenary, the group work results would then be condensed into the (two to four) priorities.
- Sometimes, mostly in the starting phase, participants who are used to analytical approaches to planning and programming, will raise their doubts about the validity of contributions of “non-experts”; furthermore, they could argue that the absence of a “scientific” documentation of the area could bring forth irrelevant outcomes. Their doubts can certainly be dissipated, if the facilitators know how to motivate the participants and how to keep the process running smoothly. Keep them busy!
- Some doubts may also be expressed concerning the subjectivity of the ratings, and the risk of “smearing up” different views through the averaging. Well, there is a certain risk which on one side can be mitigated by keeping the “hot issues” and divergences in evidence. However, the main argument is that the results are usually quite robust and repeatable with different participants⁵. The reason for this might lie in a sufficiently large number and broad diversity of participants.⁶ Even if the sceptical participants do not easily accept such assertions, they could be convinced by the argument that the 135 key questions at least constitute a meaningful frame for in-depth discussions of area-specific issues; most people will acknowledge the opportunity to spend one day with people from the area they live in – with most of them they possibly would have never discussed issues relating to their common future.

Section Five – Further variations

➔ The innovation compass is an open resource tool which can be freely downloaded, used and further developed by interested people. There already exist variations in central Europe and some Latin American countries, as they were derived from different

⁵ The main function of the parallel rating of each component is to provide this evidence.

⁶ Complexity research has revealed some surprising results on the blessings of diversity. See for example: Cosma Shalizi, „The Logic of Diversity. The Complexity of a Controversial Concept“, in: *Santa Fé Institute Bulletin*, vol. 20 (2005), no. 1.

versions since 1999. It just has to be borne in mind that for a good functioning of the SAA, the sequence of components should not be changed. As for the sub-components and the questions, they can be modified or complemented without major methodological reservation.

➔ For those practicing constellation work: it is possible to use the innovation compass as a format for it (see the picture). The relevant components are to be identified in the preparative interview. During the constellation it is necessary to represent

- the questioner (who will usually be a local/regional development agent or the speaker of a local partnership),
- the area and
- the components selected in the preparative interview,
- plus more other real stakeholders or abstract entities, if needed.



➔ The functional principles of the innovation compass may be transferred to other societal subsystems (e.g. organisations), but this has not yet been tested.

REFERENCES (INTERNET)

The Website of the ÖAR Regionalberatung GmbH provides the present description and a standard template for 135 key questions (in English) on its download page:

<http://www.oea.at/downloads.html>:

For the description of the tool with standard questionnaire: *click* Innovation Compass v5.

1 Environment

11 Natural and cultural heritage

- 111 How is the area endowed with natural beauties and historical characteristics? (**many**/few)
- 112 How are natural and cultural common goods taken care of? (**careless**/careful)
- 113 How well-known is the natural and cultural heritage of the area? (**unknown**/famous)

12 Natural resources

- 121 How is the regional potential of exploitable resources? (**low**/high)
- 122 To what extent are local and renewable energy and raw materials used? (**low**/high)
- 123 In how far are natural resources efficiently used? (**inefficient**/efficient)

13 Environmental quality

- 131 How is the state of biodiversity? (**high** /inexistent)
- 132 How is the state of water, soil and air? (**bad**/good)
- 133 How about specific environmental risks? (**high**/low)

14 Environmental protection

- 141 To which extent are protection measures accepted by the population? (**low**/high)
- 142 How are area and species protection managed? (**bad**/good)
- 143 How appropriate and comprehensive is environmental legislation? (**missing**/sufficient)

15 Settlement structures

- 151 How attractive is the area as living space? (**attractive**/ unattractive)
 - 152 To what extent has cultural landscape been wasted by urban sprawl? (**high**/low)
 - 153 How about the state of built heritage? (**decrepit**/excellent)
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2 Society

21 Health

- 211 How about people's state of physical health and life expectancy? (**bad/good**)
- 212 How accessible and effective is the medical and health care system? (**insufficient/good**)
- 213 How significant is the occurrence of specific diseases and accidents? (**high/low**)

22 Demography

- 221 How about the share of population in working age? (**high/low**)
- 222 How about fluctuation by commuting or other forms of limited stays? (**high fluctuaction/low fluctuation**)
- 223 How about out-migration? (**high/inexistent**)

23 Equity

- 231 How significant is the occurrence of poverty? (**high/low**)
- 232 To what extent are basic health and welfare services ensured for all? (**inexistent/high**)
- 233 To what extent are measures taken for people at risk of exclusion? (**missing/sufficient**)

24 Volunteering

- 241 How important are voluntary work and communitarian life? (**weak/strong**)
- 242 How about traditional forms of self-organisation and community action? (**none/important**)
- 243 What is the importance and value of non-profit social and environmental initiatives? (**low/high**)

25 Gender

- 251 How about the coverage with children care facilities? (**insufficient/sufficient**)
 - 252 How balanced is women's and men's participation in politics, economy and society? (**imbalanced/balanced**)
 - 253 How is the distribution of wealth between men and women? (**imbalanced/balanced**)
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3 Identities

31 Cohesion

311 How strong is people's attachment to place? (low/high)

312 How intensive are neighborhood relationships and sense of community? (low/strong)

313 How about openness and integrative capacity? (closed/open)

32 Features

321 How important are traditional communitarian working and life styles? (inexistent/vivid)

322 How pronounced are local/regional particularities in daily life? (inexistent/marked)

323 How relevant is spiritual life? (insignificant/tangible)

33 Self Esteem

331 How are people dealing with otherness (e.g. strangers, immigrants, ethnic minorities?)
(disregarding/integrative)

332 How do people see their own position in the global development process? (powerless/co-creating)

333 In how far is the young generation cheered and encouraged? (unnoticed/supported)

34 Cultural Life

341 How significant are activities in contemporary arts? (low/important)

342 How about the role of cultural expressions in local/regional development? (rudimentary/vivid)

343 In how far is the cultural potential being translated into economic value? (inexistent/significant)

35 Norms

351 How can the prevailing patterns of interaction be characterized? (rigid/flexible)

352 How are social and cultural rules and restrictions effect on development? (hampering/enabling)

353 To what extent do past and unresolved conflicts influence the present situation?
(unresolved/transformed)

4 Governance

41 Cooperation

411 How effective are the mechanisms of mediation and conflict settling? (**inexistent/effective**)

412 How about co-operative behaviour in the political and economical spheres? (**weak/strong**)

413 How about freedom of expression and diversity of views? (**suppressed/free**)

42 Decision Making

421 How can people's attitude towards authorities be characterized? (**submissive/emancipated**)

422 How are the private sector and the civil society involved in decision making processes? (**not at all/intensive**)

423 How about the access to justice and the reliability of the juridical system? (**unjust/fair**)

43 Security

431 How about conflicts between interest groups or with higher authorities? (**significant/inexistent**)

432 How about public safety and people's compliance to law? (**unsafe/safe**)

433 How about conflicts with other territories or countries? (**unsafe/ safe**)

44 Policies

441 How are economic policies customized to territorial requirements and specificities? (**inappropriate/appropriate**)

442 How about local/regional development agencies for coordinating territorial development? (**inexistent/effective**)

443 How do communities/municipalities deal with global competition? (**powerless/proactive**)

45 Administration

451 How about the role of administration in local/regional development? (**obstructive/formative**)

452 What is the position of citizens in relation to public administration? (**weak/strong**)

453 How transparent and open is the public administration? (**opaque/transparent**)

5 Capacities

51 Organisation

511 What about the role of public-private partnerships and networks? (**insignificant/essential**)

512 How can the role of social and economic stakeholders in development be characterized?
(**hindering/enabling**)

513 How about intermediary agencies fostering socio-economic innovation and co-operation?
(**insignificant/strong**)

52 Education

521 How is the area endowed with primary and secondary schools? (**missing/rich**)

522 How about the endowment with tertiary education facilities and specialized courses?
(**insufficient/high**)

523 How are facilities for vocational qualification and professional reorientation? (**missing/sufficient**)

53 Specific Knowledge

531 To what extent are local knowledge and skills fostered and turned into economic value? (**not at all/much**)

532 In how far are micro-, small and medium enterprises integrated into global networks?
(**isolated/integrated**)

533 In how far do entrepreneurs co-operate with universities and research institutions? (**not at all/intensive**)

54 Research and Development

541 How about local/regional research and innovation activities? (**weak/strong**)

542 In how far are universities and research institutions in reach of local people and businesses?
(**missing/intensive**)

543 How is the area endowed with technology and business innovation centres? (**missing/sufficient**)

55 Consultancy Services

551 What can be said about specialised services for business support? (**missing/intensive**)

552 What can be said about public support for MSME foundation and development?
(**inexistent/intensive**)

553 In how far do enterprises co-operate and network with each other in value-added chains?
(**inexistent/intensive**)

6 Activities

61 Communication

- 611 What about the availability and quality of information and communication technologies? (low/high)
- 612 What can be said about the intensity of ICT and ICT support structures? (low/high)
- 613 How about the share of enterprises working directly in the ICT sector? (low/high)

62 Entrepreneurship

- 621 What can be said about the frequency and success rate of new business start-ups? (weak/strong)
- 622 What about entrepreneurial innovation, inventions, patent applications? (low/intensive)
- 623 What can be said about the local tradition of entrepreneurship? (missing/strong)

63 Supply and waste

- 631 How available are electricity, water and gas? (insufficient/sufficient)
- 632 How is resource and waste management organised? (bad/good)
- 633 How about eco-efficiency strategies? (inexistent/excellent)

64 Transports

- 641 How is public passenger transport organised? (insufficient/effektive)
- 642 How is the area connected to inter-regional traffic links? (bad/good)
- 643 In how far is there an environmentally friendly and comprehensive mobility management? (inexistent/excellent)

65 Economic Structures

- 651 How diversified is the local/regional economy? (low/high)
 - 652 How is the area endowed with MSME? (weak/strong)
 - 653 How attractive is the area as a location for global players leading in innovation? (not at all/very much)
-

7 Finance

71 Private Consumption

- 711 In how far are there economic disparities within the area? (significant/insignificant)
712 How can the local/regional purchasing power be estimated? (weak/strong)
713 How about local consumers' preference for local products and services? (insignificant/strong)

72 Ownership Structures

- 721 How about the share of incoming (foreign) capital in local businesses? (high/low)
722 What can be said about local capital accumulation? (weak/strong)
723 To what extent do resident entrepreneurs own or control businesses outside the area? (none/much)

73 Public Budgets

- 731 How is the level of taxation for businesses and private incomes? (high/low)
732 How is the financial situation of territorial authorities and public institutions? (bad/good)
733 To what extent are public funds transferred into the area? (weak/intensive)

74 Financial Services

- 741 How are business start-ups supported by financial institutions and consultancy? (weak/strong)
742 How about public programmes and schemes co-funding private investments and activities? (weak/intensive)
743 To what extent do private income and transfer payments flow into the area? (weak/intensive)

75 Investments

- 751 To what extent do business start-ups prevail close-downs? (less/much more)
752 In how far are business investments supported by public funding and technical assistance? (inexistent/effective)
753 In how far are programmes for local/regional development funding implemented? (inexistent/sufficient)
-

8 Markets

81 Capital

811 How about the conditions for investment credits and loans? (disadvantageous/attractive)

812 How about the availability of private capital for risk funding? (easy/difficult)

813 How about the local strength of financial resources for equity capital? (inexistent/strong)

82 Information

821 To what extent are market information systems and market research used? (weak/strong)

822 How is the import/export balance for licensing and intellectual property use? (negative/positive)

823 How about the networking capacity of local/regional MSME? (weak/intensive)

83 Labour

831 How attractive is the area for highly qualified workers and managers? (unattractive/very attractive)

832 How is the rate of unemployment? (high/low)

833 How is the level of income and salaries? (low/high)

84 Market Integration

841 What can be said about the local supply concerning services of general interest? (bad/good)

842 What about the export rate of local businesses? (low/high)

843 How are local businesses engaged upstream/purchase and downstream/sales? (negligeable/intensive)

85 Value-Added Chains

851 To what extent are local resources transformed into economic value? (weak/intensive)

852 How about the local value added per employed person? (low/high)

853 How intensively is local business involved in different forms of co-operation? (weak/intensive)

9 Images

91 Branding

911 In how far are local resources upgraded by integrated quality strategies? (inexistent/strong)

912 In how far are local brands used for territorial marketing? (inexistent/effective)

913 How recognized are local labels on international markets? (fameless/famous)

92 Strategies

921 How is the area's image communicated? (inconsistent/consistent)

922 In how far do local stakeholders agree on a common development strategy? (inexistent/clear)

923 In how far does a common vision or development strategy mobilise local potentials? (not at all/strong)

93 Appraisalment by Others

931 To what extent do local businesses and stakeholders promote the image of their area? (not at all/effective)

932 How well-known and recognized is the area in the outside world? (unknown/emblematic)

933 How about the local/regional stakeholders' global links and connections? (weak/strong)

94 Self Appraisalment

941 How about the people's own reputation of themselves and of their area? (low/high)

942 How about responsible lifestyle and consumption patterns? (unaware/ aware)

943 How do local people think that others think about them? (bad/good)

95 Life Quality

951 How attractive is the landscape for foreigners or guests? (high/low)

952 Which role do landscape features play in local cultural expressions and territorial promotion? (none/strong)

953 How can the quality of housing and life space be estimated? (low/high)
