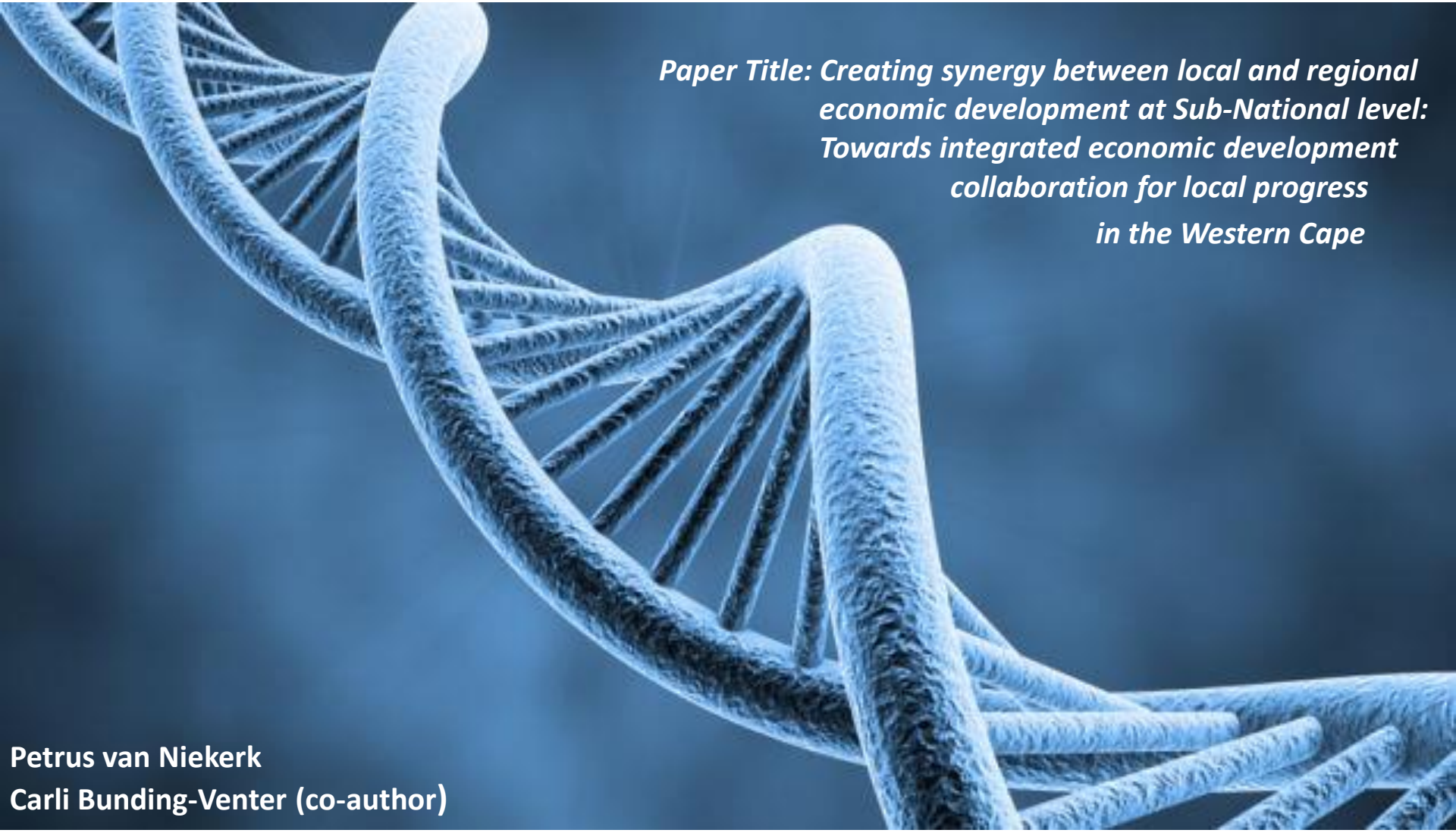
FILLING A GOVERNANCE GAP: COLLABORATIVE GOVERNANCE AND L&RED PARTNERSHIPS



Paper Title: Creating synergy between local and regional economic development at Sub-National level: Towards integrated economic development collaboration for local progress in the Western Cape

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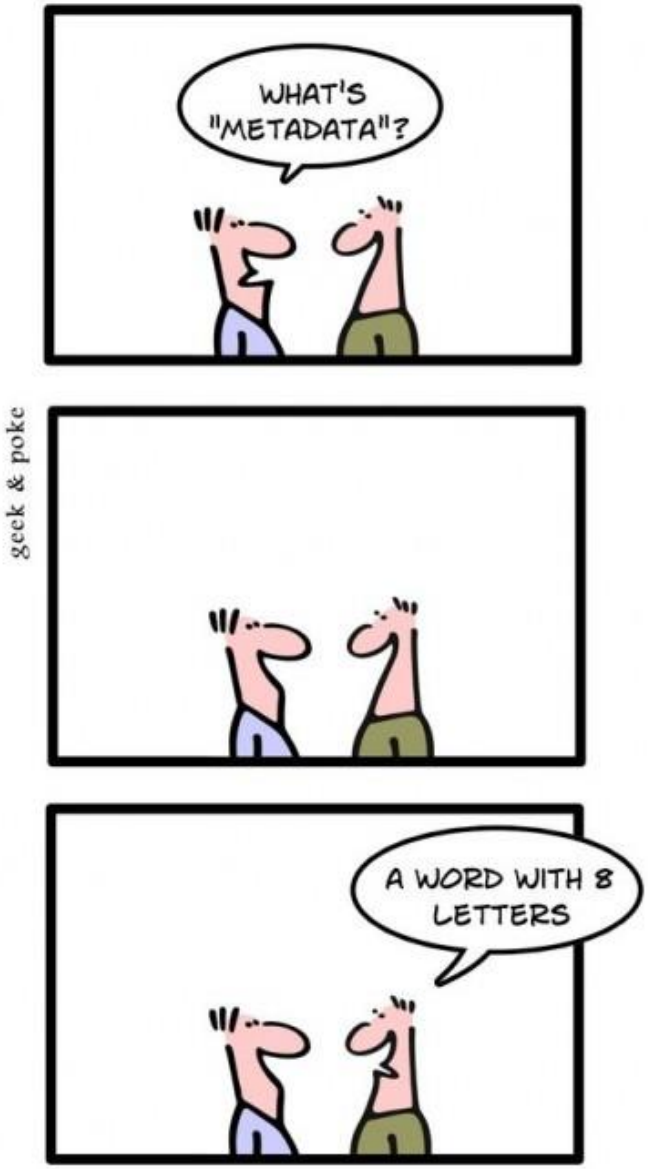
METADATA



geek & poke

Paper:

Creating synergy between local and regional economic development at Sub-National level: Towards integrated economic development collaboration for local progress in the Western Cape

Introduction

Themes & Paper Outline:

1. Regional and local economic development in the sub-national level
2. Governance of L&RED
3. Policy framework & institutional context
4. L&RED facilitation system: collaborative governance & partnerships
5. L&RED from a multi-level, multi-actor perspective
6. Case examples from the Western Cape
7. Observations & implications for L&RED integration
8. Conclusion

Regions and Regionalism

- Region defined as: "*any area of sub-national extent that is functionally organized around some internal central pole*" - Scott and Stroper (2007)

- The role of cities and regions (also referred to as city-regions) as drivers of economic growth increasingly emphasised

- Rapid pace of modern urbanization, local and regional development policies (bottom-up) are starting to fill voids left by insufficient national and macro-economic policies (top-down) in many countries (Crescenzi & Rodriguez-Pose, 2011)

- Regionalism offers a co-operative model for inter-local relations (i.e. relations between neighbouring local governments) and intra-regional relations

Regional economic development (RED)

- A set of policies and actions designed to improve the performance of a spatially defined economy for the benefit of all residents.

- Long term goal of Regional Economic Development as "to internalize a process that ensures a *competitive* and *entrepreneurial* city or region and one that achieves *sustainable development"* (Stimson, Stough & Salazar, 2005)

- RED requires specific and complex leadership which must understand regional economies and the skills for intervention in markets, able to communicate a clear and common economic agenda and lead coalitions of actors from different sectors, as well be able to sequence and balance interventions at different scales.

  - **The whole of government approach**
  - **The inter-governmental approach**
  - **The non-governmental approach**

(RED Policy Handbook, TAU, 2013)

Local economic development (LED)

- Specialist sub-set of economic development, has been practiced in the developed world for many decades, and developing countries from mid 1990's.

- Process in which local governments and/or community based groups manage their existing resources and enter into **partnership arrangements** with the private sector, or with each-other, to create new jobs and stimulate economic activity in an economic area (Zaaijer and Sara, 1993)

- *LED is a process which brings together different partners in a local area to work together and harness local resources for sustainable economic growth. There is no single model for LED, approaches should reflect local needs and circumstances*". - (Commonwealth Local Government Conference, 2011

- Institutionalised in local government sphere

The L&RED policy context

- *LED strategies & SDF's* (local economic spatial development priorities)
- RED strategies (PSDF & new regional spatial targeting plans)
- PGDSs; One Cape2014; Joburg 2040

- National LED SIAP 2015
- National LED Policy Framework, 2014-2019
- NIPF; IPAPs
- New Growth Path
- National Development Plan
- International: UN Sustainable Development Goal (SDG) ***Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all***

The LED Dynamo

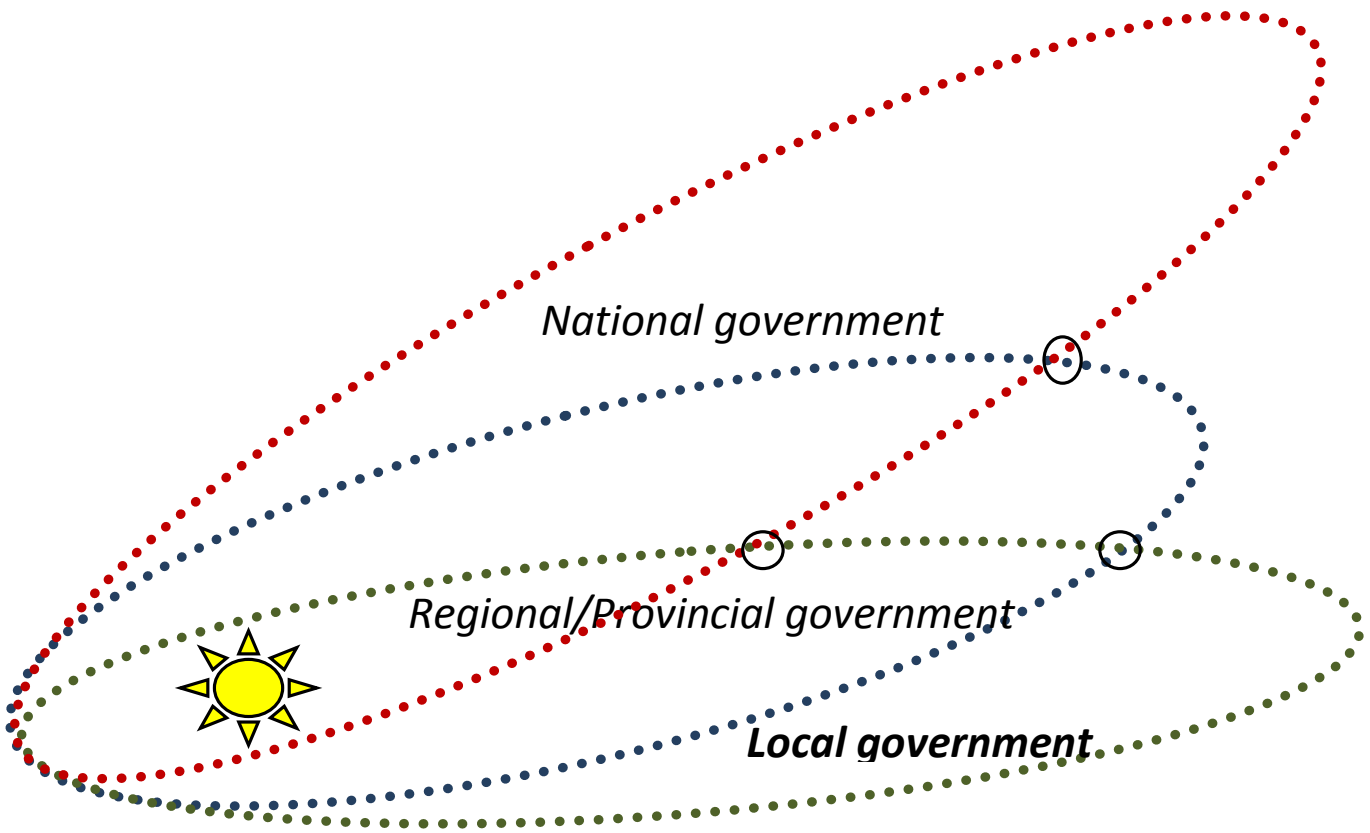
• Sector support • SMME development; Small and Medium Enterprise Support (SMME) • Informal Sector Development • Broad Based Black Economic Empowerment • Investment Attraction • Skills and Human Resource Development • IGR coordination • Business Retention and Expansion • Red Tape Reduction • Plugging leaks (i.e. keeping money circulating locally and encouraging local purchasing) • EPWP	• Area Marketing and promotion • Special areas and enterprise development strategies • Sector specific strategies • Export Promotion • Place Competitiveness • Institutional Development • Partnerships and charters for LED leadership • Town Regeneration/Township Regeneration/Urban Renewal • Rural and Community Development • Cooperative support

Source: *Blakely, 2010*

Why the need for institutionalised collaboration in L&RED?

- Administrative boundaries mean very little in economic context
- BUT institutional boundaries & physical distance does represent an obstacle to collaboration
- Functional economic region usually stretches across multiple administrative boundaries and in some cases distinct functional regions could be contained within a larger District boundary (or sub-region)
- Role of partnerships and the ability for entities and individuals within entities to **collaborate across traditional boundaries** and **across disciplines** becomes crucial
- Motivates for local and regional economic development facilitation to be perceived as one practice as opposed to two separate practices that overlap only when required by a particular project or programme, in ad hoc manner

Institutional L&RED Solar System



Citizens far removed

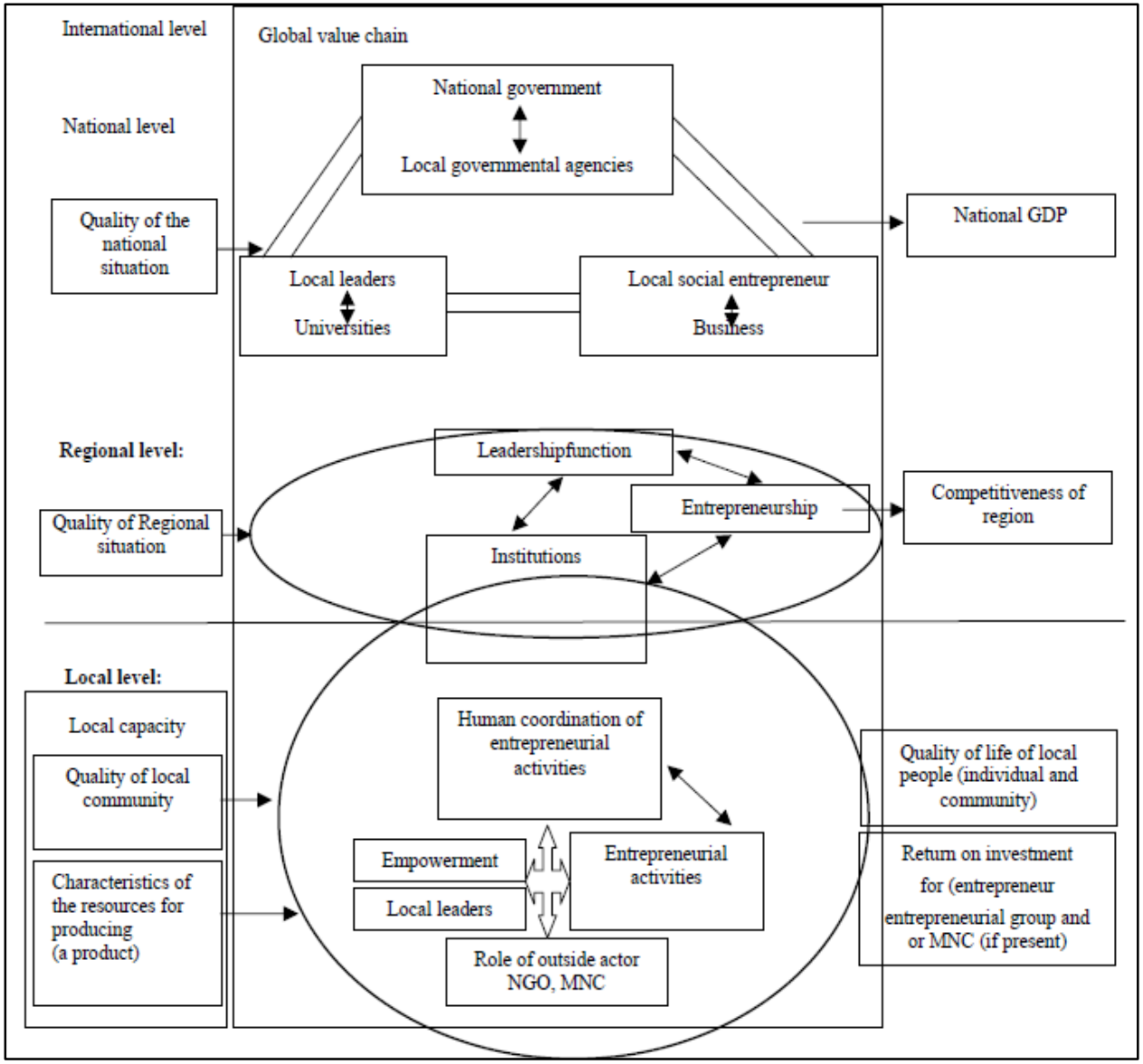
Citizens far removed

All citizens; Local Business First contact

Implementation space; local actors, best data

Collaboratory:
Vertical & Horizontal; Strategic alignment for local implementation

L&RED from a multi-level, multi-actor perspective



Source: *Pennink, B. 2014.*

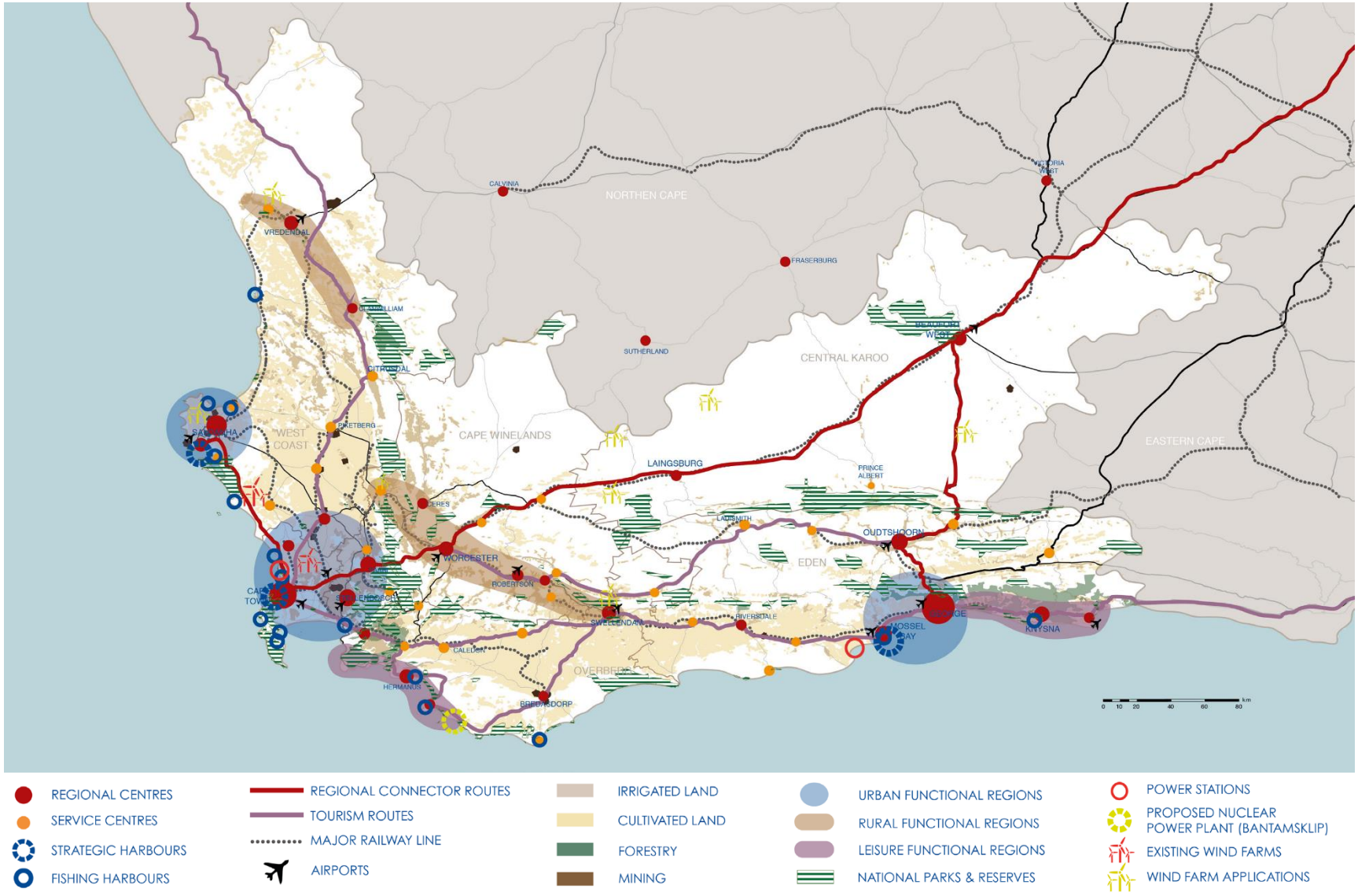
Partnership-building: Continuum of collaboration

Cooperation	Coordination	Collaboration
• Low trust – unstable relations	• Medium trust – based on prior relations	• High trust – stable relations
• Infrequent communication flows	• Structured communication flows	• Thick communication flows
• Known information sharing	• 'Project' related and directed information sharing	• Tacit information sharing
• Adjusting actions	• Joint projects, joint funding, joint policy	• Systems change
• Independent/autonomous goals, • Power remains with organisation	• Semi-independent goals • Power remains with organisations	• Dense interdependent relations and goals • Shared power
• Resources –remain own	• Shared resources around project	• Pooled, collective resources
• Commitment and accountability to own agency	• Commitment and accountability to own agency and project	• Commitment and accountability to the network first
• Relational time frame requirement – short term	• Relational time frame Medium term – often based on prior projects	• Relational time frame requirement – long term 3-5 years

Source: *Keast & Mandell, 2012*

“Spatial planning has tended to follow patterns set up by private-sector investment. While the private sector has a role to play, the overall pattern of spatial development should be shaped by the long-term public interest” (NDP, 2012, p275)

WC Sub-national space economy



Spatial targeting & RED priorities

- WCG: Process to develop regional spatial planning implementation frameworks (DEADP), new legislation (SPLUMA; LUPA)
- Focus on the spatial nature of inter-municipal and regional development interactions
- First phase, 2 plans: (1) Cape functional region and (2) Greater Saldanha functional region

Regional economic priorities:

- Oil & Gas
- Agro-processing
- Tourism
- Renewable energy
- Broadband

Case Examples: Sub-national institutional collaboration in L&RED

- Municipalities & business taking initiative to establish local partnerships as a way of engaging LED challenges and to create a non-partisan and less bureaucratic vehicles to facilitate economic development

- Governance responses to integrate & coordinate regional and local economic development planning

- Collaboration across municipal and district boundaries, organised around priority clusters
- Local partnerships can play key role in bottom-up regional economic development
- Profile of LED raised = integration with RED processes mandatory for success

CASE 1: INTERGOVERNMENTAL PLANNING: WESTERN CAPE JOINT PLANNING INITIATIVE (JPI)

- Pre 2014: various attempts to create a linkage between the work performed by Provincial sector departments and integrated development plans (IDP) and planning in the 30 Municipalities in the province

- JPI process seeks to facilitate the implementation of the National Development Plan (NDP) and Provincial Strategic Plan of the Western Cape Government together with Municipalities through JPI planning sessions

- Intergovernmental planning process improvement

- Move towards collaboration in the sub-national sphere (resource coordination)

- Maturity of JPI process - specifically as it relates to economic development coordination between regional and local players could provide for greater efficiency in achieving local and regional economic policy objectives.

CASE 2: HYBRID REGIONAL PARTNERSHIP: SOUTH CAPE ECONOMIC PARTNERSHIP

- Need was identified by organised local business to create a formalised platform on which issues of regional concern can be discussed and actioned

- **Objectives of the SCEP :**
  - Facilitate constructive interaction between Business Chambers from neighbouring towns, local authorities and other key stakeholders influencing the business environment
  - Promote and support **collaborative leadership** and shared growth within the economic delivery system of the South Cape economic region
  - Be a channel for communication and managing conflict within the regional business environment
  - Serve as a vehicle towards **developing strategic collaboration and partnerships with key stakeholders across the region**, province and country
  - Provide a platform for the formulation of solutions to pressing business related issues, problems and challenges

SCEP focus areas

- Workgroup 1: Priority sector support
  - Tourism marketing, transformation and co-ordination
  - Agro-processing
  - Oil, gas and renewable energy
  - Creative industries
- Workgroup 2 : Economic Infrastructure
- Workgroup 3 : Entrepreneurship, business development and integration
- Workgroup 4 : Investment promotion
- Value system: Clearly defined and agreed on
- **Resource model: Incubated by Western Cape EDP**

CASE 3: WEST COAST ECONOMIC DEVELOPMENT PARTNERSHIP

- Economic development partnership initiated by a District Municipality (March 2012)
- Themes of major interest:
  - The Saldanha Idustrial Development Zone (IDZ) , incl. link with contiguous LMs
  - Skills development on the West Coast region
  - Agricultural development in the West Coast region
  - Diversification of the local economy from the two pillars of agriculture and heavy industry
- **Leadership Group, driving four catalytic business ventures (CBVs):**
  - Aquaculture
  - Artisan development
  - Waste economy
  - Captain's of Industry

CASE 4: LOCAL ECONOMIC DEVELOPMENT AGENCIES (LEDA'S)

- "*a wide range of local, regional, and national governments in other countries, place some or most of their economic development activities under the operational control of appropriately regulated and supervised agency structures, rather than to manage them from a municipal platform, is widespread*" (OECD, 2009)

- DTI/IDC, Agency Development and Support (ADS)

- Cape Agulhas Economic Development Agency and the Central Karoo Economic Development Agency & others

- Credible information on the planning processes, governance arrangements and programme content of the LEDA's is limited

- LEDA's established but with a lack of clarity on operational objectives, little integration with planning of local & regional partners in economic development space

- LED SIAP 2015 – sees key role for LEDA's to create partnerships for economic growth and development – relook at current resource model & impact

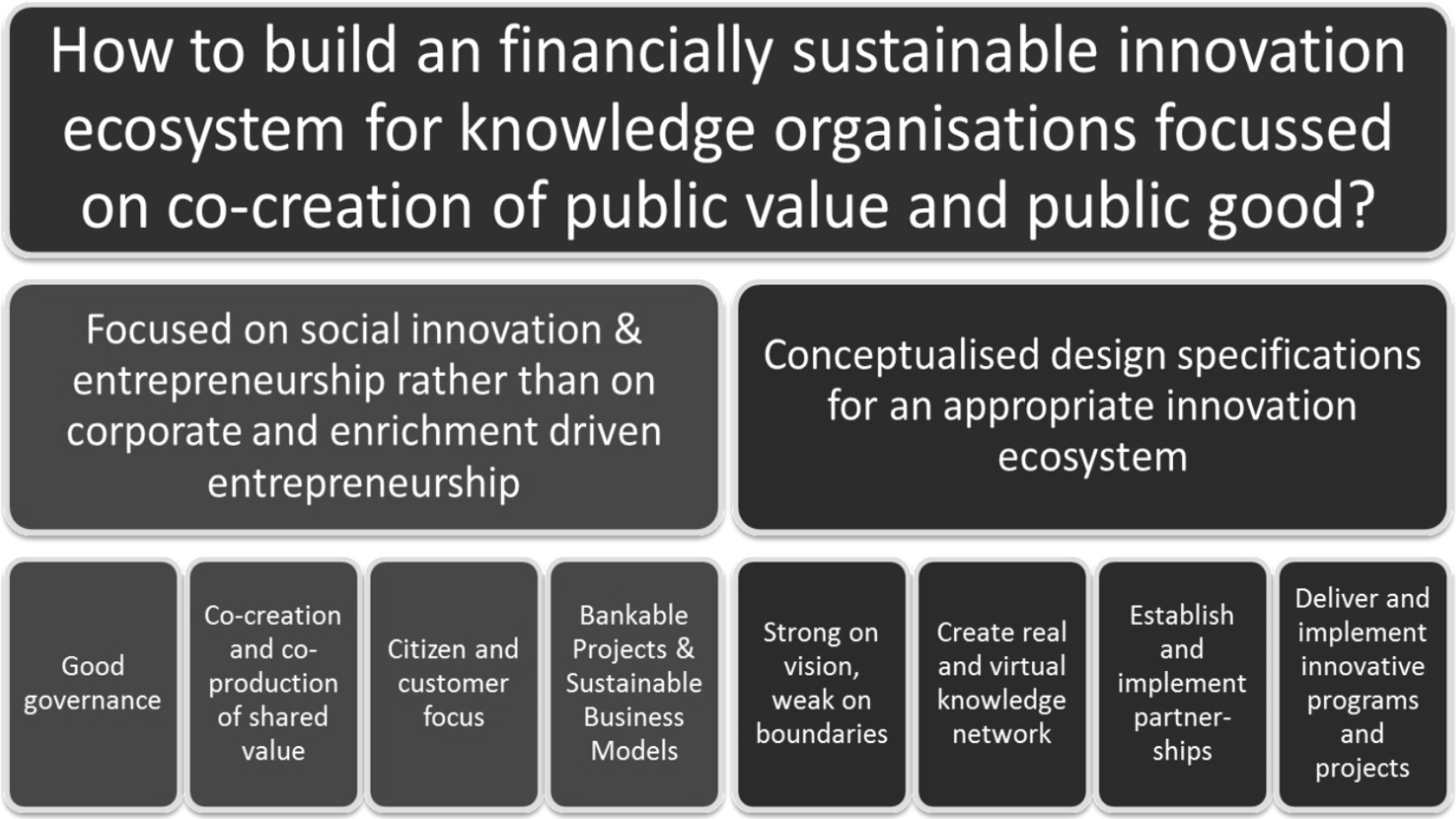
CASE 5: INNOVATION HELIX APPROACH TO FACILITATE LRED: THE HESSEQUA INNOVATION HELIX (HIH) INITIATIVE

- **Follows an intentional triple helix model**: University, local & regional government, business & civil society collaborate (from within and outside locality)
- Formally Gazetted & recognised
- Follows a system thinking approach to integrated development planning and local economic development
- Institutions, ideas and expertise from 'outside' area linked to local development space

Partners collaborate in a 'Social Lab':

- FOCUSSED on Geographical or Virtual area/space
- WITH specific jurisdiction, authority & institution
- AND a community of stakeholders
- WHERE we innovate, experiment and learn
- THROUGH development of local opportunities
- THAT focus on establishment and institutionalisation (formalise)
- FOUNDED on innovative business models
- AS sustainable thriving Social Enterprises

HIH Value System



Source: *Pretorius, T. 2015*

Observations

- Trend toward collaborative planning between region, sub-regions and localities

- Institutional alignment facilitated and a governance gap filled to provide for structured inter-local and local-regional economic development collaboration between stakeholders

- Programmatic imperatives are organised in the form of a **limited number of clusters**. Building on competitive advantages & responding to risk factors (both for region and localities in region)

- Alignment of priorities between local, regional partnerships and wider sub-region (province) creates 'landing spaces' for collaboration

- HR dynamics & implications: new/different skills sets

- No one size-fits-all, calls for differentiated/flexible policy support

Conclusion

- Multi-level, multi-actor space for L&RED renders locality or sub-region a complex space in which to act as economic development facilitator

- **Complexity calls for innovative and flexible responses**, incl. development of **collaborative governance** processes & hybrid partnerships to ensure regional and inter-local coordination, alignment and resource efficiency

- **New partnership arrangements take time to mature**

- Need for L&RED policy and programmes to consider channelling more support toward **partnership incubation** based on local institutional dynamics

- Trend toward multi-stakeholder partnerships at local level calls for consideration as to which resource/business models are best for context-specific objectives

- Sustainable resource models for local &regional partnerships?

Questions & Engagement

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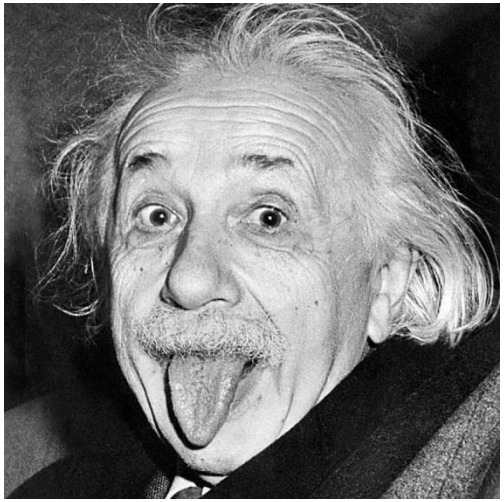
THANK YOU…



Imagination is more important than knowledge

- Albert Einstein