



# A TALE OF MISSED OPPORTUNITY

ERLN CONFERENCE

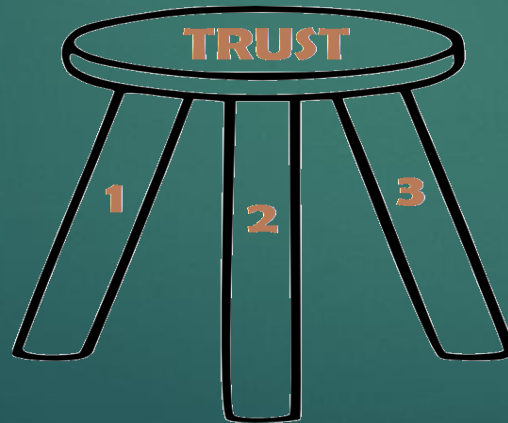
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# Network Formation

- ▶ Partnership (Masilonyana Local Municipality, 3 mining houses and SEDA)
- ▶ Trust-driven; level of dependency
- ▶ Resource integration



# The case for (policy) networks

- ▶ Partnerships are drivers development e.g. East Asia in the 80s
- ▶ Reciprocity as the dividend of shared economic growth
- ▶ Transaction domain and domain consensus
- ▶ Structures and their density explain policy performance

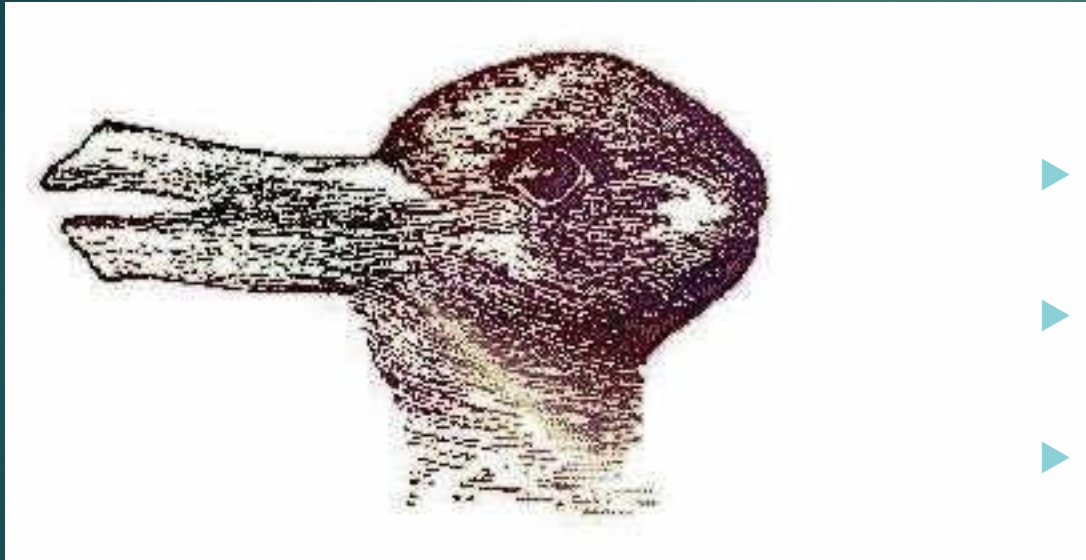
# Case for LED and township economy

- ▶ Two economies scenario
- ▶ Informal/second economy integral part of economic growth
- ▶ Growth of local economy the basis for social transformation
- ▶ Macro-economic policies are failing to trickle down

# Basic facts about Masilonyana Local Municipality

- ▶ Situated within Lejweleputswa District in Free State;
- ▶ Largely rural and financially in distress
- ▶ Unemployment: 42.1% (2001); 37.6% (2004); 38.8% (2011)
- ▶ Youth unemployment at 49.8% in 2011; down from 54.4% in 2001
- ▶ Dependency ratio: 54.2% in 2001 up to 55.3% in 2011
- ▶ By 2014, 29 225 individuals out of a population of 63 334 (2011) were receiving different grants in the municipality, at a monthly cost of R29 858 539.00

# Brick-making project network



- ▶ Municipality is the overall leader: mobilise broader public sector support and facilitate access to markets
- ▶ Mining houses bring financial resources
- ▶ SEDA develops business plan and facilitates staff training
- ▶ Pricewater Coopers manage project finances

Do network partners see the project the same way?

# Problematics of (skewed)perceptions

- ▶ Is there a shared understanding and expectations about the 'public good' of the project? e.g beneficiaries and 'project managers' viewpoints
- ▶ Just because one actor doesn't see it (yet), does not mean it is not there! (public good)

“We don't see things as they are....we see things as **We** are!”

# Problems experienced

- ▶ Leadership flippancy and personalism-based projects
- ▶ Fragmentation within municipal departments
- ▶ Political expediency
- ▶ Juniorisation of delegation
- ▶ Varied commitment from mining houses
- ▶ Bureaucracy
- ▶ What is in it for me?



# Consequences and Lessons

Consequence: deserted brick-making plant



## Lessons

- ▶ Networks are two-faced;
- ▶ Politics-policy dichotomy needs to be effectively managed
- ▶ Municipalities do not see LED as that important
- ▶ Lack of institutionalisation in networks\ partners is a problem
- ▶ Paradigm shift for improved behaviour and outcomes
- ▶ P-CHIVE intervention