Creating Enhanced Capacity for Local Economic Development (LED) through Collaborative Governance in South Africa

Kamara, Richard Douglas
Douquali Consulting Services (Pty) Ltd
This paper seeks to contextualise collaborative governance as a possible remedy that could help the incapacitated municipalities to be more adaptive and resourceful in their developmental mandate of fostering localised territorial development.

The paper aggregates previous literature on Collaborative governance by focussing on the two approaches of collaborative governance, namely, the state-centric approach and the civil society centred approach.

Following the contextual limitations of both approaches in its effort to collectively address socio-economic problems in municipalities, the author is prompted to shed more light on the emergence of another type of approach, the hybrid-powered approach.
Introduction

- The paradigm shift in development approaches embraces the notion of localised and territorial development, otherwise known as the Local Economic Development (LED) as a means of addressing societal problems.

- LED is concerned with local people working together to achieve sustainable economic growth that brings economic benefits and quality of life and improvements for all in the community.

- Local government has been assigned this developmental role.

- This developmental role assigned to local areas of government in South Africa has led to increased constitutional responsibilities of the municipalities.

- Regrettably, the local municipality lack the will, the skills and the wallet to effectively deliver on this mandate.

- Imperatively, there is a need to bring together local governments, the private sector and civil society for shared purpose and mutual benefits.
Several other collaborative tools have been introduced, fundamentally based on either the state-centred approach or civil society driven approach. Both approaches face contextual limitations. As a result, the emergence of yet another evolutionary approach becomes imperative. This nascent approach is called the hybrid-powered approach. Therefore, the analytical questions that need to be asked here are: What specific form of collaborative governance can improve the efficacy and governance of LED in municipalities? What would be the specific nature and role of the state, private sector and the civil society and as well as the relationship between these key actors?
LED in South Africa: Background and Challenges

Background:

- Three tiers of government, namely, National, provincial and local government
- Three types of municipalities in South Africa, namely, metropolitan (A), districts (C) and the local municipalities (B)
- There are 278 municipalities in South Africa, comprising 8 metropolitans, 44 districts and 226 local municipalities
- They all focussed on growing local economies and providing infrastructure and services
- The South African constitution establishes “developmental local government” which implies that the LED agenda in the context of South Africa is obligatory
LED emerges from the Reconstruction and Development Programme (RDP) and the market-driven economic strategies of the Growth Employment and Redistribution policy (GEAR)

RDP as post-apartheid social intervention policy and strategy to redress imbalance of the past

GEAR - post-apartheid era neo-liberal economic approach for addressing economic growth and poverty eradication

Other neo-liberal approaches

- The Accelerated Shared Growth Initiative of South Africa (ASGISA) was promulgated in 2005: skill and financial shortages, corruptions and mismanagement

- In 2010, the South African government adopted yet another ambitious neo-liberal macro-economic strategy known as the New Growth path (NGP)

- Followed by the National Development plan (NDP) established in 2013.
Challenges

- Capacity constraints compounded by limited experience of local government
- Lack of funding for LED
- Ineffective LED methodologies for planning
- Poor coordination of LED networks
- Conceptualisation of LED is theoretically unclear and underdeveloped
- Conflicting paradigm in national policies
- Institutional capacity building efforts not yielding required results
- Intergovernmental Relations (IGR) approach to shore up and build capacity at local level not living up to its expectations
- Community participatory approach has its own constraints as well
- Imperatively, the quest for effective collaborative governance ensued
Conceptualisation of Collaborative governance

- In this context it connotes a situation whereby the government, business sector, civil society, work together for shared purpose and mutual benefits.

- Two traditional model of collaborative governance:
  - State-centric model
  - Civil society-centric model

- State-centric model
  - Public managers are central to negotiating, initiating, and funding collaborative arrangements
  - The public managers are bestowed with the formal power and authority to deliberate, to reach consensus, to arbitrate conflicts, to set rules, and to commit state power, authority, and resources to joint action
  - Focus principally on macro-economic aspect
Civil Society-centric model

- Multiplicity of cross-sectoral actor which articulates broad civic purposes or a common agenda
- Mobilize for joint work, and coordinate implementation of project-specific activities that cannot be achieved unilaterally by any one organization
- Informal structure and functioning
- Commonly address social issues that rarely attain the agenda status of economic development prospects
- There seems to be lack of transparency and accountability
- Lack of political integration and institutionalization often faced by civil organisations
Hybrid-centred approach of Collaborative Governance: Roles of the State, CSO and the Private sector

- Stakeholders in the hybrid domain has the interest and the willingness to go beyond their conventional knowledge to identify sustainable solutions for social missions (Aoyama and Parthasarathy 2017: no pagination)

- A novel paradigm shift of all-encompassing governance that incorporates the contributions of the government, civil society and the private sector alike

- Principal characteristics of a well-functioning developmental state is a healthy relationship between the private sector, government and civil society

- The state maintains its orthodox roles of creating the enabling environment for the functioning of the entire systems, and all activities
The governments can still play its advocating roles for other stakeholders

The private sector generates jobs and income

The government relies on private actors whom it motivates, influences, and constrains, but does not fully control

The civil society facilitates sound service delivery and mobilises people and group to participate effectively in development.

The civil society supports poverty reduction by helping the citizen to empower themselves

The civil society ensures sanity in the ecosystem by pressurizing government and the private sector institutions for local accountability and public finance management
Roles and responsibilities of actors in a hybrid-powered approach are articulately defined

Mechanism in place to promote responsiveness and accountability of stakeholders as shown in table 1 in the next slide
<table>
<thead>
<tr>
<th>TABLE. 1: ROLES OF STAKEHOLDERS IN A HYBRID POWERED COLLABORATIVE GOVERNANCE (Kamara 2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RESOURCES</strong></td>
</tr>
<tr>
<td><strong>STATE</strong></td>
</tr>
<tr>
<td>• Public funds</td>
</tr>
<tr>
<td>• Information sharing</td>
</tr>
<tr>
<td>• Human sources</td>
</tr>
<tr>
<td>• Avail time</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>LEGAL FRAMEWORK</strong></td>
</tr>
<tr>
<td>• Setting the agenda</td>
</tr>
<tr>
<td>• Outcome expectations for the process</td>
</tr>
<tr>
<td><strong>Participants/ Representation</strong></td>
</tr>
<tr>
<td>• Ownership of the process</td>
</tr>
<tr>
<td>• Number, length and location of meetings</td>
</tr>
<tr>
<td><strong>Content</strong></td>
</tr>
<tr>
<td>• Setting the agenda</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
An example of a good practice of Hybrid-centred Collaboration in South Africa

The Garden Route Film Office:

- Economic Development Partnership (EDP) initiative in Western Cape Province of South Africa.
- An independent, multi-sector, non-profit, public benefit organisation established in 2012 as a collaborative intermediary organisation
- Collaboration between local municipalities, business chambers and a broad range of regional Stakeholders
- The organisation is currently composed of approximately 130 public, private, academic and civil society stakeholders in the regional economic delivery system
- Facilitated and enhanced the contribution of the Film industry to the economic growth of the region of Western Cape in South Africa
- The South African Film Industry has seen film shoot since 2008, generating over R150 million dollars since 2003
This shows a huge potential for South Africa in the film industry that needs to be harnessed.

The most recent examples of movie shoots in the Garden route includes: Klein Karoo (Movie); Hanna Hoekom (Movie-Tsitsikamma area); Knysna (movie); Hidden City (1992 - 1995’s South African TV show in Hakerville) and the First Man (2016).

The EDP work with national and provincial government, state-owned entities, municipalities, business association, civil society organisations and universities.

The governing board membership of the organisation is composed of both public and private sector.
The partnership benefits in various ways from the local knowledge provided by the business community through its representative on the board.

Harmonious working relationship between the stakeholders.

The EDP played a unique role in bringing together different stakeholders to focus on specific local issues and key drivers of economic growth.

Organization striving towards reducing its reliance on public funding and increasing its financial support from the private sector.

Increased access to resources from private funding band reduces reliance on public sector funding.
Conclusion

- The messy complexities of real world economics necessitate the needs for novel model of governance and forms of intervention that could facilitate post-shock recovery and protect local economies from future economic crises so as to enhance its sustainability.

- This is an ongoing doctoral research in the domain of Public Management and development at Stellenbosch University.

- At the end of the study, the author hope to provide systematic innovative indicators for monitoring and evaluation of collaborative governance for LED, especially in comparable small towns.

- Lastly, the Author is of the expectation that the outcomes emanating from the study will be able to make meaningful contribution to the ongoing quest for innovative development approaches in face of realities of the modern World.

- The full paper of this presentation is available for free download at the following websites: [http://armgpublishing.sumdu.edu.ua/journals/sec](http://armgpublishing.sumdu.edu.ua/journals/sec) and [http://scholar.sun.ac.za/handle/10019.1/102461](http://scholar.sun.ac.za/handle/10019.1/102461)