



ERLN

Working Guides

Regional economic development practice guides, case studies and course simulations for practitioners operating within sub-national regions of South Africa

Introduction and overview

20 October 2016

ERLN is an initiative of

GTAC Analyse
Assess
Activate
Strategic & Technical Advisory

National Treasury
REPUBLIC OF SOUTH AFRICA

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Practice guides, case studies and course simulations: Introduction and overview

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The Economies of Regions Learning Network (ERLN)

The learning network

The significant role of South Africa's city-regions and sub-national spaces provided the impetus for the establishment and formation of the Economies of Regions Learning Network (ERLN) in 2012. The learning network is about how to analyse, strategise and implement. It seeks to chart ways of working that are effective in the complex environment of government and sets the basis for collaborative action. The overall logic is that by strengthening the social and economic capital and agency of practitioners in the economic delivery space, it will contribute to improved performance of the government sector in its support to economic development in the country. The learning network is a space for policy makers and practitioners to engage and interact on regional (sub-national and spatially targeted) economic initiatives.



The economies of (sub-national) regions

The geographic focus of the ERLN is on the sub-national area, referred to as the region. This is a scale smaller than a province, but larger than a single metro or municipality.

Spatial and economic initiatives and interventions within sub-national spaces play an important role in stimulating, supporting and enhancing regional development in South Africa – be it spatial, economic, social or environmental. Cities and their hinterlands, through ecological systems; people and associated institutional arrangements; the hierarchy of urban settlements; transport and communication networks; goods and service flows; and technology dispersion are essential parts of a dynamic and

interconnected region. The success of any local area within a sub-national region – regardless of its inherent assets and characteristics – cannot be divorced from the interplay of value-chains, economic clusters and other social, economic and environmental systems in the region.

The linkages and connections of local areas with national and global systems are thus seen as forming interconnected networks that can both build on their inherent institutional, social, economic and spatial assets, as well as be impacted by their position in the national and global space economies. Because they work at a scale where local assets and institutions (government, private, academic and civil) can leverage shared resources, sub-national regions are important engines of economic growth.

The Constitution (RSA, 1996) and the National Development Plan (RSA, 2012) are important legislative and policy frameworks. Economists have traditionally been concerned with issues of trade, investment, land sector growth and performance, guided by policy frameworks such as the National Industrial Policy Framework (DTI, 2007) and the Industrial Policy Action Plans (DTI), amongst other state initiatives. In contrast, built environment professionals have focused their endeavours on the spatial dimension of development, guided by policy frameworks and legislation such as the Integrated Urban Development Framework (IUDF) and the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA).

In short, the sub-national region offers a strategically useful unit of action when implementing major infrastructure investments, understanding value chains and clusters, and where opportunities for developing local assets and institutional collaboration to enhance development and innovation can be coordinated. Working at the sub-national level enables the drawing





together of a number of factors spatially as well as with the implementation of processes. Most initiatives at the sub-national level require a partnership approach that involves the state (local, provincial and national government), the private sector, academia, communities and civil society (quadruple helix).

Practice guides

The practice guides are aimed at economic development practitioners working at sub-national level and straddle both the economic and spatial domains. They have been conceived as a set of modular components that will be updated and expanded based on the work and activities of the ERLN, and when and where the members of the ERLN (the economic development practitioners) identify aspects where some form of standard or agreed approach and practice will be useful.

Practice guides: Components

The Practice Guides currently include the following components:

- **Practice Guide 1: Historic overview of regional development.** This provides a brief historical overview of regional development internationally as well as locally.
- **Practice Guide 2: Regional development in practice (exploring the scope, concerns, characteristics, approaches and processes).** This outlines the issues and scale of challenges and approaches to regional development.
- **Practice Guide 3: Regional economic situational analysis and data sources.** This focuses on the key elements of economic analysis, including gathering and evaluating evidence, identifying regional role players and synthesising an understanding of regions.
- **Practice Guide 4: Collaborative Leadership.** Collaborative leadership is a process of leading through mediation, negotiation, collective decision-making and engaging with individuals and groups to achieve a desired outcome.
- **Practice Guide 5: Economic Development Policy Frameworks in SA.** This document provides a summary of the National Framework for Economic Development (2006-2011), followed by a summary of the position on LED taken by the South African Local Government



Association (SALGA). Thereafter, consideration is given to some of the central pillars of economic policy in South Africa, and their relevance to LED or more broadly Economic Development. It must be stressed that regional economic development is not LED. But understood as an approach to economic development, many of the concerns, policy frameworks and approaches used in LED can be applied.

- **Practice Guide 6: The role of clusters in economic development.** This is a note on cluster development strategies. Competition between enterprises is a function of normal market processes, but co-operation between them requires the active development of networks. In a cluster, such networks are enhanced by partnerships with other relevant institutions such as universities, research institutes and public bodies.
- **Practice Guide 7: Understanding value-chains.** This provides a conceptual overview of value chains and how to work with them in developing an economic strategy.
- **Practice Guide 8: Addressing youth employment and skills.** This provides an overview of the issues and challenges. It also outlines a variety of programmes and strategies that support youth employment and skilling. In addition, there is a Practitioners' Note and a variety of presentations emanating from the ERLN focus on youth employment and skills development.

Case studies

The purpose of the case studies is to add further depth to the Practice Guides, and they illustrate how specific strategies or approaches have been applied and used.

Case studies: Components

There are currently three case studies, all focusing on value chains:

- **Case study 1:** Rooibos value chain
- **Case study 2:** Automotive value chain in SA
- **Case study 3:** USE-IT. Regional economic development stresses concepts like partnership, value chain development, beneficiation, innovation, scalability, SMMEs, job creation and the green economy. There is no shortage of ideas and theories about what each of these concepts might mean practically or even efforts to give effect to them. USE-IT is an innovative Durban-





based Section 21 company that has an operating model that manages to incorporate all of these ideas in order to maximise impact. USE-IT is the story of how simple ambition can generate a powerful and complex set of activities and interactions with multiple outcomes.

Course simulation

The purpose of ERLN course simulations is to offer an experiential approach for practitioners to collaboratively address key economic development challenges and issues. The only one developed thus far was a key component in the agri-value chains course run in the Western and Eastern Cape.

Course simulation: Components

ERLN Course simulation 1: Geelkruid simulation tool. This simulation tool was designed to help practitioners understand and think through the issues and aspects to consider when building an economic development strategy using the value-chain approach. Geelkruid is a fictional herb, and is closely based on the actual working of the Rooibos value chain.

Conclusion

The intention is for this to be a set of guides that will be subject to additions and revisions.

These will be added in a modular manner and be available via the ERLN website. All the guides outlined above are available on the ERLN website.

www.erln.org.za



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Economies of Regions
LEARNING NETWORK

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