

Building effective partnerships for inclusive growth
Introduction to the Western Cape Economic
Development Partnership (EDP)

“While we can walk faster alone, we can walk further together”
– African proverb

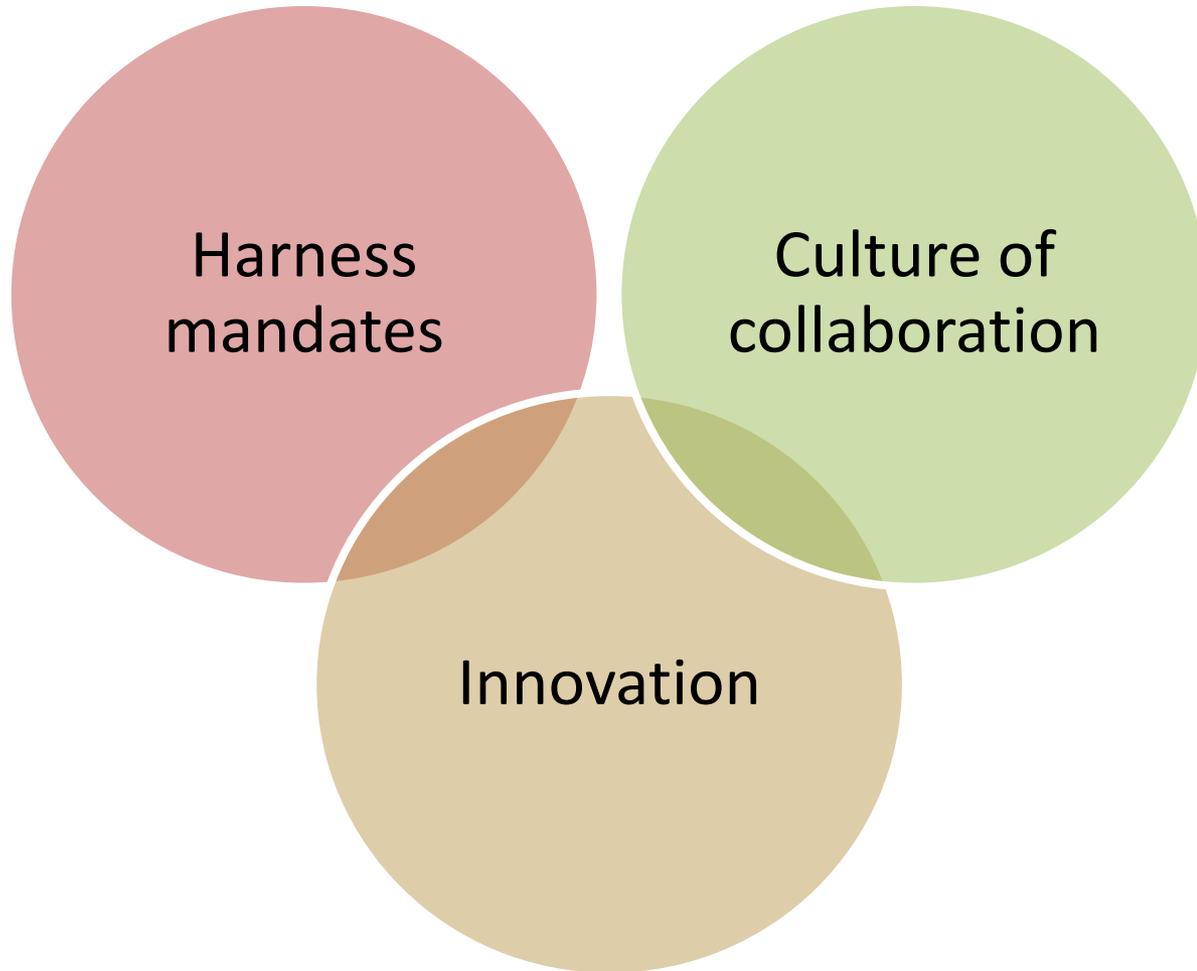
What is the EDP?

- A cross-sector partnership that focuses mobilising a wide-range of socio-economic stakeholders towards a more inclusive and resilient regional economy
- A voluntary association
- An independent, non partisan organisation
- A new breed of institution:
 - Collaborative
 - Intermediary

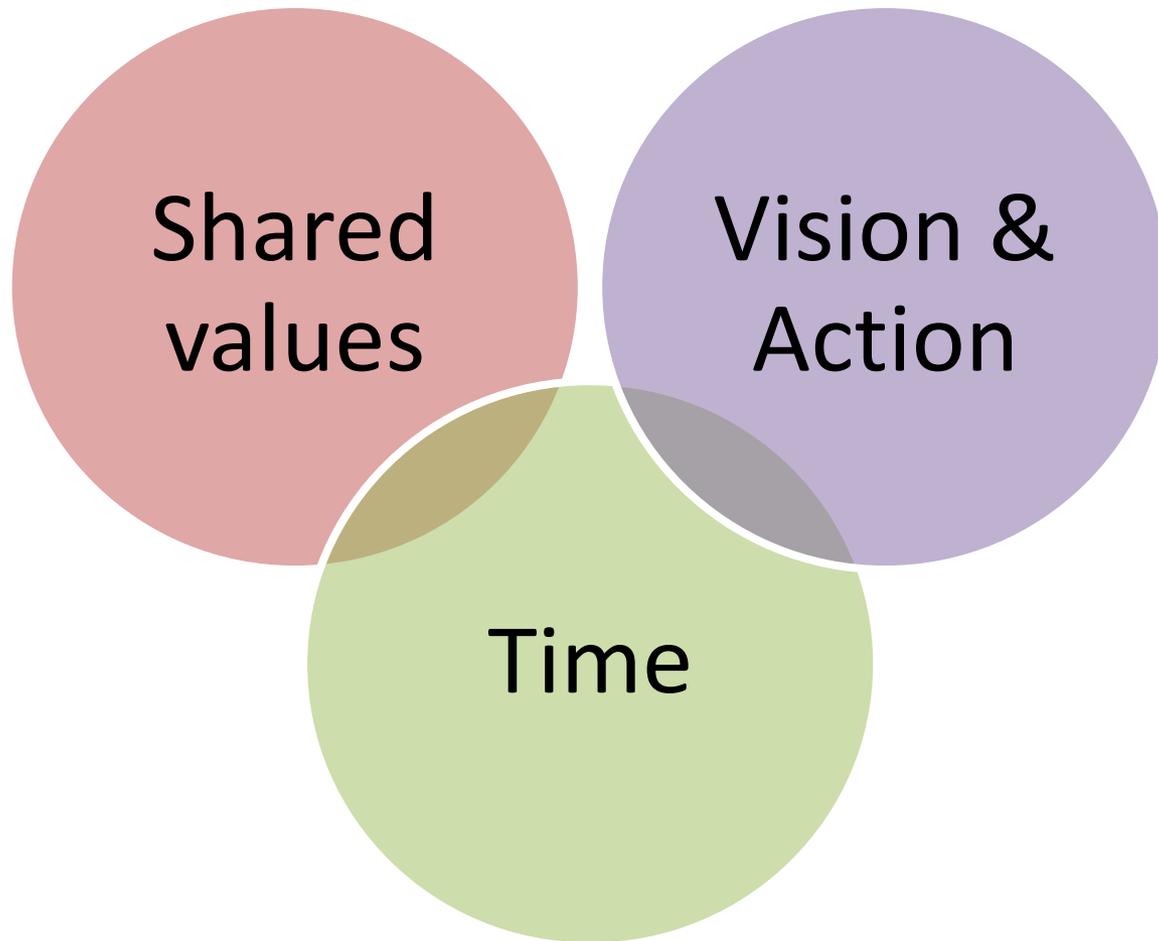
The EDP is not...

- A government agency or statutory body
- A private sector lobby group
- A bargaining forum
- A marketing agency
- A substitute or replacement for government, or for private sector or community organisations

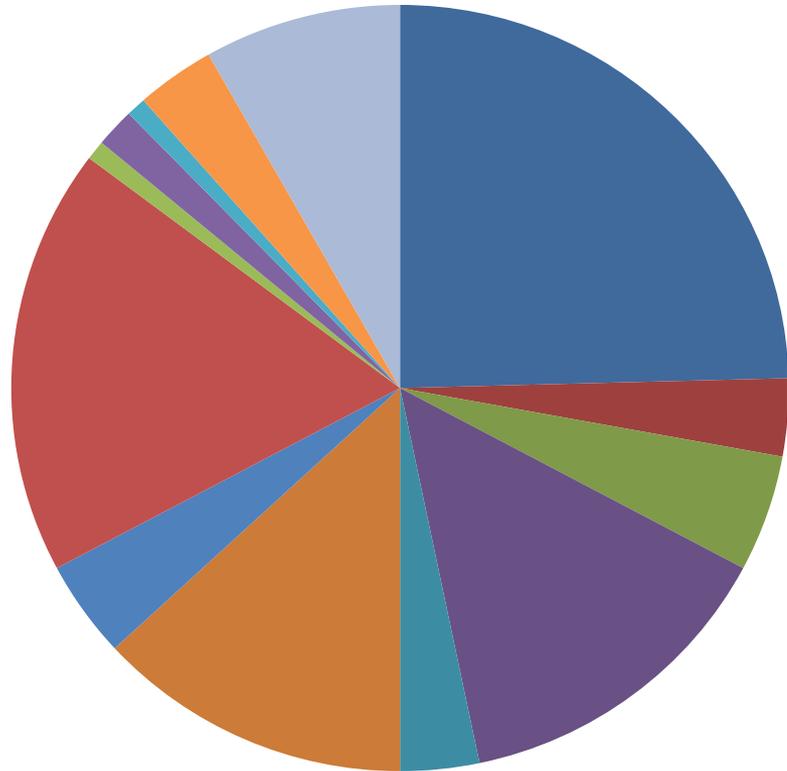
Lessons of effective partnerships



Commitment



EDP Membership : Spread of Sector Representation (124)



- Business Associations (30)
- Professional Associations (4)
- Knowledge, Research & Policy (6)
- Industry Associations (17)
- Government & Statutory Bodies (4)
- Local Authorities & Local Development (16)
- Econ Dev & Support Organisations (5)
- NGOs, Comm-based, Social Movements (22)
- Trade Unions (1)
- Media Partners (2)
- Training & Skills Development (1)
- Community Based & Social Movements (4)
- Associate Businesses (10)

LEADERSHIP

60 nominations

Board will be finalised by mid-July

NOMINATE



SELECTION
COMMITTEE



BOARD

Capabilities

- Understand big picture
- Create vision
- Diverse organisations
- Joint ownership

- Win-win solutions
- Encourage participation
- Embrace diversity
- Translate perspectives

Experience

Developing the EDP role...

1. Rowing



3. Cheering



2. Steering



4. Coaching



Co-creation

Vision and strategy
(One Cape 2040)

Economic intelligence

Leadership development

Co-delivery

Improved business &
investment climate

Economic system
performance &
reorganisation

Sustainable employment

Local economic
partnerships

Vision and strategy

Do we have a shared vision?
What are the key transitions?
How do we navigate these transitions successfully?

How do we continuously improve the performance of the regional economic development system?
How do we assist our organisations to deliver better on their own mandates?

Regional economic delivery system performance

Leadership is required to open spaces for experimentation and innovation, identify trade-offs, make the tough choices, and to persuade and inspire

Data and intelligence

Do we understand long-term global demand trends?
Are our policies and plans based on sound evidence?

What should we measure?
How should we rank performance?
Do we have an integrated strategy for contested markets?

Business & investment climate

One Cape 2040: The challenge



Our 2040 ambition*

A resilient, inclusive and competitive economy with low rates of unemployment producing growing incomes, greater equality and an improved quality of life

* Not a differentiated territorial marketing brand but a unifying societal vision

Leading Change

- Collaboration
- Innovative mechanisms
- Supportive rules

Educated Cape

- Every person will be appropriately educated for opportunity
- Recognised centres of ecological, creative, science & social innovation excellence

Enterprise Cape

- Anyone who wants to be economically active is able to work
- The entrepreneurial destination of choice

Connecting Cape

- Welcoming, inclusive and integrated communities
- A global meeting place and connector

Living Cape

- Healthy, livable, accessible, high-opportunity neighbourhoods
- Ranked as one of the greatest places to live in the world

Green Cape

- Functioning ecosystems working for & with communities
- Leader and innovator in the Green Economy including green jobs creation

Key transitions: 2012 - 2040

	From	To
Knowledge transition (Educated Cape)	Unequal access to quality education Low numeracy and literacy Knowledge taker	Equal access to quality education Science, maths, language excellence Knowledge generator
Economic transition (Enterprise Cape)	High barriers to entry (Closed monopolised economy with high structural unemployment) Low levels of productivity High leakage out of the local economy	Low barriers to entry (Open accessible and employment generating economy) High levels of productivity Low leakage out of the local economy
Cultural transition (Connecting Cape)	Inward looking and parochial Bilingual Insular and scarcity-based	African and Global orientation Multi-lingual Open and abundance-based
Settlement transition (Living Cape)	Disconnected stratified low opportunity high cost suburbs/townships Unsafe poor quality public transport	Connected liveable multi-opportunity affordable neighbourhoods Safe affordable integrated public transport
Ecological transition (Green Cape)	Unsustainable resource use Carbon-intensive, high waste Environment disconnect from economy	Sustainable resource use Low carbon and zero waste Environment cornerstone of economy
Institutional transition (Leading Change)	Competitive relationships Silo delivery Passive Citizenship Compliance	Collaborative relationships Seamless delivery Active Citizenship Innovation

2012-2019

- Gearing up globally competitive businesses and innovative market leaders

Recognising and gearing up excellence

Getting people into work

- Bridges into employment including EPWP, CWP, skills to work and job intermediation
- Institutional, environmental, infrastructure innovations developed & tested

2020-2026

- Attracting investment
- Attracting entrepreneurs
- Opening up new markets

Resourcing excellence and new ways of working and living

Changing the way we work & live

- Infrastructural and resource investments and institutional improvements at scale
- Social impact of CWP-type programmes and job intermediation comes through

2027-2033

Retooled economy & society starts working

- Improved skills + improved enterprise environment + zero waste and new resource base + improved infrastructure + repositioning = major increases in jobs, enterprises and investments
- Poverty and social challenges decline significantly

2034-2040

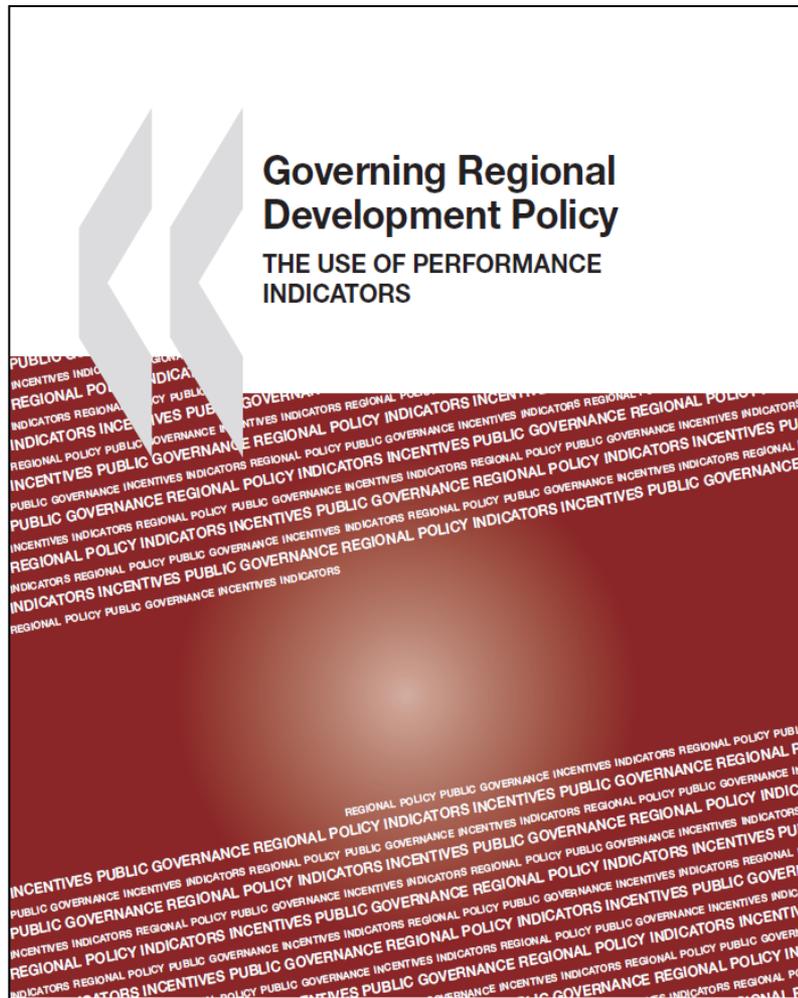
Economy & society matures

- Employment stabilises, equality increases, savings increase, environmental footprint declines

“An economy’s competitiveness cannot be reduced only to GDP and productivity because enterprises must also cope with political, social and cultural dimensions. Therefore nations (and regions) need to provide an environment that has the most efficient structure, institutions and policies that encourage the competitiveness of enterprises”

- IMD World Competitiveness Yearbook 2012

The role of business and investment climate performance indicators



- Provide information to enhance decision-making
 - For business to determine and validate investment plans and to assess locations for new operations
 - For government to benchmark policies
 - Analysts evaluate how nations (and regions) and enterprises compete on world markets
- Promote learning and orientate stakeholders toward results
- Promote participation, capacity development and good management practices
- Improve transparency and enhance accountability

Example: Factors that determine the quality of a business climate - International Economic Development Council, 2011

Business tax levels

Workforce availability

Energy costs

Market size

Quality of services

Cost of living

Quality of life

Environmental regulation

Permitting & licensing

Real estate costs and availability

Infrastructure

Access to financing, capital & incentives

Example: World Bank *Ease of Doing Business Index, 2011*

Enforcing
contracts

Protecting
investors

Starting a
Business

Dealing with
construction
permits

Trading across
borders

Getting credit

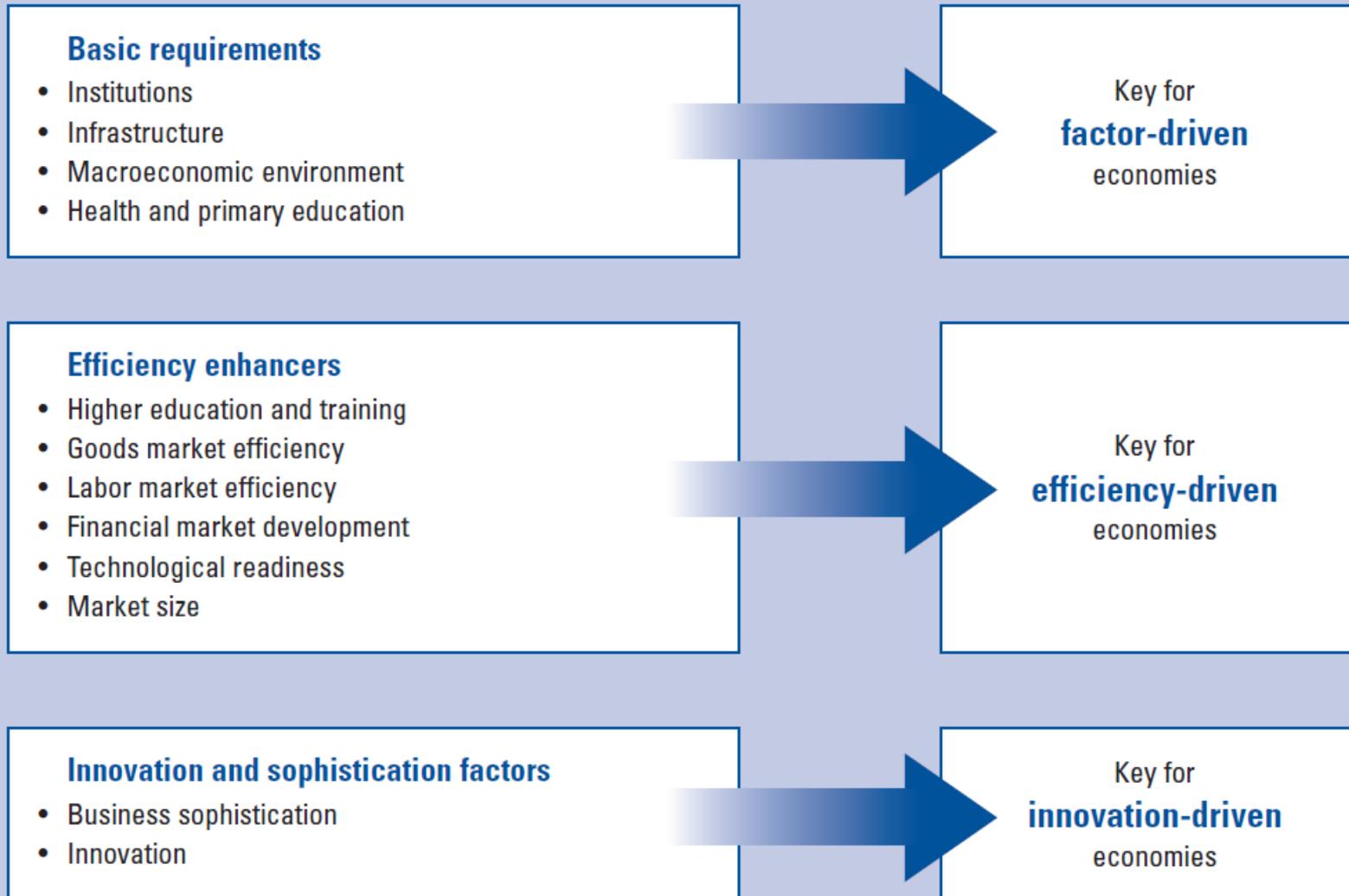
Registering
property

Closing a
business

Paying taxes

Example: 12 Pillars of Competitiveness

– World Economic Forum 2011/12 Global Competitiveness Report



South Africa competitiveness ranking 50/142

– World Economic Forum 2011/12 Global Competitiveness Report

Strengths

- Market size (25th)
- Quality of institutions
- Property protection (30th)
- Property rights (30th)
- Accountability of private institutions (3rd)
- Goods market efficiency (32nd)

Weaknesses

- Labour market efficiency (95th)
- Rigidity of employment practices (139th)
- Lack of flexibility in wage determination by companies (138th)
- Significant tensions in labour-employee relations (138th)
- University enrollment (97th)
- Infrastructure upgrading (62nd)
- Business costs of crime and violence (136th)
- Police unable to provide protection from crime (95th)
- Health of workforce (129th)

Ranking the ability of nations to create and maintain an environment in which enterprises can compete

Example: World Competitiveness Yearbook 2012 – IMD World Competitiveness Centre, Four competitiveness factors, 20 sub factors, 329 ranking criteria



Economic Performance

Domestic Economy

International Trade

International Investment

Employment

Prices



Government Efficiency

Public Finance

Fiscal Policy

Institutional Framework

Business Legislation

Societal Framework



Business Efficiency

Productivity

Labor Market

Finance

Management Practices

Attitudes and Values



Infrastructure

Basic Infrastructure

Technological Infrastructure

Scientific Infrastructure

Health and Environment

Education

South Africa competitiveness ranking 50/59

- IMD World Competitiveness Centre

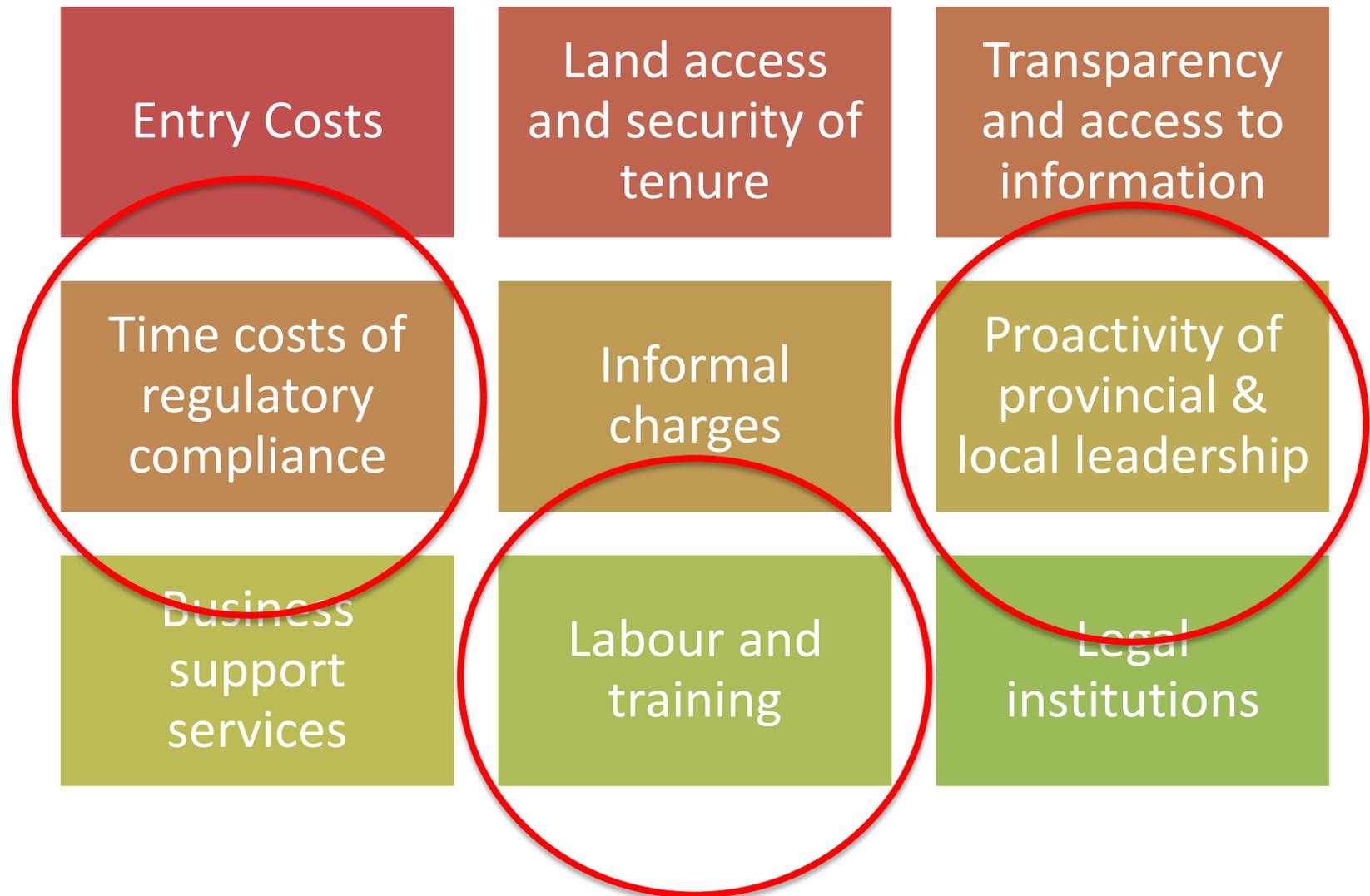
Strengths

- Fiscal policy (8th)
- Prices (7th)
- Effective legal environment
- Quality of corporate governance
- Dynamism of the economy
- Open and positive attitudes

Weaknesses

- Unemployment rate 25% (59th)
- Labour market (56th)
- Basic infrastructure (55th)
- Education (50th)
- State competency
- Research and development
- Skills of workforce

Example: Vietnam Provincial Competitiveness Index – DAI and The Asia Foundation, 2011



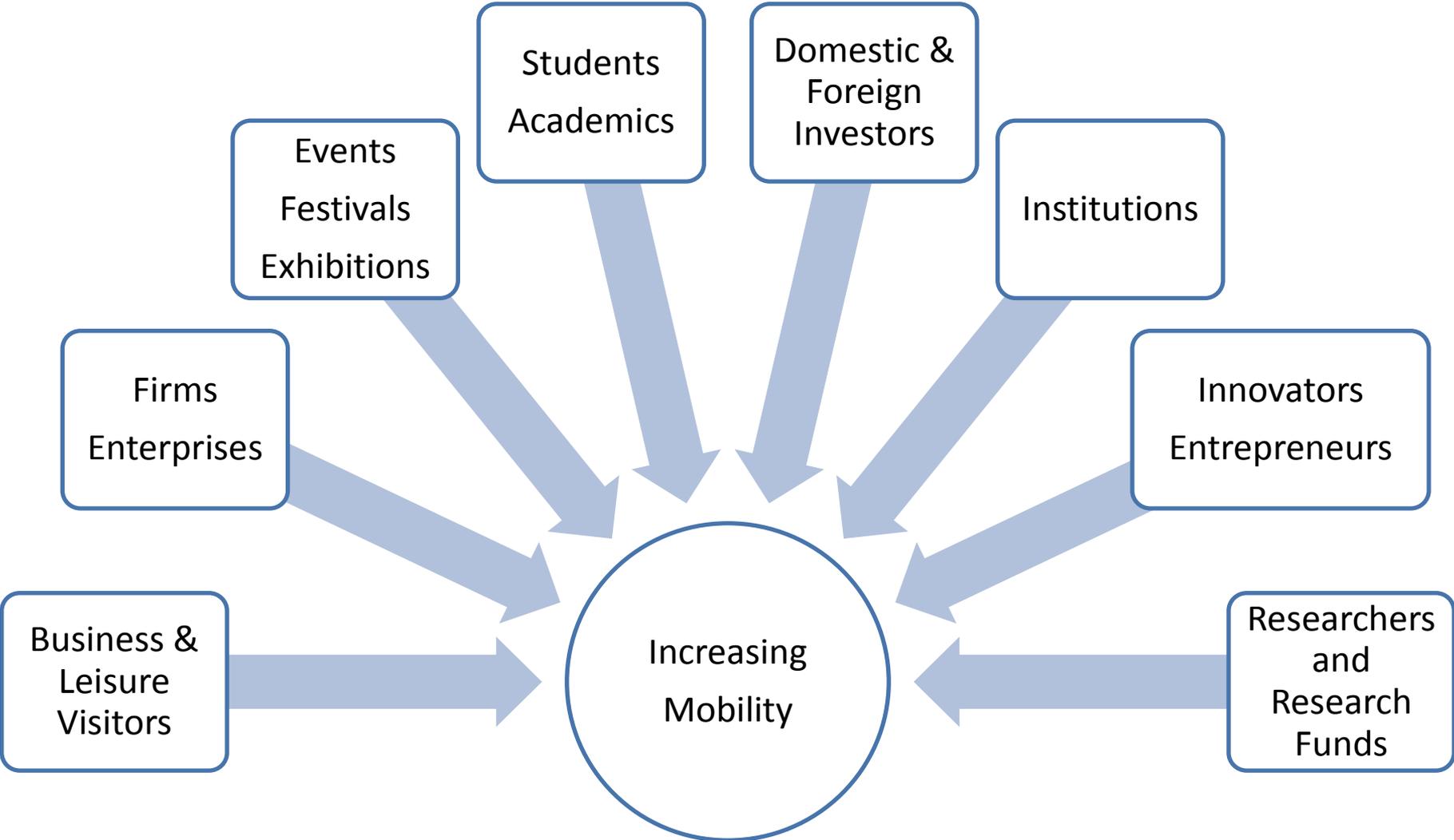
Conclusions

- Economic governance matters!
- Measuring the regional business & investor climate, *and acting to continually improve it*, requires an inter-governmental, transversal and cross-sector partnership approach
- There is no optimal design for a performance indicator system – we must set clear regional objectives before we determine factors and criteria to be measured
- There is a need to differentiate those factors which fall within the ambit of sub-national government and those which are part of national government

Mobile and contested markets: City and regional promotion

- The local and regional (and national) economy must succeed in highly mobile and contested markets
- International competition is increasing with expansion and integration of global economy
- Perceptions matter. The Cape Town/ Western Cape/ South Africa story must be clear and well organised, advantages must be proven, and reputation must be well managed
- This is a development and performance challenge as well as a communications challenge

Multiple contested markets... Not just tourism



Territorial branding and marketing

- A city-region brand is about reputation and identity. It is not a slogan or logo or visual code
- Image and perception must match reality
- Our regional (and national) reputation is, at best, ambiguous. We have a reputation as a beautiful place to live and to visit, with wonderful people. We also have a 'reputation' for high levels of poverty, inequality, unemployment and violence, poor health and living conditions, and racial tensions and divisions
- Our identity is also ambiguous. Because of our divided history, we still tell very different stories. Many citizens do not identify with traditional marketing efforts because they do not see themselves in the stories that are presented to the world

Territorial branding and marketing

- A visioning and branding process does not result in a logo but in a brand management system
- If properly conceptualised and integrated, the brand management system can help drive economic and social development processes
- For example, if we recognise that a great place to live is a great place to visit, then our brand must reflect our efforts to build a more liveable region for all citizens and help hold us accountable for our efforts
- Our brand (reputation and identity) should therefore not so much be about our beautiful natural setting but more about being a region that is changing itself through dialogue, partnership, organisation, leadership and innovation

City-region branding: Key learning principles

- Brands without substance are meaningless
- In cross-sector relationships, the private sector and community organisation's brand is just as important as that of city and regional government
- When building brands, city-regions must take advantage of local culture and history in order to differentiate themselves from others. Authenticity is valuable
- Increasing citizen pride, engagement, and a sense of identity are essential components of any city-region brand
- In some cases, especially in smaller towns, re-development must come before re-branding
- City-regions should use what resources they already have
- Preparing for the long-term is essential. The cycle of return on branding investments is much longer than any political cycle
- The process is about more than just branding. It's about perceptions, pride and identity
- A city-region must believe in its brand in order to make it work

Source: City Branding and Urban Investment Report, Urban Land Institute , July 2011

Find out more

- www.wcedp.co.za
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- Twitter: @wcedp
- Next EDP Members Forum: 02 October