

## Policy brief

# Innovative local development through collaboration and innovative learning

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## Introduction

Local municipalities in South Africa have a developmental mandate which is wide-ranging in scope and formidable in its demands for adequate resources. The White Paper on Local Government (RSA, 1998) acknowledges that this developmental mandate stretches far beyond merely involving residents in local governance. Service delivery priorities form the centrepiece of this mandate. This includes the provision of safe water, appropriate sanitation, affordable energy and suites of administrative services to households residing within a municipality's territorial and political boundaries. Furthermore, municipalities have been tasked with spearheading social and economic development initiatives to uproot underdevelopment and raise living standards in their jurisdictions. How can local municipalities help to transform local economies to satisfy the needs for equitable social services of its poorest and marginalised residents?

A 2009 Review found that "many municipalities are not in a position to meet their developmental mandate due to an inadequate economic base or high levels of poverty and unemployment." (COGTA/DPLG 2009: p57) Some municipalities fail to attract sorely needed private and public investments, a situation made worse as consequence of wasteful expenditures and weak accountability systems within municipalities (National Planning Commission, 2012, NDP 2030, pp435-437). Prioritising improvements in the financial performance of municipalities is crucial to achieve the outcomes of LED plans. But this neither makes up the sum total of

the obstacles that face municipalities nor does the municipal financial predicament exist in isolation from other difficulties they confront. Lack of adequate investment intersects with capacity constraints and governance deficiencies that bedevil the local development imperatives of municipalities as well (Madumo, 2015). Needless to say, this situation is particularly dire in remote and resource-poor local municipalities (DCOGTA, 2015).

Realising the developmental priorities of local municipalities also poses the urgency for new or improved ways of doing things better. Municipalities confront mounting pressures to find innovative solutions to problems of local development (COGTA 2014). Whilst science, technology and innovation hold out tremendous promises in this regard, it is not easy to translate this promise into tangible benefits for communities surviving on the socio-economic and political margins of these localities. A major concern is that innovation hardly features as a primary criterion to identify, finance and promote local socio-economic development initiatives (DST, 2015; Ndabeni et al., 2016; SALGA, 2016). Whenever innovation is mentioned in the strategic intent of municipalities, it tends to be restricted to periodic transfers of new or substantially improved technological artefacts into local areas from elsewhere. Drawbacks and inherent risks of this technology transfer model relate to the strong likelihood of divergence between the supplied innovations and what communities actually need, thus leading to the rejection of some technological innovations or low levels of adoption (Hart et al 2015).

The need for resource-poor municipalities to foster innovation-driven local socio-economic development is compelling and must be tailored to

## Policy brief

local circumstances if the most marginalised residents are to harvest lasting benefits from such innovations. In order to tailor innovative solutions to local needs, fit-for-purpose information and decision tools are essential. Yet information about the innovation potential of resource-poor municipalities in South Africa is largely non-existent. Traditional innovation surveys have focused on formal enterprises usually located in big cities or towns, and have neglected rural and/or informal enterprises. This general lack of reliable information on innovation in rural areas hinders the effectiveness of interventions meant to defeat the scourge of rural socio economic deprivation (Hart et al 2015).

The Rural Innovation Assessment Toolbox (RIAT) is an action-oriented set of information and decision tools designed to assess innovation in spatially marginalised contexts and close innovation evidence gaps. This policy brief describes how municipalities stand to benefit from RIAT and what actions municipalities should take to maximize the benefits of these tools.

### Benefits of owning local innovation assessment tools to local municipalities

A central tenet of the National Development Plan (Vision 2030) is to base policy conceptualisation, design and implementation on sound evidence. This tenet has become the hallmark and norm across national, provincial and local spheres of government. More specifically, the principle of evidence-based policy intervention resonates with the ethos of the Back-to-Basics programme aimed at improving the performance of local government (COGTA 2014). In this context, municipalities need appropriate toolkits to measure, monitor and evaluate whether programmes are improving the effectiveness and efficiency of how municipalities operate as well as better living standards outcomes for residents.

When determining the potential benefits of an innovation assessment tool for its users, the tools must pass critical tests. The most important test of its

scientific power is to check the reliability of the information base that underpins the assessment toolbox. In essence, this boils down to the trustworthiness of the evidence. Other test criteria have to do with the timeliness and accessibility of the information. Furthermore, assessment tools aimed at policy action must be user-driven. The RIAT comprises three sets of tools. The first toolset maps local innovation landscapes, the second promotes stakeholder conversations to explore innovative solutions, while the third helps to identify and support innovative initiatives with widespread and lasting developmental impact.

Firstly, RIAT benefits resource-poor municipalities through the enhancement of their innovation champion or brokerage roles in LSED planning phases and customising future interventions of municipalities. Information produced with the aid of the complementary sets of tools (and frameworks) can be included in local and district level Integrated Development Plans (IDPs) and Local Economic Development (LED) strategic plans.

Secondly, RIAT enables municipalities to better promote participatory governance which empowers local communities, especially the marginalised, in crafting the development future of municipalities. At present, the attempts by municipalities to enhance the participation of the local population have not yielded adequate responses. RIAT specifically targets the participation of the poor and marginalised in local innovation networks, seeking to strengthen their voices as well as their inclusion in innovation value chains.

Thirdly, the RIAT fosters an open-ended meaning and understanding of innovation. New ideas, artefacts and practices of doing things better for societal gains is the benchmark definition. The tools derived from this concept transcend the limits of technological innovations or the sale of novelties to those with the ability to pay. This language and culture of innovation urges new ways of thinking about how municipalities function and interact with local communities.

Fourthly, RIAT cultivates interactive learning between local municipalities and knowledge producers at universities. Local municipalities benefit from the innovations or knowledge generated by universities,

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## Policy brief

while also sharing their experiences with university experts. This ensures that local municipalities become co-producers of knowledge, ensuring that they take part in the production of innovations for the poor. The involvement of university experts also ensures that local municipalities are connected to regional and national systems of innovation, thereby exposing municipalities to cutting edge new innovations that can be adapted to their local contexts.

In summary, existing and yet-to-be-realised benefits for municipalities that take ownership of novel sets of information and decision tools for innovation-driven local development are manifold.

### Policy Actions: Embedding innovation assessment tools in local municipalities

Undoing decades of unequal spatial development has proven to be a complicated battle since 1994 as past and recent assessments of the transition towards developmental local government underscore (National Planning Commission 2012; Madumo 2015). Inequities continue to manifest in acute social and economic marginalisation of residents in remote and resource-poor municipalities. In these regions, appropriate investment in science technology and innovation ought to be geared towards equitable local socio-economic transformation. However, whilst encouraging more innovation in more places is necessary it is also critical to know the kinds of innovation to be encouraged. Tailoring innovations to underdeveloped contexts demand customised and user-informed tools to guide such interventions.

Municipalities that adopt and actively use the information and decision tools for equitable innovation-driven development, dramatically increase the likelihood of them capturing a substantial share if not all the benefits summarised in the previous section. Yet perceptions that RIAT is an add-on or burden to the workload of overstretched LED offices persist, resulting in a lukewarm reception of RIAT among some municipal officials. Moreover, the overemphasis on LED offices, usually not the influential and decisive locus of municipal decision-making, is a key explanation for the

slow and polarised institutionalisation of the toolbox to date. The benefits of RIAT thus continue to elude localities where it can generate substantial improvements.

But simply adopting the sets of tools is unlikely to yield any benefits. After all, every set of tools is action-oriented which means that it only stands to benefit its intensive and creative users. Therefore, as the brokers of innovation-driven development, what actions can municipalities undertake to harvest the immediate and longer-term benefits of RIAT? This policy brief proposes the following interacting policy actions:

- Embed innovation at the forefront of strategic visions and plans for local development.
- Entrench an innovation culture in the structures and operations of municipalities.
- Build resilient networks with knowledge producers at universities and local actors who can help realise the developmental mandate of municipalities.
- Invest in the adaptation and refinement of fit-for-purpose tools to measure and assess innovation-driven local development.

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