Creating synergy between Regional and Local Economic Development at sub-national level: Towards integrated Economic Development Collaboration for local progress in the Western Cape

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ABSTRACT

This article presents a qualitative, exploratory inquiry into existing linkages in Regional and Local Economic development (RandLED) facilitation systems in South Africa. The authors argue that although a natural overlap is present between these systems, the complexity of the environment, comprising multi-stakeholders and multi-levels, represents a governance challenge. Resolving, or bridging this gap, requires the adoption of specific, innovative approaches. Three case study examples of governance interventions in the Western Cape province of South Africa are discussed, in order to gain an insight into how they attempted to create institutional synergy in RandLED. The article concludes with observations and recommendations for RandLED policy and practice, to aid in synthesising implementation processes and ultimately the delivery of improved development outcomes. The authors suggest that innovative partnerships, based on collaboration and collaborative governance between role-players in the RandLED arena, should be explored in more detail, as well as being recognised in economic development policy processes.

Key words: Local economic development, regional economic development, sub-national development, partnerships, collaborative governance, institutional arrangements

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INTRODUCTION

In the past two decades, municipalities in the Western Cape of South Africa have made considerable progress in defining and executing their role in facilitating Local Economic Development (LED). This includes the application of a variety of economic development facilitation tools to support locational competitive advantages, together with the creation of versatile local markets, by collaborating with local and regional stakeholders. A plethora of national and provincial government departments and development agencies have contributed to Regional Economic Development (RED). Although these institutions are involved in implementing initiatives with regional impact – such as strategic economic development facilitation projects in specific localities – they often lack a proper institutional framework for Regional and Local Economic Development (RandLED) integration. This represents a vacuum in economic development governance networks: furthermore, it creates challenges for the effective implementation of national and regional economic development policy in the local sphere. From the perspective of a local authority, the governance gap poses multiple challenges in attracting focused external support for local economic development priorities.

This article commences by introducing key concepts relating to an understanding of LED, RED and the associated policy context in South Africa. Thereafter, the focus shifts to collaborative governance, as well as the complexity inherent in facilitating economic development in a multi-level, multi-actor framework. In order to derive practical observations, the sub-national economic development eco-system in the Western Cape is considered. Three examples of governance interventions, or collaborative partnership approaches, are drawn upon, as these provide useful lessons for how synergy can be created between local and regional economic development in the sub-national sphere.

A SUB-NATIONAL FOCUS ON ECONOMIC DEVELOPMENT

There has been a growing criticism of the extent to which national governments have tended to focus on traditional economic development approaches, looking at macro-economic variables such as fiscal and monetary reforms, property rights and economic stability (Scott and Storper, 2003). Due to the rapid pace of modern urbanisation, local and regional development policies (bottom-up) are starting to fill voids left by insufficient national and macro-economic policies (top-down) in many countries (Crescenzi and Rodriguez-Pose, 2011; Pike, Rodriguez-Pose and Tomaney, 2006).

Furthermore, existing administrative boundaries (national, provincial or local) do not necessarily align with what is most appropriate for a locality. As early as 1973, Schumacher referred to the unsuitability of administrative or political boundaries, which were in some cases too small. The same applies today. In South Africa, this manifests in a growing number of local and regional economic partnerships (such as the examples reported on in this article), where a local municipal boundary is too broad to meet the demands of a specific geographical area. There is also an increased incidence of neighbouring localities collaborating in the economic sphere, across administrative boundaries, in spaces that are more representative of functional economic regions. The pre-conditions and factors informing these collaborative economic partnerships require further primary research (Hamann, Pienaar, Boulogne and Kranz, 2011).

Regional economic development and regionalism defined

Definitions of regions abound across academic disciplines: for example, in international relations, a region would usually refer to a multi-national area such as the Middle East (MacLeod, 2001), or in macro-economic terms, would refer to trade blocks or supra-national regions such as the European Union, or the Southern African Development Community (SADC) in Sub-Saharan Africa (Jessop, 2013). Furthermore, a sub-national region may be considered from three main vantage points; namely economic, institutional or identity (Ellingsen and Leknes, 2012). For the purposes of this article, the definition from an economic vantage point will be applied.

A region is defined by Scott and Stroper (2003: 580) as: 'any area of sub-national extent that is functionally organised around some internal central pole'. Some authors (eg Enright, 2003) argue that historic information shows how national economies develop through the emergence of regional growth points or clusters, whilst others caution that successful regions are most often located in countries possessing dynamic national political economies (Jones, 2001). In whatever direction the causality runs, a strong reciprocal relationship remains between the national and sub-national levels within the economic policy and practice landscape.

Stimson, Stough and Salazar (2005: 25) have developed a 'virtuous cycle of regional development' (see Figure 1), which offers a useful graphic representation of the determinants of success. Regionalism offers a co-operative model for inter-local relations (ie relations between neighbouring local governments), in contrast with traditional approaches, where local governments compete to attract resources and investment, for example (Olberding, 2002). Building and using partnerships, networks and alliances to exchange information and drive a program of development is becoming more and more important (Gibson, 2011). It has been noted, however, that local actors living within a specific situation have become somewhat forgotten in this discourse on regional economic development (Pennink, 2014).

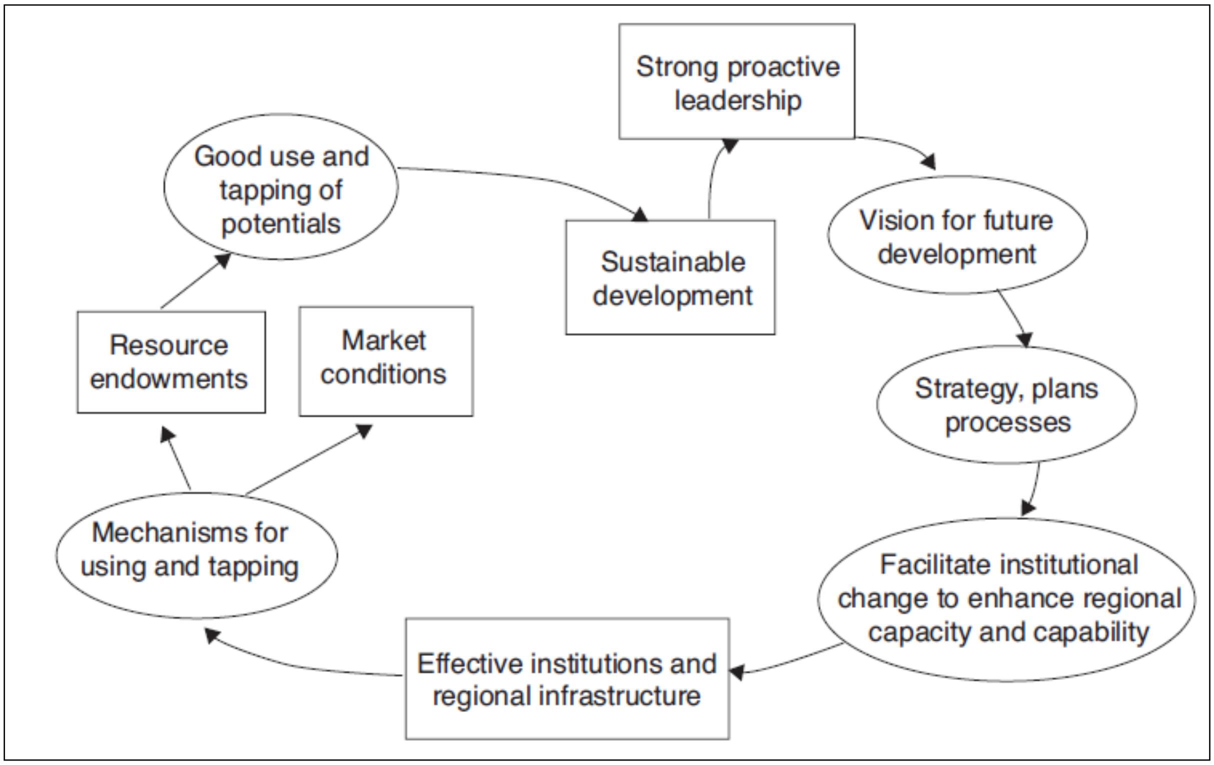

Figure 1: The virtuous cycle of sustainable regional development (Stimson *et al.*, 2005: 25)

Local Economic Development defined

Local Economic Development (LED) has been practised in the developed world for many decades, and grew in popularity in developing countries from the 1990s onwards (Meyer-Stamer, 2006). It is defined by the World Bank (2006: 1) as: ' […] the process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. The aim is to improve the quality of life for all'. More recently, the Commonwealth Local Government Conference (2011: 1) added the following: 'LED is a process which brings together different partners in a local area to work together and harness local resources for sustainable economic growth. There is no single model for LED; approaches should reflect local needs and circumstances'. Although a collaborative approach is implied, the function is generally the responsibility of, and/or executed by local governments.

RANDLED POLICY CONTEXT AND IMPLEMENTATION IN SOUTH AFRICA

According to Section 152 of the Constitution of the Republic of South Africa (1996), promoting social and economic development is an object and developmental duty of local government. This places a constitutional obligation on municipalities to play a facilitative role in promoting LED. A myriad of national and provincial policy frameworks and programmes impact on RandLED, however. Relevant policies are spread either directly, or indirectly, across most government departments, including their provincial counterparts.

The 2014-2019 National Framework for LED is the most recent in the South African context (CoGTA, 2014). Figure 2 displays the four policy pillars. Subsequently, the Department of Cooperative Governance and Traditional Affairs (CoGTA), under new leadership, released the LED Strategic Implementation Action Plan (SIAP), which aims to provide a road map (CoGTA, 2015). According to CoGTA, the LED SIAP makes provision for a national plan that gives flesh and detail to the key pillars of the 2014 LED policy framework, while clarifying the specific plans of various role players, in order to ensure effective implementation in the next five years.

Despite LED being a relatively well-entrenched concept in the South African policy environment, explicit references to Regional Economic Development have only recently emerged (see for example Gauteng City Region Observatory, 2015). Both the LED policy framework and the SIAP make reference to regional economic development and to co-ordination between national, regional and local economic development imperatives, through effective intergovernmental relations. There is clearly an increasing realisation that a functional economic region usually stretches across multiple administrative boundaries. In some cases, distinct functional regions could be contained within a larger District boundary. This supports the view that approaching RandLED as two separate practices, overlapping only when required by a particular project or programme, has resulted in less than desirable economic outcomes for localities.

	LED Policy Pillars/Thrusts		
Pillar One: **Building a Diverse Economic Base**	**Pillar Two:** **Developing Learning and Skilful Local Economies**	**Pillar Three:** **Developing Inclusive Economics**	**Pillar Four:** **Economic Governance**
Sectoral Development (Manufacturing, Agriculture, Tourism, Green Economy, etc) Metropolitan Economic Development Regional Economic Development Regional Industrial Development Programme	Tackling Basic Skills Gap Developing Workforce Skills Developing an Enterprise and Entrepreneurship Culture Developing Leadership and Management Skills	Informal Economy Support Inner city Economic Revitalisation Township Economic Development Inclusive Rural Economy Broad Based Economic Empowerment Support	Improving Economic Leadership and Management Capacity Administrative Economic Development Capacity Access to Development Funding/Finance Developing Local Economies as Distinct Brands

Figure 2: Policy Pillars of 2014-2019 National Framework for LED (CoGTA, 2014)

Government departmental programmes targeting RandLED vary and have been characterised by ideological friction between pro-poor and market-oriented approaches, leaving local government in the unenviable position of having to manage alignment and tensions. These factors, together with limited capacity, have significantly contributed to the perceived failures of LED to date (Hofisi, Mbeba, Maredza and Choga, 2013).

Local Economic Development Agencies (LEDAs) were once common in virtually all provinces. These institutional arrangements are most often located outside of local government, but remain heavily dependent on government support (eg the Department of Trade and Industry's support for co-operative development, or National Treasury's Public-Private Partnership promotion). Other commonly found institutions include provincial and local investment promotion agencies. Authorities appear to view these additional governance mechanisms, or implementation agencies, as a way of engaging LED challenges through a non-partisan vehicle that is less bureaucratic as opposed to the challenges being handled purely as a government function. However, despite their widespread use both internationally and in South Africa, these alternative institutional arrangements are often still hamstrung by the fact that local political priorities determine their funding (and ultimately survival); furthermore they are not generally seen as collaborative bodies, but rather as agencies to deliver on behalf of government (Mountford, 2009).

FILLING A RANDLED GAP THROUGH COLLABORATIVE GOVERNANCE

This article theorises that a recognition of the need to build partnerships, which integrate local and regional development, is an appropriate response for filling what is essentially a governance gap in economic development facilitation. Whilst economic partnerships and governance arrangements are well studied and documented (see for example OECD, 2001; Bryson, Crosby and Stone, 2006; Findlay-Brooks, Visser and Wright, 2010), there has been little investigation to date into factors for success; the pre-conditions for facilitating effective partnerships, or what could be termed 'partnership-building' in the RandLED space in South Africa (Hamann *et al*, 2011). This necessitates a brief consideration of elements relating to partnerships and collaborative governance, as well as the nature of exchange(s) therein. In turn, this will provide a theoretical frame for the evaluation that follows of three selected South African case studies.

The World Economic Forum (2011: 5) points out that in future, government alone (especially in developing countries) will struggle to deliver basic services (much less the robust growth required for economic advancement), whilst market forces will also not be able to deliver public value on their own. The future of government lies in creating a network across sectors, scales and levels; furthermore the understanding of governance in this complex ecosystem becomes a critical success factor. Jessop (1998: 29) provides a broad definition for governance as: 'any mode of co-ordination of inter-dependent activities'. Zadek and Radovich (2006: 5) suggest the following working definition: 'Governance concerns the structures, processes, rules and traditions through which decision-making power that determines actions is exercised, and so accountabilities are manifested and actualized'.

According to Ansell and Gash (2008), in collaborative governance, public and private actors work collectively, in distinctive ways and using particular processes, to establish laws and rules for the provision of public goods. These authors identify six compulsory criteria for collaborative governance, namely:

- The collaborative governance forum is initiated by public agencies or institutions. Participants in the governance forum include non-government actors.
- Participants engage directly in the decision-making process; they are not just consulted.
- The governance forum is formally organised and meets collectively.
- The governance forum aims to make decisions by consensus.
- The focus of collaboration is on public policy or public management (Ansell and Gash, 2008: 544-545).

This narrower definition allows for a more practical comparison of cases, from which Ansell and Gash (2008) developed a model of collaborative governance. Although our article does not aim to apply their approach specifically, it uses the criteria listed above, as well as elements of their model, in order to evaluate selected examples of collaboration in RandLED.

Figure 3 depicts the four broad variables found to influence collaborative governance processes (Ansell and Gash 2008: 550), namely:

- starting conditions
- institutional design
- leadership
- the actual collaborative process.

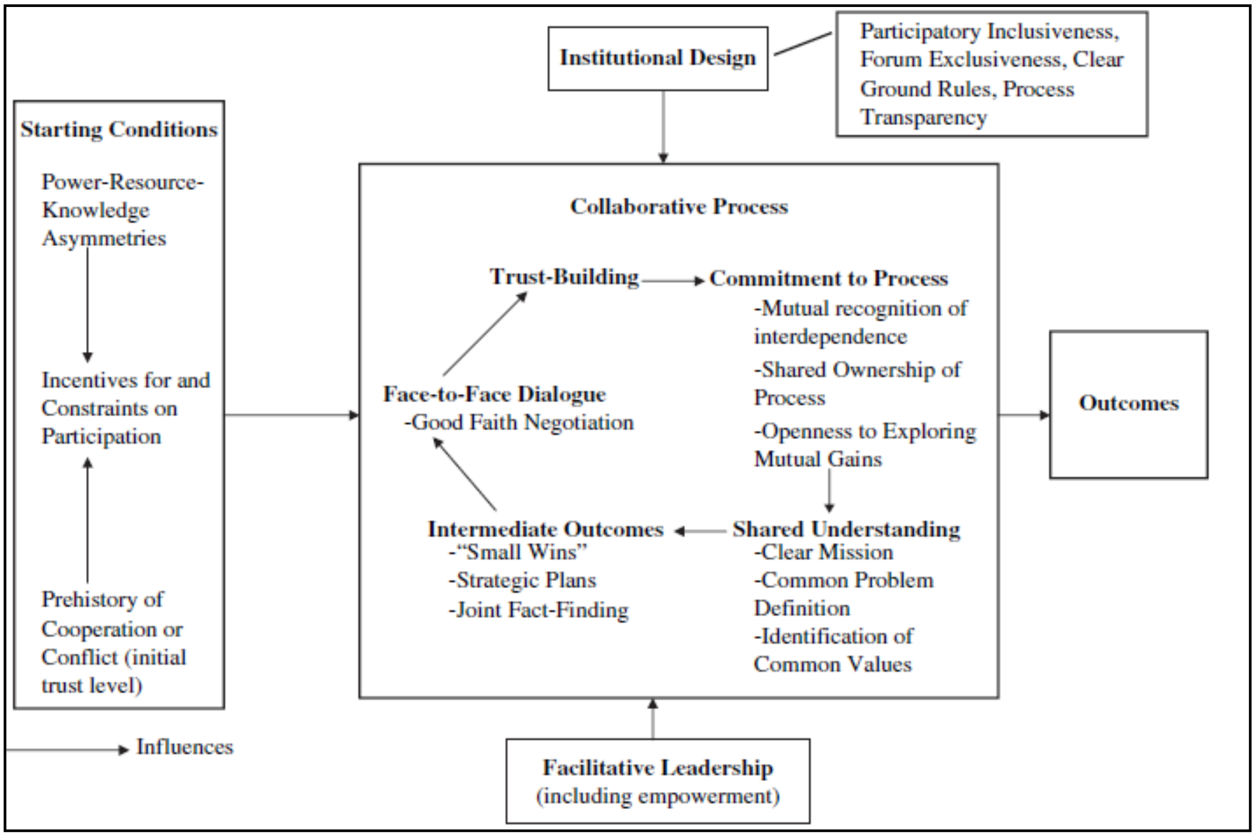

Figure 3: A Model of Collaborative Governance (Ansell and Gash, 2008: 550)

Complementary to considering various elements that provide a framework for collaborative governance, Keast and Mandell (2012) found characteristic elements of co-operation and co-ordination, as well as collaboration between role players. The first two elements are less mature versions of what could become active collaboration between parties sharing a common objective (in this case economic development). Regional and local governments, as well as non-government development actors, may share the pursuit of economic development in a specific region or sub-region; however variables at play in the collaborative governance model, as well as the maturity of interaction, may influence the likelihood of achieving positive outcomes. Pennink (2014: 47) attempted to develop a conceptual model reflecting the multi-actor, multi-level and multi-stakeholder landscape (Helmsing, 2003) of RandLED – see Figure 4 – which makes clear the challenge inherent in co-ordinating a multiplicity of interactions between various market-, government- and other developmental actors in a structured manner. This type of multi-sphere, multi-actor co-ordination and planning, aiming to effect integration between the national and specifically between the regional and local spheres, requires new and innovative governance arrangements. The next section briefly discusses three emerging examples, or cases.

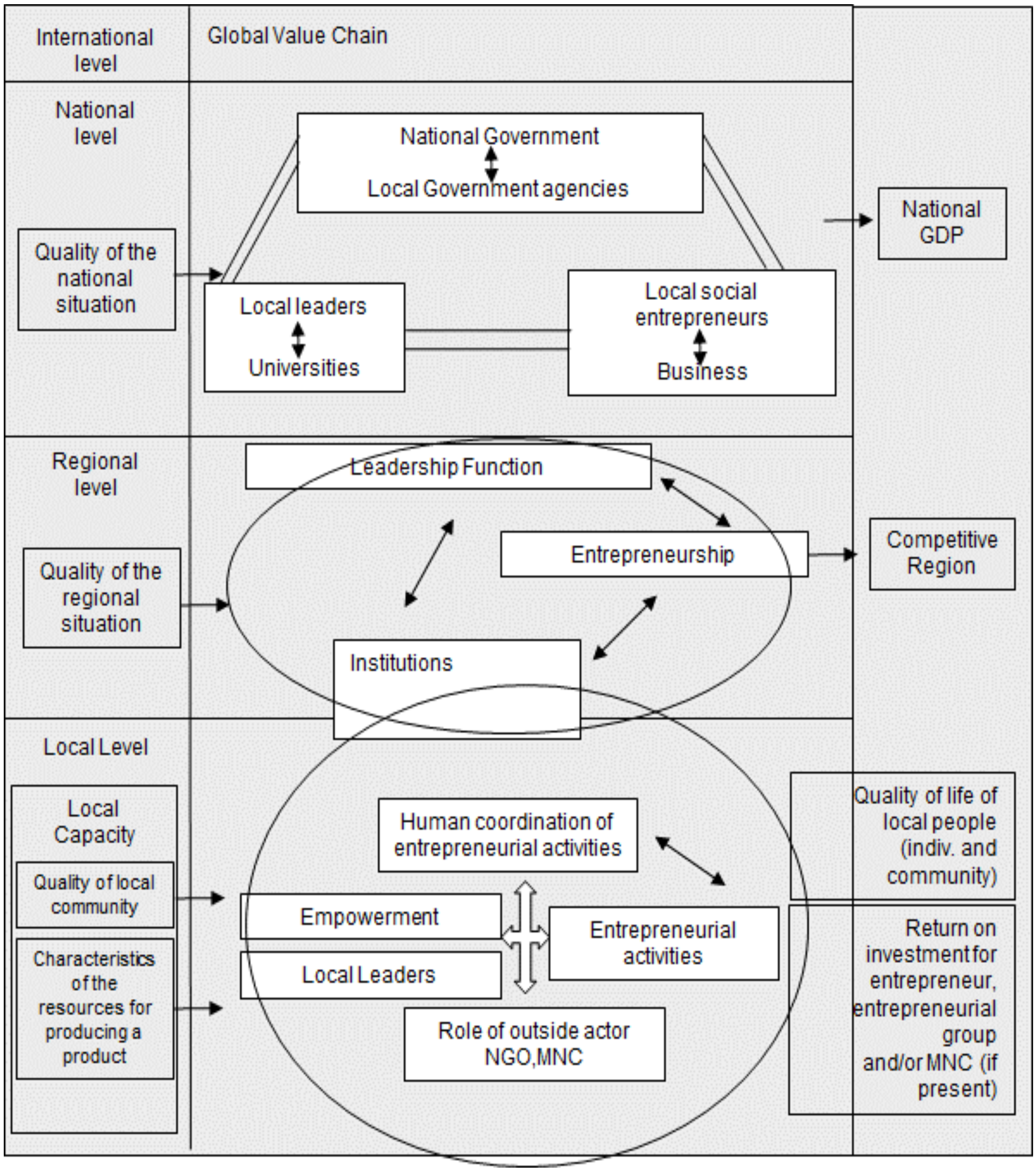

Figure 4: Multi-level, Multi-actor Model for Local Economic Development (Pennink, 2014: 47)
Key: MNC = Multi National Company

GOVERNANCE OF RANDLED IN THE WESTERN CAPE PROVINCE – EMERGING PRACTICE

It is our contention in this article that emerging regionalism, together with the need for local economic planning with a regional perspective in mind, require innovative governance responses amongst role-players forming part of a wider sub-national economic development ecosystem. Integrated inter-governmental planning in economic development is needed, by virtue of the complexity involved when attempting to implement local, regional and national economic policy. Although new policy imperatives may be clearly communicated by national and regional government stakeholders, the programmatic implementation thereof – which inevitably has to happen in a particular locality in a wider sub-region – is frequently lacking in clarity for local actors.

Three different institutional arrangements, representing attempts at local and regional economic development governance collaboration in different localities in the Western Cape Province, will now be discussed. These constitute different local responses within an environment where the provincial sphere of government is actively pursuing a clear regional economic agenda. The aim of considering these cases is to deduct (albeit at a limited level) whether the underlying governance model in each case is succeeding, or has succeeded, in creating synergy between RandLED initiatives. Do the governance interventions, even with their varied institutional expressions, seek to address an institutional governance gap in the local-regional economic development nexus? If so, in what way(s); what are the dynamics at play and what are the implications for implementing economic development policy at a local and regional level? Each case is briefly described and evaluated against relevant literature, followed by a summary of similarities and differences.

Case 1: Hybrid regional partnership: the South Cape Economic Partnership

The vision statement of the South Cape Economic Partnership (SCEP) is, 'to create a platform for business leaders in the private and public sectors in the South Cape economic region to share information, collaborate and solve problems to the benefit of the greater community and with the aim of promoting shared economic growth and development' (SCEP, 2015: 1). The partnership was established in response to a need that had been identified by organised local business, namely to create a formalised platform on which issues of regional concern could be discussed and actioned. The aim is to increase interaction between business, local government and other role players, in order to ensure co-operation and collaboration in addressing challenges for the benefit of the regional economy.

In broad terms, the region corresponds with the Eden District Municipal boundary, which encompasses 7 local authorities. Participation amongst key role-players in localities varies considerably, however: in some cases, active non-participation is evident. This reflects the competitive nature of economic development in the local government space, together with a lack of understanding of the inter-connected nature of the economies of small towns in the region. In terms of starting conditions (Ansell and Gash, 2008), the initial trust levels are considered low, with little incentive for co-operation (ie the forum would not be a decision making body with large resources).

The SCEP is not an independent legal entity, and as such cannot bind its members. Members are internally accountable to fellow members, funders and the partnership governance structure. While it is not a decision-making body, it contributes towards an enabling and conducive environment for business within the region. At the time of writing, the SCEP is being incubated by the Western Cape Economic Development Partnership, which includes both a service level agreement between members of the SCEP and the WCEDP, as well as an agreement with regards to co-funding the interim operational model until it has matured sufficiently to allow for its incorporation and establishment as an independent organisation. In terms of institutional design, this is an innovative approach, with few (if any) examples of this type of partnership existing in the sub-national economic development space. It is interesting to note, however, that although the drive for the establishment of the forum came from local business role-players and not a local authority, the financial contributions for providing some capacity to the platform have to date come exclusively from local authorities – a potential move towards improved joint ownership of the collaboration process.

Some intermediate outcomes include the appointment of a part-time project manager; the design and adoption of a logo and the drafting and adoption of a Medium-term Strategy and Programme of Work (SCEP, 2016). Exactly how this work plan (2016-2019) is to be funded, or to what extent it may leverage co-funding from multiple sources in the region towards common objectives, remains to be seen. Arguably, it may well be the watershed for the forum, as a failure to leverage resources and to move towards implementation could result in a significant loss of momentum and interest.

Case 2: West Coast Economic Development Partnership

As part of meeting the strategic objective of pursuing economic growth and facilitating job opportunities, the West Coast District Municipality (WCDM) decided to form a leading partnership to stimulate inward investment into the region, as well as identifying private sector-driven projects of a sufficient scale to have a catalytic effect on the local economies within the district. In March 2012, the West Coast Economic Development Partnership (WCEDP) was formed, with the purpose of leading, co-ordinating and driving economic growth and development. At the time, its major focus was the designation and consequent industrial development of the Saldanha Industrial Development Zone (IDZ) in Saldanha Bay Local Municipality (LM); as well as skills development, agricultural development and diversification of the local economy from the two pillars of agriculture and heavy industry.

The WCEDP formed a business-led executive leadership committee (EXCO), which identified four commercially viable Catalytic Business Ventures (CBVs) for the region (Vorster, 2014).

It was envisaged that EXCO would lead and supervise the task teams appointed to undertake the project, and that a bi-annual, broad-based report back stakeholder workshop would take place. The WCEDP set out to organise its work programme along the lines of four CBVs, which included a focus on aquaculture, artisan development, waste processing and a 'captains of industry' venture encompassing projects relating to road to rail, energy, port management and skills development (Vorster, 2014). This institutional framework expresses characteristics of the multi-level, multi-actor model proposed by Pennink (2014), in that it seeks to perform a leadership function, to develop entrepreneurship and to co-ordinate the capacity of multiple institutions for collaborating on these programmatic ventures, which are expected to benefit the region.

To date, in terms of a joint commitment to the partnership's process and participation in the collaborative process by all stakeholders (Ansell and Gash, 2008), measurable outputs by the partnership as a collective are difficult to identify, despite the fact that individual partners may have made progress by achieving some of the objectives that were jointly determined. The participation incentive was low for some stakeholders, as the initial funding for the partnership was provided through a grant, as opposed to each stakeholder contributing resources – thus securing more control over programmatic objectives. This links to the question of trust between partners (Ansell and Gash, 2008) and the extent to which it is influenced by the format of resource contribution, or the funding model of the partnership as the leading institution.

Case 3: Innovation helix approach to facilitate RLED: The Hessequa Innovation Helix (HIH) Initiative

The well-known Triple Helix Model (Etzkowitz and Leydesdorff, 1995), which sees active collaboration taking place between business, government and academic institutions in development facilitation, seems increasingly relevant for application in RandLED practice. According to Pennink (2014:45), 'In this interplay, the willingness to share knowledge is significant' and would address the need for knowledge-based governance processes and innovative responses to complex social and economic challenges at the local level'.

Hessequa Municipality, in collaboration with the Stellenbosch Good Governance Forum and Stellenbosch University, established the Hessequa Innovation Helix (HIH) in March 2015. Its launch included an ideas-matching and beneficiation process, aimed at unlocking local and regional economic potential and collectively finding ways to transform this into an economic opportunity. Eleven project proposals were presented and voted upon at the end of the session, based on their feasibility. The projects were subsequently prioritised and institutionalised to support their implementation. Thus, the HIH has set out to create and grow public value in the Hessequa community and to facilitate innovation for economic development through the growth and unlocking of value through learning projects.

The HIH incorporates a 'network governance' approach to project support and implementation and, in the words of the lead facilitators of the initiative, depends on a coalition of willing partners to co-create public value through projects in the area. Etzkowitz and Ranga (2010: 17-18) describe how *consensus spaces* are created in the triple helix approach: these are 'a mix of top-down and bottom-up processes, where leadership is created through collaboration, providing a neutral ground where the different actors in a region, from different organisational backgrounds and perspectives can come together to generate and gain support for new ideas that promote economic and social development'. A process of 'cross-institutional entrepreneurship' between the triple helix spheres is created by this activity, with the objective of creating enabling conditions for regional development, informed by a dynamic knowledge base.

The triple helix approach creates an active linkage between regional and local economic development, as it draws external partners from the academic community, business community and government sector (including international stakeholders, due mainly to the University's strong international academic parterships). It follows a multi-disciplinary approach and creates space for learning and experimentation, taking into consideration macro-challenges such as the energy crisis, the constrained financial resource model of municipalities and the importance of developing human capital in a locality. Figure 7 indicates a number of variables identified by Pretorius (2015: 42) as impacting on the dynamics and effectiveness of the innovation helix approach, when applied in a local government context.

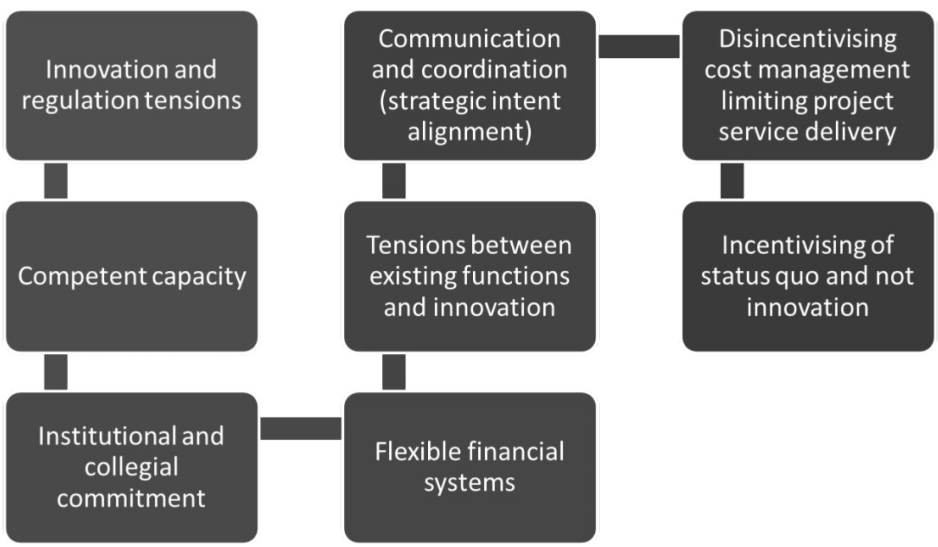

Figure 7: Variables for Innovation Helix Success (Pretorius, 2015: 42)

The triple helix example differs considerably from the first two case studies, given its strong emphasis on creating an enabling environment and partnerships for innovation as a response to complex institutional, economic and social dynamics in the local governance sphere. Similarities exist, however, to the preceding theoretical models used for comparison purposes, in that institutional and collegial commitment between stakeholders in the helix still need to be secured and trust fostered, in order for project outputs to be produced (Ansell and Gash, 2008). It is is thus subject to similar pre-conditions and determinants for a successful collaborative process as the first two cases.

Case comparisons – commonalities and differences

Each of the three examples has been discussed, with reference to components of Ansell and Gash's (2008) model for collaborative governance, Keast and Mandell's (2012) continuum of collaborative relationships, and other relevant literature (Hamann *et al*, 2011; Etzkowitz and Ranga, 2010). In the section that follows, multiple sources of literature are combined in order to provide a set of criteria against which each case is evaluated, thus providing a summary comparison.

CRITERIA FOR EVALUATION/COMPARISON	WEST COAST	HESSEQUA	SOUTH CAPE
Geographical focus/scope	Regional	Local	Regional
LED, RED or aiming to bridge the gap	Bridge	LED	RED
Implementation or Innovation and Dialogue partnership	Implementation	Innovation	Dialogue
Level of institutionalisation	High	Low	Medium
Collaborative Model			
Initiated by public agencies or institutions	Yes	No	No
Participants include non-government actors	Yes	Yes	Yes
Participants engage in decision making (not just consulted)	Yes	Yes	Yes
Forum is formally organized and meets collectively	Yes	Yes	Yes
Forum aims to make decisions by consensus	Yes	Yes	Yes
Focus of collaboration is on public policy or public management	Yes	Yes	Yes
Relationship Continuum- Depth of Collaboration			
Cooperation (lowest form)	High	Medium	Medium
Co-ordination (some maturity)	Low	Medium	Medium
Collaboration (high trust, joint implementation)	Low	Medium	Medium
Helix collaboration – academic, business and government all involved	No	Yes	No

Figure 8: Case comparison (Ansell and Gash, 2008; Etzkowitz and Ranga, 2010; Hamann *et al.*, 2011; Keast and Mandell, 2012; authors' observations)

IMPLICATIONS FOR RANDLED INTEGRATION: POLICY AND PRACTICE

The three cases evaluated in this article share a commonality in partnership arrangements, in that their programmatic imperatives are organised in the form of a limited number of focus areas, arrived at through consensus, from which individual partners and the collective stand to benefit. To an extent, all three attempt to focus on regional competitive advantages and ways of supporting the network of industries in each cluster (tourism, agriculture, aquaculture etc).

In the WCEDP and SCEP cases, a clear alignment exists between the focus areas of the regional economic development partnership and the strategic economic development priorities of the Western Cape Government. In this way, institutional alignment is facilitated and a governance gap is filled, which provides for inter-local and local-regional economic development collaboration in a structured manner. All three cases highlight the importance of defining clear objectives, together with an underlying value system of a partnership or collaborative governance arrangement. For example, the HIH initiative is intentional in its focus on social innovation, entrepreneurship and building an innovation eco-system that seeks to create public value.

It is the authors' view that the current LED policy framework, as provided by CoGTA, is limited to a reliance on LEDAs as the key vehicle for local government to deliver on its mandate for facilitating local economic development. As we have argued in this article, the success of LED practice is inherently linked to integrating regional economic development with LED facilitation processes. This raises the question of why LEDAs (which in the South African experience tend to be resource-intensive bodies with limited impact on local-regional planning integration), shouldn't be reviewed by policy-makers and development actors as preferred implementation mechanisms? There is clearly a need for responses to economic development facilitation that integrate local and regional planning, which demands the formation firstly of regional partnerships to co-ordinate planning between localities that are part of a wider functional economic region, and secondly, between this functional economic region and the sub-national or provincial region.

CONCLUSION: DIFFERENTIATION, COLLABORATION AND INNOVATION

The growing acknowledgement of the importance of economic development on a sub-national level serves as a starting point for a consideration of inter-local and intra-regional planning. However, the complexity associated with multiple actors sharing economic development facilitation priorities, together with varying institutional imperatives, is increasingly creating a need for new governance arrangements that facilitate partnership and collaboration.

The complex RandLED playing field described above calls for innovative and flexible responses, including the development of collaborative governance processes and hybrid partnerships to ensure regional and inter-local co-ordination, alignment and synergy. Enhanced cooperation between stakeholders, whether formal or informal, can foster trust and create 'institutional thickness' (Beer and Lester, 2015: 205). This relational convergence between RandLED facilitation actors could provide for more efficient and effective economic development outcomes, both for the participating localities, as well as the sub-region as a whole.

At the time of writing, the authors are aware of a number of municipalities in the Western Cape which are considering the establishment of economic development partnerships that will provide for dynamic participatory planning between business, civil society and government. These envisaged LED partnership arrangements are emerging as 'bottom-up' interventions. In order to be successful, however, clear planning linkages will have to be included with the regional economic and spatial development agenda of wider functional economic regions.

The authors further acknowledge the limitations of this article, as the paucity of available empirical evidence does not permit a more in-depth assessment of the three case studies that have been presented. A recommendation for future research is that economic development partnership arrangements and the sub-elements of effective collaborative governance arrangements should be studied in greater depth. For example, the bottom-up partnerships initiated by entities other than government do not seem a perfect "fit" for the current, dominant theoretical models for collaborative governance. Useful insights may be derived by studying whether this is a specifically South African peculiarity and whether it results in significantly different outcomes. Future in-depth primary research on local and regional economic development institutions in South Africa that have either failed, not made much progress or that have excelled (with measurable outputs) in local-regional economic development collaboration, will enable a detailed comparative analysis, producing specific findings on the guiding pre-conditions for success. Finally, we conclude that innovative partnerships, based on collaboration and commitment between role-players in the RandLED arena, should be explored in more detail, as well as being recognised in sub-national economic development policy and planning processes.

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