



MUNICIPAL ECONOMIC GROWTH INITIATIVE: RURAL DISTRICT AND LOCAL MUNICIPALITIES

5th Annual Small Town Conference

East London 22 October 2010



Agenda

Purpose

Objectives

Approach

Methodology

Activities

Impact

Purpose

Inform the development of comprehensive, coherent and practically implementable policy proposals for DCoG that would complement its other initiatives and interventions to stimulate and develop the economies of especially vulnerable rural municipalities in South Africa.

Objectives

1. Critical review of current policy & strategies to attract investment at local government level.
2. Literary assessment of international investment attraction policies and strategies.
3. Concise policy proposals for rural economic development.
4. Recommendations on implementation.
5. Recommendation on alignment to enhance implementation.

Approach

Systemic Competitiveness

Hexagon of Locational Development

Participatory Engagement

Alignment

Meta Level

“Basic orientations and societal framework conditions in a given society”



Development-orientated patterns of political organisation

Competitive Economic system

Capacity to formulate visions & strategies

Value systems that encourage learning & change

Collective memory

Social status of Entrepreneurs

Social cohesion / social capital

Macro Level

“Generic institutions, economic policies and framework conditions”



Stable, competition-orientated macro-economic, political and legal framework conditions

Exchange rate policy

Anti-trust policy

Monetary policy

Trade policy

Budgetary policy, fiscal policy

Consumer protection

Meso Level

“Selective interventions to support companies' effort to shape a competitive advantage”



Targeted policies & institutions to strengthen the competitiveness of industries

Export promotion

Industrial Policy

Regional policy

Environmental Policy

Infrastructure

Education Policy

Micro Level

“Companies, competitive markets, including networks and alliances needed to sustain competitive efforts”

Intra-firm effort to improve efficiency, quality, flexibility, responsiveness; business strategy

Formal and informal co-operation, trust, networks, alliances, collective learning

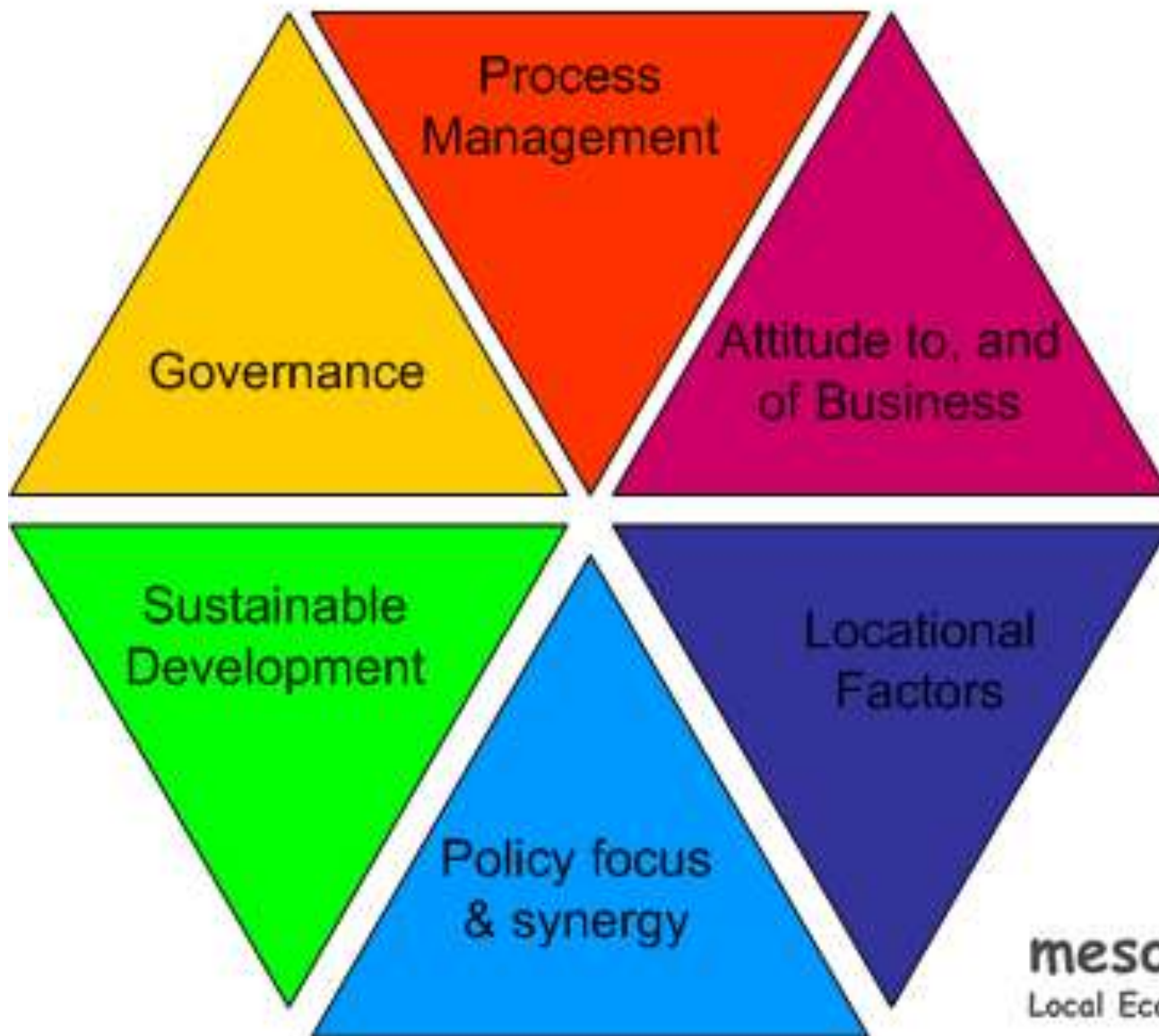
Technology Policy

Availability & access to information

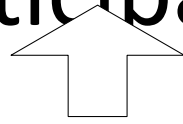
Locational policy

Economic promotion

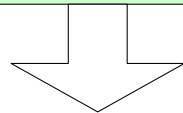
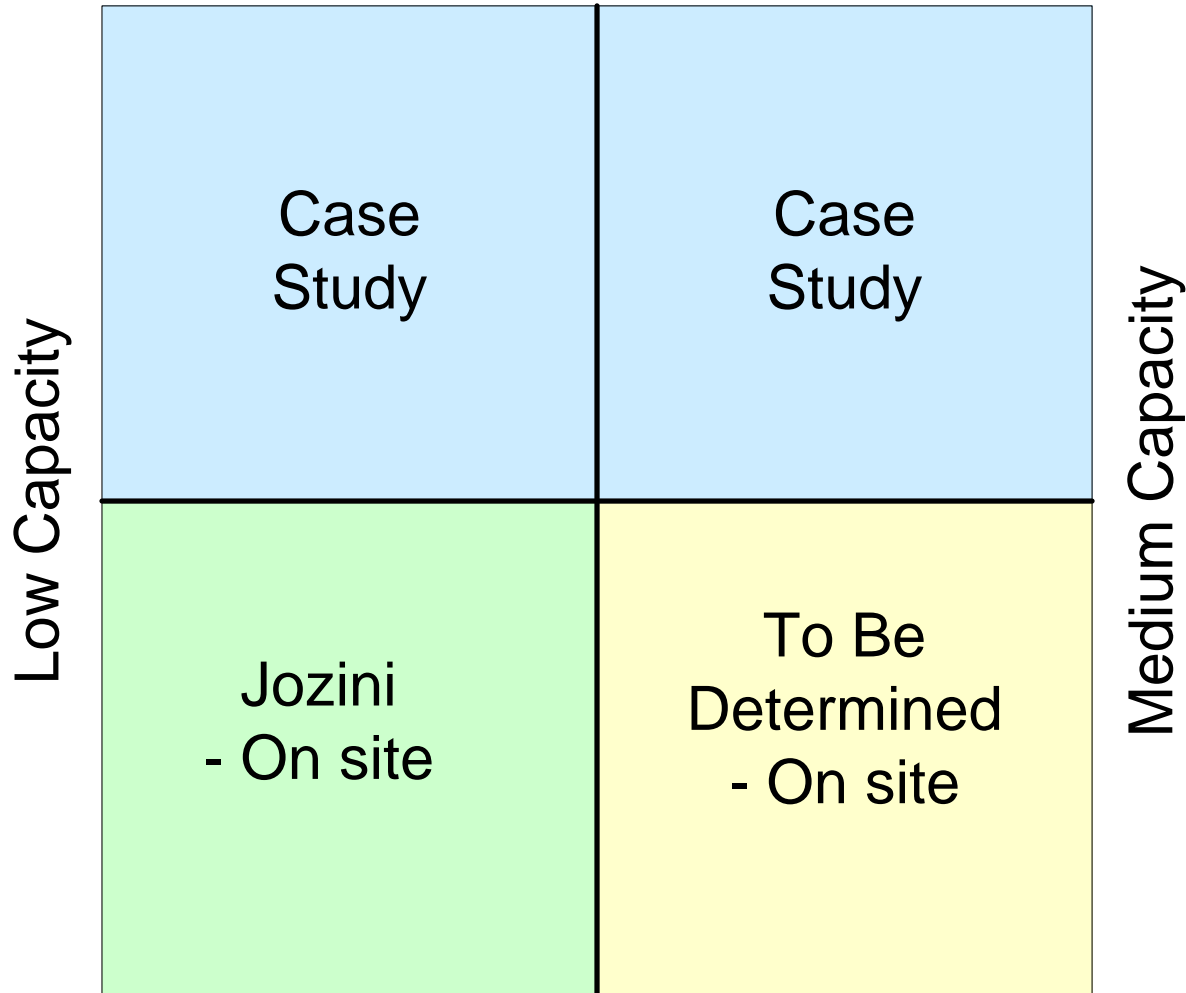
Conceptualising LED - The Hexagon



Participatory Engagement

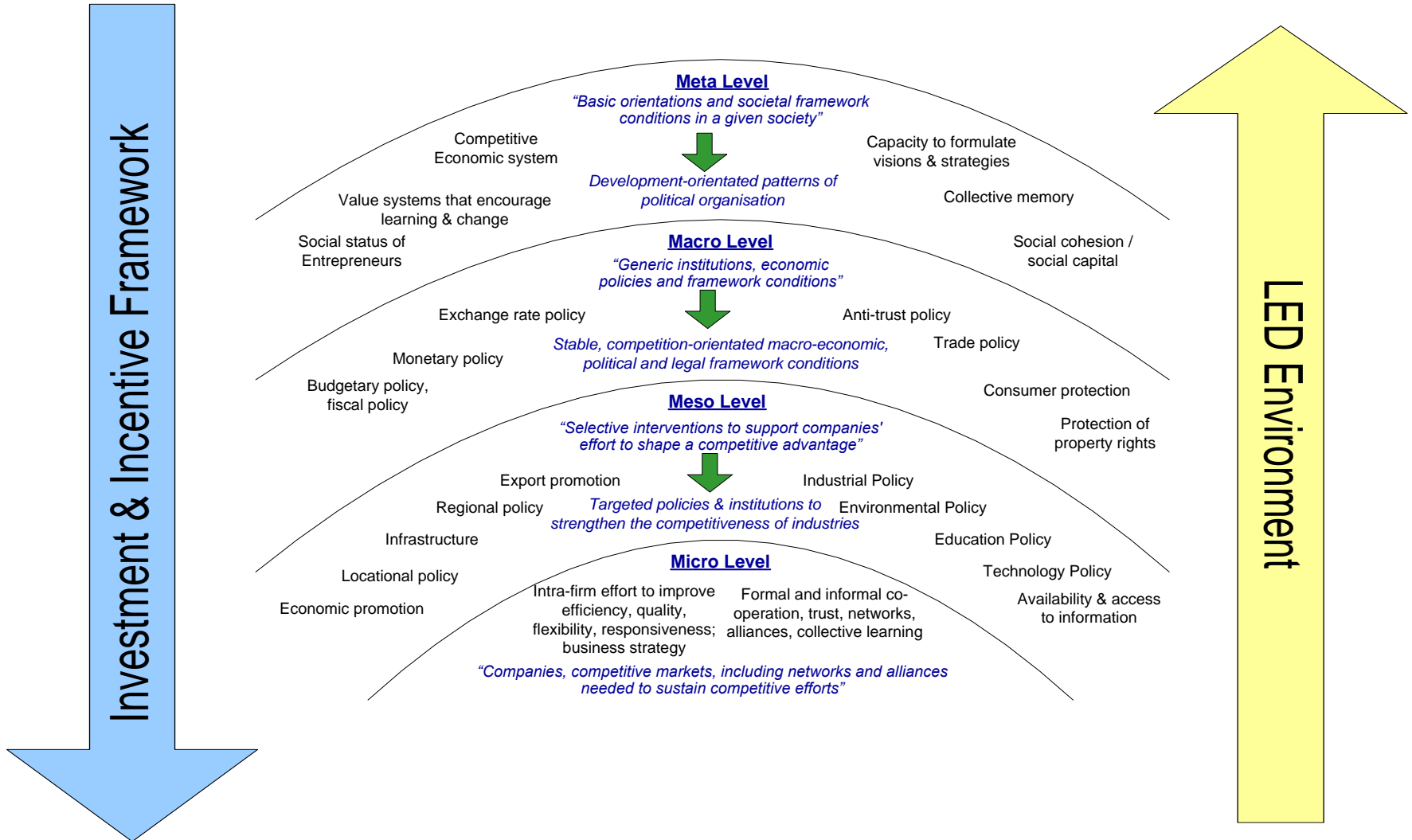


Natural Resources

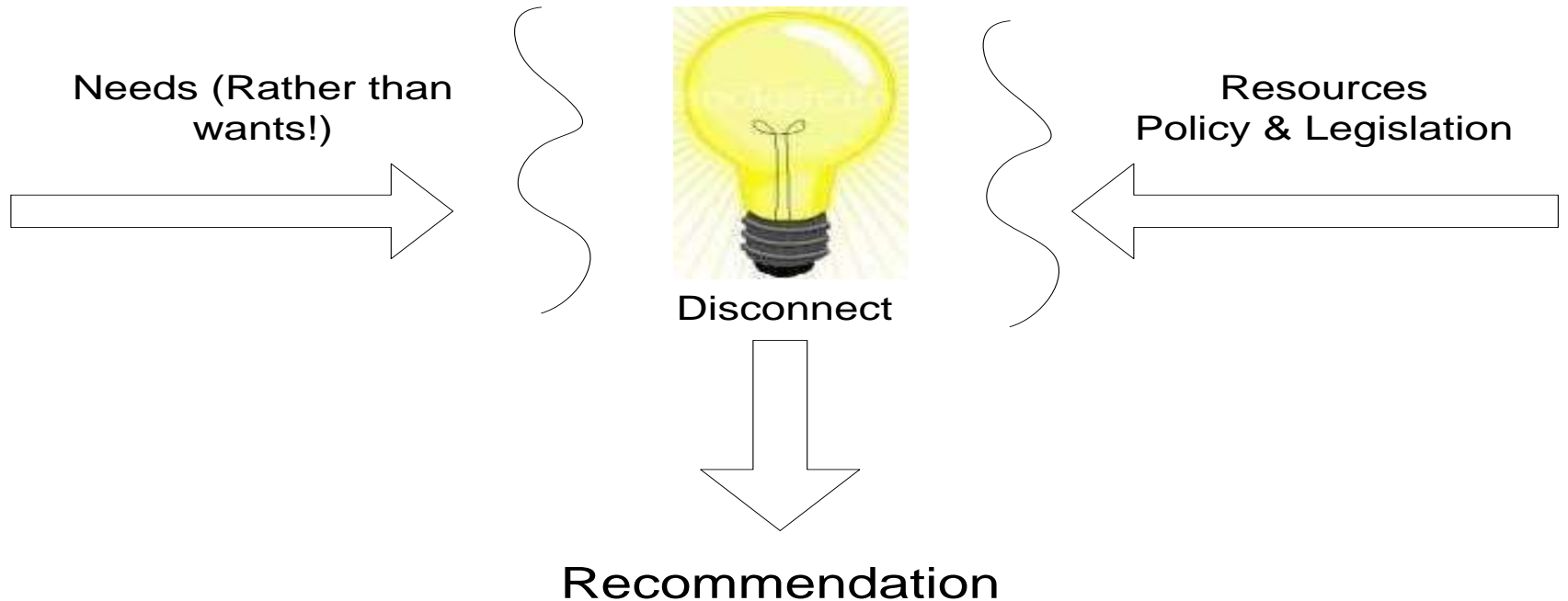


Natural Resources

Activities



Impact



At the end of the day impact must be measured by impact at the local level – Jobs created, business retained and expanded and vulnerability of people reduces!