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This independent, interdisciplinary journal is dedicated specifically to skills development and related areas such as local economic development (LED). These are emerging fields of research and knowledge in South Africa: the journal therefore provides an important forum for the publishing of scholarly articles and case studies that are of interest and relevance to researchers and practitioners. A further aim is to provide an ongoing stimulus for learning and teaching in these fields, particularly for local graduate students and young researchers in academic institutions and research centres. Although the focus is primarily on South Africa, regional and international perspectives are also encouraged.

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Guest editorial:
Collaboration, convergence
and finding common ground

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ABSTRACT

This editorial takes the form of an extended reflection on the papers in this edition, which converge around themes of Local Economic Development (LED), collaboration and skills development. They raise important issues for LED, but also for skills development more generally in occupational, vocational and professional education. I use these themes as a means towards identifying areas for research, and map a possible collaborative research programme for knowledge-building in the broad area of skills development in workplaces and in classrooms.

Keywords: *Skills development, Local Economic Development (LED), collaboration*

INTRODUCTION: CONTEXT MATTERS

The offer to write this editorial for *Skills@Work: Theory and Practice* comes at an opportune moment; at the time of writing I am only a few days into my programme as a newly appointed National Research Foundation (NRF) Chair in Work-integrated Learning. The collection of articles in this issue, with their focus on multi-agency partnerships, has challenged me to think about how education systems might benefit from similar collaborative 'convergences'. Underpinning collaboration is the assumption that through collective and aligned understandings and actions within a local, shared context, hybrid teams (scientific, professional, governmental and community-based) can achieve more than a single-agency intervention. Partners might even develop a common language, shared identity and co-create a knowledge-base. This is perhaps an ideal, but one that South African educational institutions might consider aspiring to. This would require educational institutions, professionals, practitioners, government sectors (health, social care and science and technology), as well the voluntary and community-based sectors, to transcend their traditional boundaries and reconfigure themselves as an integrated task team in support of local needs. With the many vested interests at stake and constraints associated with crossing traditional borders, this will be no easy task. The papers assembled here provide some direction, without minimising the difficulties. They

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also highlight what can be achieved when teams work together in support of local economic development (LED).

This editorial takes the form of an extended reflection on the inspiring collection of articles that make up this edition of *Skills@Work*, with a particular focus on the lessons the authors offer on overcoming what Vorwerk calls 'a deep prejudice against the legitimacy of the workplace as a learning space' and for replacing fragmented silo systems with multi-agency collaborative models that might be more able to address the pressing needs of the global South. LED and the dynamics of multi-agency partnerships and collaborative learning are themes linking the articles in this edition. LED is an approach that is gathering momentum in the developing world, as it is respectful of the particular geographical, historical and social contexts of communities-in-need. While not a panacea, LED has been shown to be effective in supporting communities that are motivated to work and learn together in order to achieve sustainable economic benefits at the local level. As its name implies, LED places emphasis on improving the quality of life of residents within a particular geographical range. At this level, economic development must not only draw on local resources (environmental, infrastructural and intellectual) – but also protect and nurture these resources through the alignment of mutual concerns, interests and ideas. As Canares, whose paper introduces this issue puts it:

> Convergence is critical because it allows the optimisation of local resources and capacities to ensure that communities share economic benefits by working together, while acknowledging the fact that the local is inevitably linked to regional, national, and international spheres.

Using a rich variety of illustrative case-studies, the papers showcase initiatives that have been important in alleviating poverty, strengthening local economies, creating jobs, supporting new enterprises and promoting environmental sustainability across many regions in the global South.

CONVERGENCE: THE 'LANGUAGE' OF COLLABORATION

Canares' paper introduces the 'macro' issues, in particular the ways in which collective action can help communities to achieve economic sustainability. Collective action offers possibilities to communities beyond the limitations of neoliberal discourses, indeed collective action, in which interests are aligned, empowers communities to act in ways that are meaningful in local contexts. While Canares' paper addresses the specific needs and contexts of communities in the Visayas island group of the Philippines, the issues are recognisable across many developmental contexts. The case studies show how collective social enterprises: a local women's weaving co-operative, an organic papaya enterprise and a fair trade shop that markets community products, have been able to create livelihoods and enable poor and marginalised communities to reclaim their dignity and self-worth. The communities' achievements have not been without difficulties, in particular local environmental challenges, exacerbated by the lack of financial, infrastructural and technological resources. Canares argues that in order for localised social enterprises to be successful, particularly when encountering difficulties, 'convergence' is necessary. The concept of convergence is key to the success of multi-agency partnerships; without a strong alignment across mutual concerns, interests, and ideas towards solutions, the teams would simply not be able to function.

Over the past decade, collaboration, in its many forms, has been the focus of studies seeking to understand better how we might manage inter-institutional, inter-professional or interdisciplinary collaboration. Despite the increased attention, the issue of how best to establish and maintain functional partnerships remains largely unexplained. Canares'

study has thus made an important contribution to what collaboration might actually mean for those involved.

'Convergence' in a context in which an educational institution (school, university, Technical and Vocational Education and Training [TVET] college, or adult learning centre) is included in an LED partnership is equally important. We have seen knowledge creation moving to the centre of economic theory with concepts such as 'the knowledge economy' and 'knowledge workers' commanding attention, even in contexts of low skills labour markets. In this regard, educational institutions have a role to play in regional and local economies. Universities, as key generators of knowledge, are in particularly strong positions to contribute to the rate and quality of economic growth of the communities in which they are located. Castells (1993) warned some time ago that if we do not find convergence between educational concerns, interests and ideas and those of the communities that the educational system serves, we will remain trapped in 'the West and the rest' paradigm. The developed world will continue to attract knowledge workers and knowledge-intensive industries, while the global South will remain marginalised. In order to make a sustainable contribution to national and regional development, universities would, first and foremost, need to change from a knowledge 'transfer' paradigm towards a collaborative knowledge-building paradigm – something that might be difficult for the higher education sector in particular.

Vorwerk reminds us that we are not entirely without hope in this regard; there are colleges and universities that have productive partnerships for the purposes of regional and local economic development. At this stage, I must point out that by highlighting the importance of collaboration, it is not my intention to underestimate the importance of expertise, disciplinary knowledge or scholarly research. Their knowledge-building capacity is much needed for creating the knowledge required to drive development. What the articles in this edition draw attention to is how forms of collaboration with potential users of the products of knowledge-building activities might enhance the academic core. In fact, a whole field of study, Innovation in Society, is devoted to the social embedding of research and innovation. An annual conference of the Institute of Electrical and Electronics Engineers (IEEE) Transactions on Innovation in Society is held to share research and practice in the social embedding of innovation for the purpose of up-take by communities. Such social embedding of innovation requires academics to engage with those external to the university while, at the same time, ensuring that such engagement strengthens the core functions of the university – in other words, a convergence of concerns, interests and ideas. As Burton Clark (2005) and others have pointed out, it is through regional collaboration that universities have been able to achieve desirable qualities of 'distinctiveness'. 'Distinctiveness' is sought to enable local universities to compete for academic staff and students on a regional, and increasingly global, scale. To achieve distinctiveness, higher education institutions might consider making regional dynamics a more explicit part of their strategy, improving access to their programmes through regional collaboration, and taking advantage of opportunities to develop joint profiles and grow strong alliances. In doing this, the South African higher education sector might lead the way in developing alternative models to the research-intensive 'world class university'.

ANALYSING PARTNERSHIPS: IN PRAISE OF HYBRIDITY

Coetzee deepens the debate around collaboration and collective action through the development of a spatial cross-section partnership model. The term 'spatial cross-section partnership' refers to the diversity of collaborators (ie, the cross-section) working together towards a shared spatial (ie local) objective, such as improved employability in a particular area. Coetzee argues that, against the backdrop of economic uncertainty and

austerity, we have seen a significant paradigm shift towards a deeper appreciation of the local within private, public and non-profit sectors across both the developed and the developing world. This shift is characterised by a move away from relying upon the advice of a single agency or consultant (particularly in the form of imported ideas) towards local contexts and local expertise (which is usually distributed, rather than found in a single person or agency) and the sharing of ideas through partnerships and collaborations. It seems that we may be freeing ourselves of the mindset of 'the West and rest' (with the assumption that everything that is not West is the same and not worthy of consideration). Hybrid teams bring new perspectives and alternative approaches to local problem-solving, enhancing organisational efficiencies and effectiveness beyond that which might be achievable by following the advice of outside agencies. Multi-agency partnerships across the various sectors of society have been shown as having greater potential with regard to addressing pressing social, economic and environmental challenges, as well as being able to deliver more immediate benefits to communities in need.

Hybrid, interdisciplinary teams in the world of science have long been valued for their greater efficacy in problem-solving and innovation. As scientific knowledge in a wide range of disciplines has advanced, scholars have become increasingly aware of the need to link disciplinary fields in order to more fully answer critical questions or to facilitate the application of knowledge in a specific area. The importance of interdisciplinary collaboration in research and innovation, particularly in addressing key global challenges, is a given. All universities' research policies promote and support interdisciplinary research. Interdisciplinarity is itself characterised by hybridity – no two interdisciplinary collaborations are the same; thus there are many different types of interdisciplinary work and different practices emerging as more or less successful in particular contexts. Despite the proliferation of interdisciplinary research incentives, university departments remain silos of mono-disciplinarity, particularly when that involves undergraduate teaching. In community engagement, departments are more adventurous. The current 'Access to Care' collaboration in the Western Cape is a rare inter-professional collaboration between the Cape Peninsula University of Technology, the University of Cape Town, local government and international partners. The focus is an educational programme for Radiation Therapists, Medical Physicists and Radiation Oncologists, using virtual reality technology developed by Varian Medical Systems. There is something profoundly meaningful about a high tech collaboration for the purpose of offering the best possible cancer care to poor communities. This strong inter-professional collaboration has had wide-reaching benefits. The success of the hybrid team is its active and structured collaboration, which models integrated patient care for students enrolled on the programme. It's an inspiring example of work-integrated learning at its best. Enabling structures are needed for collaborations such as these are to succeed, which brings us to issues of process: the 'how' of successful collaboration.

ENGAGING IN 'SOCIAL DIALOGUE': A PROCESS TOWARDS CONVERGENCE

In his paper, Khambule proposes social dialogue (or multilogue?) as the mechanism through which participatory partnerships can achieve convergence. Social dialogue enables the emergence of common goals, joint problem-solving processes and supports collective decision-making. Drawing on case studies from Ghana and Nepal, Khambule shows how the 'institutionalisation' of social dialogue, that is, the formalising of agreements that include strong partner institutions with good track records of positive contribution to local communities, can strengthen arrangements for LED and improve the conditions for successful collaboration. The case studies that illustrate the principles of

institutionalised social dialogue are the 'Ghana Decent Work Project' (that aligned the work of independent LED forums with International Labour Organization (ILO) initiatives and government support) and LED projects in Nepal with the theme 'Employment Creation and Peace Building'. The Nepal projects were funded by the International Netherlands Cooperation (NICP) and included ILO and local representatives (public and private) as implementation partners.

Through 'social dialogue', Khambule suggests a process that might enable 'convergence', which is key to successful LED partnerships. Although the projects described are local in the sense that the proximity of partners is important, his study shows that additional partners who are geographically dispersed can bring their expertise into the 'social dialogue'. Thus 'social dialogue' can draw on wider communities that might potentially provide access to key change agents, technologies and sources of knowledge that could formulate a more strategic, long-term vision for the region beyond its immediate needs. 'Convergence' between key actors, community and entrepreneurial leaders at the local and regional level starts to suggest greater potential for sustainable and productive futures.

There is clearly considerable scope for different kinds of educational institutions (multiversities rather than universities?) to contribute to similar 'social dialogues' in support of LED. Related to 'social dialogue' is the degree of civic responsibility amongst all partners. A culture of civic awareness and responsibility is important in building shared visions and goals for the region and in promoting the kind of networking and interaction that could contribute to innovative problem-solving. Many universities are moving in this direction, with the introduction of 'community engagement' as a new area of university responsibility – one that holds promise for LED initiatives. The importance of 'social capital' is known; the term was introduced by Bourdieu (1986), but has been appropriated as part of the 'language of collaboration' by organisations such as the OECD. Social capital is the bedrock on which collaboration is built. Bourdieu defines it as:

> …the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition – or in other words, to membership in a group – which provides each of its members with the backing of the collectivity-owned capital, a 'credential' which entitles them to credit, in the various senses of the word (Bourdieu, 1986:51).

Social capital thus refers to the specific features of the social organisation of a region, such as its shared norms and values, its existing clusters, groups, enterprises and sectors. The term 'capital' indicates that assets are involved; while the term 'social' specifies that such assets are acquired through social interaction. Social capital depends upon the ability of people to associate with one another, the extent to which they share norms and values and the extent to which individual interests are aligned with the larger interests of the community. The networks that constitute social capital when educational partners are included in the mix could contribute to 'expansive learning' (Engeström, 2001), that is learning beyond (limited) expectations.

CARING FOR THE LOCAL

Urban poverty and environmental degradation are some of the most severe challenges that South Africa faces. In their paper, Hlahla, Hilla and Goebel introduce the concept of 'green-preneurship' as a collaborative means of addressing both issues. Their paper shows how urban 'green-preneurship' collaborations between unemployed women in Pietermaritzburg, South Africa, and environmental non-governmental organisations (ENGOs), can contribute to both environmental sustainability and sustainable livelihoods.

It is largely women in South Africa who engage in survival-level activities that provide small incomes for their families; this because they lack the skills to participate in more profitable social enterprises. Here is a clear need for educational institutions to contribute to skills development in support of women. Being myself a woman who has been 'empowered' in a programme to support women academics in South Africa, the provision of basic education and training for South Africa's women is an issue very close to my heart. There is considerable potential for learning in multi-agency teams, but at the level of survival economics, this is a challenge. As collaborative work becomes the norm across the sectors, we will need empirical research to understand the challenges and opportunities for learning through work in survival-level LED. Opportunities for learning in such contexts are challenges facing many organisations in developing economies. As new work teams develop new forms of collaboration between individuals and groups, with very different backgrounds and levels of training, enabling working together across the boundaries of their professions and/or expertise will necessitate a radical change in ways of working, thinking and 'being' for all those involved. Engeström and colleagues, in search of a 'grammar of collaboration' explain that:

> The analysis of … modes of large-scale collaboration do not evolve in a linear fashion along a single path of advancement. What may look technologically backward – hand tools used in face-to-face oral interaction – may form the resilient backbone of a movement that builds viable models of future livelihood (Engeström, Kajamaa, Lahtinen, & Sannino, 2015:108).

DOING THINGS DIFFERENTLY: LEARNING FROM WORK EXPERIENCE

This is an appropriate juncture at which to focus attention, as Vorwerk does, on occupational qualifications, in particular the relationship between work experience and 'real' skills development. Vorwerk offers a critical reflection, supported by two central texts: Lave and Wenger's (1991) situated learning theory and Becket and Hager's (2002) advocacy for work-based learning – with connections made to additional supporting literature. Vorwerk's focus is not directly on LED, but on the skills shortage in South Africa and the potential of work-based learning to address this. Although his paper has a different focus, it has in common with the others in this edition the centrality of collaboration. If work-based learning has any chance of succeeding in its potential contribution to skills development, whether in the provision of operational experience for the technical occupations, or the guided practice of newly qualified professionals, collaboration will be necessary.

Vorwerk believes that the National Qualifications Framework (NQF) remains locked into 'an education paradigm that made it difficult to address the need for skills development'. Other theorists, such as Allais, have found the NQF to 'reinforce a narrow and atomized notion of skills as tasks for fragmented jobs' (2011:209). Regardless of the merits of the NQF, Vorwerk points out that while the development and registration of occupational qualifications presents a challenge to educational institutions, this pales into insignificance in the face of the task of actually implementing work-based learning.

Learning in and from work experience is fundamental to occupational qualifications, but it should be pointed out that emphasising the importance of work experience is not to deny that appropriate initial vocational education can play a key role in preparing learners for meaningful work experience. Much classroom-based vocational education has been criticised for being of poor quality; this does not mean that high quality classroom-based vocational education and training is without merit. Winch (2013) argues that the presence of strong occupational identities and labour markets is a necessary precondition for high-quality initial vocational education and training (IVET) as

well as continuing vocational education and training (CVET) in many countries. He shows that in countries such as Germany where there is a strong occupational identity, there are also very strong systems of IVET and relative occupational career stability. Wheelahan (2015) argues that access to high quality IVET is a social justice issue, and enables occupational mobility across occupational boundaries, while in the UK, the up-take of CVET is closely related to positive IVET educational outcomes (Winch, 2013). The value of integrating work-based learning into formal education is its potential to address the educational needs of those seeking to prepare themselves to take up occupations in a holistic and grounded way. For work-based learning to succeed, collaboration between educational institutions and local partners is a pre-condition. Workplace learning is necessarily a collaborative venture, requiring supervision, guidance, mentorship and structured expert/novice encounters within a supportive community of learning and work practice.

Vorwerk provides the example of the University of Johannesburg's cross-disciplinary unit, the Workplace Learning Hub, within the Department of Industrial Psychology and People Management. Its strategy is to 'invite participation and harness collective energy to engage co-operative research into good workplace learning practices'. The complexities surrounding the realities of occupational identify formation and practice in the implementation of learning from work are often inadequately conceptualised; thus the knowledge that centres such as Workplace Learning Hub can produce is much needed – and brings me back to where I started, with a reflection on the programme for the Research Chair in Work-integrated Learning.

CONCLUSION: SKILLS, WORK AND WORKING KNOWLEDGE

We often talk about 'skills' – as in the need for 'high skills', 'the skills shortage', 'skilled' and 'unskilled' work, etc – with a great deal of assumption in what is meant by 'skills'. In the days when I was an academic literacy practitioner strongly influenced by anthropologists such as Brian Street, it was inappropriate to talk about 'skills'; literacy practitioners talk about 'practices'. Literacy is understood not as set of skills and processes that individuals must learn, but as social and cultural ways of doing things through the use of text. Practices are acquired over many years, particularly knowledge-based practices such as academic, technical and professional literacies. These practices are not learned, they are 'acquired' over time – preferably in text-rich contexts that support their acquisition.

In the field of work-based learning, practitioners talk quite freely about 'skills' (perhaps because there are no anthropologists in the field yet). Winch (2013) distinguishes between skill (which he describes as 'the ability to perform tasks') and the 'possession of technique which is a necessary but not sufficient condition for possession of a skill'. Technique could thus be understood as underpinning skills. The dilemma is: which is better: learning while doing … or first learning then doing? It would be unthinkable to educate nurses without clinical practice, or to train building technicians without real experience on building sites – but text-based learning in these fields also has a role to play. Difficulties arise when it is not clear why students have to learn particular things. One could ask: 'What is the purpose of general physics (mechanics, optics, magnetism, acoustics, heat) for computer engineering?', or 'What is the point of geometry in an internal auditing programme?'

Knowledge forms in the pure and applied disciplines are well understood; 'techniques' that enable practice have been less researched. Perhaps because theorists are in the business of ideas and theories, and because of their particular role in the initial preparation and formation of professionals, they sometimes treat disciplinary knowledge

as being of most worth, 'as if what is of most worth within the academy is also of most worth in the world beyond it' (Kemmis, 2005: 409).

There are a number of difficulties to overcome in developing skilful practice. Because much practice-based knowledge is not codified (and some practices are not amenable to codification), it is difficult to access working knowledge outside of its context of use. Richardson and colleagues explain some of the difficulties in medical practice:

> The move towards evidence-based practice provides an impetus for all practitioners to examine their practice. This can become a demoralising process when it is realised that so little professional practice has been researched and that existing research is often considered to be of such poor quality that little evidence can be gleaned from it for generalisation (2004:212).

We know that knowledge is acquired from work itself; in curricula this is represented by a practicum, a work placement, internship, co-operative education, etc. Knowledge developed through work is often tacit and is acquired in a more social way, through participation in teamwork, mentoring, and so on. In the past, *in situ* learning was the accepted way of acquiring professional knowledge. When forms of apprenticeship were common, it was understood that acquiring the knowledge, skills and a broader set of attitudes and values associated with becoming a member of a profession developed over a considerable period of time – usually seven years or more (Allais, 2011). When we talk about skills, Winch (2013) believes that what we really mean are 'transversal abilities' that rely on, but are not reducible to, the exercise of skill. Transversal abilities can be displayed in different ways using different skills, depending on the context. They include: planning, communicating, evaluating – all of which are important features of skilled work. Skilled work can become ever more complex, involving the articulation of different transversal abilities.

If we understand techniques, skills and 'transversal abilities' to be acquired in social settings, then collaborative learning would be involved (whether in classrooms or in work teams). Learning through collaborative work does not require simple replicative learning, but rather what Engestrom (2001) calls 'expansive learning'. This is achieved not by imposed structures, training or lists of competencies, but through a variety of types of learning that can be both formal and non-formal – and in contexts of vocational education, strongly aligned with work processes and purposes.

There has been little research on what this learning is and what knowledge it produces. We therefore need a better understanding of the learning and knowledge that can be co-created by multi-agency teams in workplaces. I have a keen interest in what makes collaboration possible between people of diverse backgrounds and interests, and who view the world through different disciplinary, theoretical or professional lenses. I would like to model such collaboration in my own research projects, for example, by building multi-agency partnerships and through integrated strategies, shared responsibilities and collective goals. This editorial is a modest first step toward outlining such an agenda.

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Convergence model for promoting and sustaining social enterprises:
Opportunities and challenges in the Philippines

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ABSTRACT

Challenges abound for social and solidarity enterprises in the Philippines in an age and time where neoliberal policies dominate the economy. Convergence is necessary for social enterprises to achieve the essential elements required to ensure sustainability. The convergence model proposition is tested using three case studies in the Visayas, Philippines: a local weaving industry of women entrepreneurs, an organic papaya value chain enterprise and a fair trade shop that markets community products.

This paper argues that convergence is critical because it allows the optimisation of local resources and capacities so that communities can share economic benefits by working together in value creation. The wider policy challenge is to promote a social and solidarity economy to challenge unjust economic structures and increase the economy's benefits to the poor.

Keywords: S*ocial enterprise, local development, convergence, Philippines*

INTRODUCTION

Social and Solidarity Economy (SSE), defined more distinctively by the International Labour Organisation (ILO), comprises 'enterprises and organisations, in particular co-operatives, mutual benefit societies, associations, foundations and social enterprises, which specifically produce goods, services and knowledge while pursuing economic and social aims and fostering solidarity' (2001: vi). The term has gained currency, beginning with discussions in the World Social Forum (Uchida, 2008), and has entered the policy language of multilateral organisations such as the ILO and the United Nations.

SSE is positioned as a critique to the dominant economic paradigm that has failed to deliver results in terms of increasing poor people's access to economic benefits and ensuring more sustainable and equitable development. The term encompasses a range of development actors that 'are collectively organised and oriented toward social aims that are prioritized above profits or returns to shareholders' (Kawano, 2013: 1).

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The focus of this paper is Community-Based Enterprises (CBEs), considered stakeholders or actors within the conceptual frame of SSE. Peredo and Chrisman (2006: 310) define a CBE as an 'emerging form of entrepreneurship typically rooted in community culture' where 'natural and social capital are integral and inseparable from economic considerations, transforming the community into an entrepreneur and an enterprise'. In some cases, CBEs helped local associations 'reach national and international markets' (Orozco-Quintero, 2007: 34), made communities achieve economic, social, and environmental benefits (Molnar *et al*, 2007: 35-39), and even managed natural resources (Kiss, 2004: 232). CBEs exemplify a social and solidarity economy, in as much as they pursue social and economic aims and strive for solidarity (ILO, 2011: 113).

In the Philippines, as with the rest of Asia, there are organisations based in communities that implement or undertake the production of goods or services, or are engaged in trading activities. Several of these are in the form of co-operatives, mutual-help groups, people's organisations or social enterprises. As of 2012, there were a total of 21 679 co-operatives in the country. Though there has been no comprehensive survey conducted to ascertain the numbers of institutions in the social and solidarity economy, a rapid appraisal conducted in 2007 reported that there were more or less 30 000 social enterprises in existence, consisting of co-operatives, micro-finance institutions, fair trade organisations, non-government organisations and individual entrepreneurs with a social agenda (Dacanay, 2007).

This paper endeavours to identify the enabling conditions that make community-based enterprises successful in the pursuit of financial and social gains. More specifically, it also explores whether a convergence model is helpful in explaining the continued existence of three CBEs located in the Visayas, Philippines. The case study approach is used to test the convergence concept through a review of secondary documents, focus group discussions and key stakeholder informant interviews.

The research, conducted for a year in three different locations in the Philippines, began with a review of organisational documents, including organisational by-laws, operating manuals, strategic and operational plans, project and organisational reports and financial statements of the three organisations included in the study. An organisational capacity assessment was conducted, based on documents and interviews with key personnel. In addition, an analysis of financial performance using organisational financial reports was conducted to determine enterprise profitability and sustainability. Based on an analysis of themes and issues uncovered from these documents, focus group discussions were facilitated with organisation officers, partners and beneficiaries.

Lacking a comprehensive list of community-based enterprises in the Philippines, it can be said that the case studies highlighted in this paper are just some of many such enterprises operating in the country. However, the choice of cases is based on three qualifying characteristics:

o that the case study should qualify using the primary definition of CBEs indicated above

o that the case study should involve agricultural communities that are able to organise their enterprise cohesively

o that the case should be located in one of the poorest provinces in the country based on recent poverty rankings.

There are reasons for these selection criteria. Firstly, this paper would like to distinguish community-based enterprises from co-operatives, social enterprises and other forms of organisation. Secondly, the interest is in agricultural communities because the

Philippines is largely agricultural, especially in the countryside. Finally, the research would like to analyse how CBEs respond to the challenges of poverty and destitution.

With these as criteria, three cases were chosen:

- o the Multisectoral Alliance for the Development of Negros (MUAD-Negros) based in Negros Occidental
- o the Sapal Community-Based Rural Tourism Association in Guimaras
- o the BUSWACC Fair Trade Shoppe in the province of Bohol.

This paper is structured into four parts:

- o The first part discusses the theoretical basis that underpins the analysis of the case studies presented in the paper – the convergence model.
- o The second part discusses the findings of the study in response to the primary research question.
- o The third part focuses on the convergence model as a proposition, its limits and potential for the growth and sustainability of CBEs in the country.
- o The final section discusses the conclusion.

WHY CONVERGENCE MODELS?

The use of convergence as a theoretical construct was proposed in the context of public administration. Politt (2002) defines convergence within this context as a continuum wherein conceptual (idea) and decisional (the decision to involve) processes among different actors result in different organisations behaving together in a similar way (practice), thus producing intended or unintended effects (results). This conceptualisation applies largely in the case of social enterprises, where different actors with potentially divergent interests come up with an idea and decide to work together to achieve positive results.

This terminology, however, needs to be differentiated from the idea of convergence in economics literature as a feature of the global economy. Convergence in economics happens when two or more economies tend to reach a similar level of development or economic growth (Dervis, 2012). This happens when, for example, developing economies in Asia and Africa achieve a level of growth like that of countries in North America and Europe (Rodrik, 2011). This is a convergence of development paths and a convergence of responsible actors, so that development or growth can continue.

However, recent papers refer to a 'converging economy' where the paths of businesses and non-profits combine to create value (Austin et al, 2007), where not-for-profit organisations achieve entrepreneurial goals (Chell, 2007), and where the private, public and social sectors engage in growing dialogue and joint initiatives (LIS, 2014). A more recent conceptualisation of convergence, interestingly, comes from corporate firm Accenture. They defined convergence as a 'convergence of issues and interests and, most importantly, of solutions, with an unwavering emphasis on the outputs and impact rather than on organisation structures and long-established and often stereotypical roles' (Bulloch et al, 2011). In this definition, the authors argue that there are three layers of convergence – convergence of issues, convergence of interests, and convergence of solutions. Convergence of issues recognises that global problems cannot be discussed in isolation. Convergence of interests means that what is considered good and desirable by one actor is also considered good or desirable by others, despite differences in

philosophies or line of work. Finally, convergence of solutions means that solving challenges and problems requires concerted effort, using the expertise of each stakeholder to create sustainable and replicable programs or strategies.

This conceptualisation does not differ from what convergence means in the context of SSE. In SSE, the idea of convergence means that different actors with different interests agree on how each can participate and mutually benefit from one another in supporting a particular enterprise. It differs from partnerships or networks, because partners or network members need to have congruent interests to establish effective linkages. It also differs from networks, because a convergence focuses on delivery of goods and services that would result later on in better lives for those people for whom the services are intended.

Convergence is critical because it allows the optimisation of local resources and capacities to ensure that communities share economic benefits by working together, while acknowledging the fact that the local is inevitably linked to regional, national, and international spheres. Secondly, convergence allows the links between and among the processes of production, consumption, exchange and distribution of goods and services in the communities where people live, and also improves policies, structures and systems to serve the collective interests of local producers. Finally, convergence helps achieve an ethic of development that protects the environment, promotes quality of life, strengthens local business to achieve sustainability and impacts not only on the economic but also the social, political, administrative and cultural aspects of life. These three elements are called

- o resource optimisation
- o strategic linkage
- o value creation.

THE THREE CASE STUDIES

The three case studies are all located in the Visayas region of the Philippines[1.]

- o The Multisectoral Alliance for the Development of Negros (MUAD-Negros) is based in Negros Occidental Province.
- o The Sapal Community-Based Rural Tourism Association (hereinafter referred to as Sapal Weavers) is located in Guimaras Province.
- o The BUSWACC Fair Trade Shoppe (hereinafter referred to as BUSWACC) can be found in the province of Bohol.

Muad-Negros

MUAD-Negros is a multi-stakeholder alliance of non-government organisations, foundations, local government unit representatives and people's associations established in 1987 in Negros Occidental[2.] It was a collective response of development organisations to address major economic setbacks, because of the collapse of the sugar industry in the

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1   The Philippines is an archipelagic country of more than seven thousand islands with three major island groups – Luzon, Visayas and Mindanao. Visayas is located in the central part of the country.

2   Negros Occidental is a province in Western Visayas comprising nineteen municipalities, one independent city and twelve component cities. Its capital is Bacolod City, where its major seaport is also located. The provincial airport is located three cities away from Bacolod. MUAD Negros is based in Bacolod City, but it operates in the whole province. The sugar industry is the lifeblood of the provincial economy, but the agrarian reform in the 1990s paved the way for farmers to gain land. The farmers assisted by MUAD were recipients of this agrarian reform program.

middle of the decade and the overwhelming devastation caused by typhoons and other natural calamities.

With funding support from different international and national agencies, MUAD-Negros trained farmer participants in the production of organic papaya. The farmers were encouraged to re-organise their farms to be sufficiently cushioned against droughts and the heavy rains that frequently occur in the area. Farmers were then trained in diversified farming, where inputs and outputs were interdependent – farmers planted foliage for livestock use; livestock manure and plant residues were used to fertilise the papaya trees (main crops) and other plants and papaya trees became sources of planting materials.

MUAD organised a marketing co-operative to pick up papaya from the farms, to employ a quality control system and to deliver these to contract buyers. The marketing co-operative has its own delivery truck and visited farms based on production schedules to pick up products. This process not only assured farmers of a ready market for their produce, it also encouraged them to do more and invest in their farms because they were assured that goods would attract a fairer price, compared with selling them to private individual traders.

Substandard farm products that did not conform to size specifications were brought to a processing centre managed by women. The processing centre produced dried fruits, powdered drinks, candies, jams and jellies from the farms. These were then delivered by the marketing co-operative to display centres and traders.

For the last five years or so, this process has yielded significant results. To date, the marketing co-operative has been able to deliver around two tons of fresh organic papaya each week to traders in the trading centre located in Bacolod City. The organisation of the value chain, with corresponding actors, is indicated in Figure 1 below:
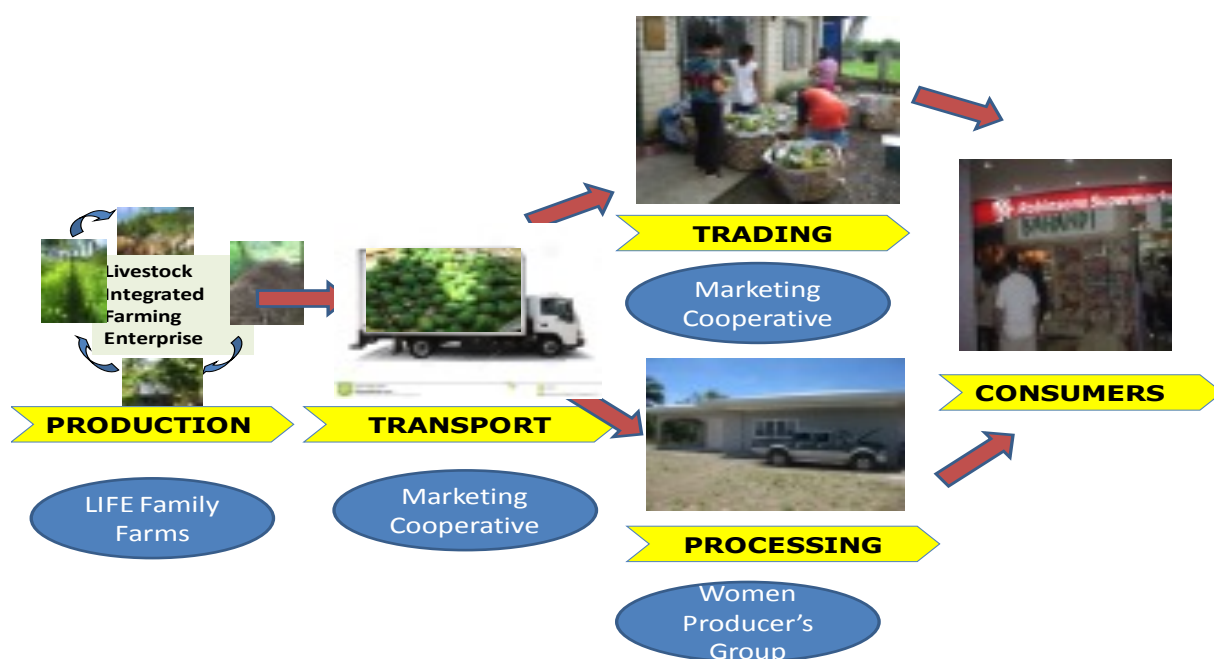
Figure 1: Value Chain – MUAD Negros

Through this value chain, MUAD has assisted more than three hundred households from eleven farming barangays or villages. The majority (eighty six percent) of these households live in the poorest areas of the province. In an income study conducted in 2012, sixty percent of participating households reported a fifty one percent increase in household income because of their involvement in the value chain.

Sapal Community-Based Rural Tourism Beneficiaries Association

Sapal Weavers in San Lorenzo, Guimaras[3] is a group of 51 women weavers producing souvenir items using different materials with the woven 'baryos', a type of local fibre abundant in the barangay where they live. Assisted originally by the Local Governance Support Program for Local Economic Development (LGSP-LED), the organisation became registered with the Department of Labor and Employment in 2011, and has been producing handicraft products that they showcase and sell in trade fairs and events.

The organisation received different sets of support at start-up. People were trained in both product development, to ensure that products would meet market demand and specifications, and business management, to ensure that they operated their business well. They were also provided with capital assets to enhance production capacity. The Provincial Government of Guimaras provided funds for the construction of the handicraft processing centre and a four-hectare lot for a communal 'baryos' plantation. LGSP-LED, on the other hand, provided seven units of sewing machines to assist them in their production of handicrafts. Policy support was also provided by the local barangay, as families were required to plant at least 20 'baryo' plants in their backyards to ensure a steady supply of raw materials.

To penetrate international markets, LGSP-LED introduced the weavers to exporters in Cebu, and the group was able to sell product prototypes in 2011. However, this initiative has not been repeated since then, and the market link in Cebu was not renewed. At the time when the market matching and linkage process was conducted, Sapal Weavers was not ready to commit to the production volume requirement. As expected, the Cebu traders sourced their product requirements elsewhere.

Thus, most of the customers were still local businesses, more particularly those located within Guimaras and in the nearby city of Iloilo. The business peak season coincides with major festivities like Christmas, which is a huge celebration in the predominantly Christian Philippines, and other local festivals.

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3 Guimaras is also located in Western Visayas region. It is a small island province comprising five municipalities. Access to the neighbouring city of Iloilo, the capital of Iloilo province, where the airport and major seaports are located, is gained by means of a twenty-minute motor boat trip. Guimaras has serious problems in road infrastructure, affecting connectivity between ports and production centres.

The value chain of Sapal is indicated below:

Production of raw materials

Raw materials gathering

Weaving

Marketing

Figure 2: Value Chain - Sapal Weavers

The only problem with the Sapal Weavers' value chain is the weak link between production and marketing. While in the past LGSP-LED linked the association with customers even beyond Guimaras and Iloilo, the ending of support for the project left a void that was not filled. The association was forced by circumstances to find profitable markets on their own, with limited success. In Guimaras province, several of the road networks are still in poor condition and this increased barriers to market entry. Guimaras is an island province and one of the major markets of Sapal Weavers is the city of Iloilo, a 20-minute boat ride away.

Nevertheless, the livelihood that was strengthened in previous years yielded positive results. In the most recent survey in 2013, the weavers reported an increase in income of 15 Philippine peso (PhP), which is USD 0.34 per day, or a total of 390 PhP (USD 9) a month. This is additional income for the weavers, but is still very modest when compared with what could have been achieved through a stronger integration with markets.

BUSWACC Fair Trade Shoppe

BUSWACC started implementing the Advancement of Community Concerns for Economic Empowerment and Sustainable Services (ACCESS) Project in April of 2008, with funding support from the Peace and Equity Foundation. The objective of the project was to identify viable products of assisted people's organisations (POs) that BUSWACC would support in terms of development and marketing. As an offshoot of the project, and with technical support from the Advocates for Philippine Fair Trade, Inc. (APFTI), BUSWACC launched its own Fair Trade Shoppe in 2010, so that the products that it helped develop would have a steady market and display centre.

Figure 3: BUSWACC's Fair Trade Shop Concept

The concept of BUSWACC's fair trade practice is simple:

o   It supports the product development of its member organisations, community-based producers, artists and other fair trade entrepreneurs in Bohol province.

o   It buys products from these suppliers at fair trade rates for sale in its shop, either as a direct purchase, or on a consignment basis, while at the same time linking these suppliers to wider markets.

o   It sells products from other fair trade entrepreneurs located elsewhere in the Philippines, in order to strengthen its linkages with other fair trade shops outside Bohol.

To date BUSWACC, through its Fair Trade Shop, has been able to assist four farmers' groups, two women's organisations, eight micro-entrepreneurs, two provincial access centres and three fair trade partners located outside Bohol. Its sales history has been impressive: from initial annual sales of 184,000 Php (USD 4,200) in 2010, sales grew to more than 500,000 Php (USD 11,800) each in the succeeding years. Sales dropped in 2013 to less than half a million (approximately 442,000 Php, or USD 10,000) only because two calamities affected Bohol in the last quarter of 2013: namely a 7.2 magnitude earthquake and Super Typhoon Haiyan. The tourism sector (souvenir shops, restaurants, domestic tourists), one of the shop's major markets, suffered heavy losses during this period because visitor arrivals reached an all-time low after the calamities.

While the Fair Trade Shoppe was able to service direct consumers and retailers, it failed to reach wider markets. The supply side problem is more strongly related to the capacity of local producers to fulfil market specifications in terms of volume. Community-based enterprises are small scale in terms of production volume, but the market demands are

huge. An example is the flavoured banana chips product produced by women's groups. The product frequently and rapidly ran out of stock, as the women's groups failed to meet market-required volume. There is a big possibility that this product will be taken forward by big manufacturers who can exploit economies of scale. Currently some local delicacies in Bohol, while originating from household recipes of communities, are now produced in large quantities by profit-oriented manufacturers.

BUSWACC's lack of expertise in market-matching is due to its organisational nature. It is a network of non-government organisations and people's associations, not an organisation of businessmen and venture capitalists. It is, for example, strong in fair trade advocacy, but weak in terms of trade facilitation.

HOW AND WHY THE CONVERGENCE MODEL WORKED OR DID NOT WORK

Reviewing the three cases, there are at least five areas upon which the initial success of the three case studies are dependent. These are:

- o standardising production processes
- o engaging in research (both at product and technology levels)
- o undertaking capacity building for its main players
- o expanding market outreach
- o setting up a common production or service centre that can cater for the different needs of the thriving business (See Figure 4).
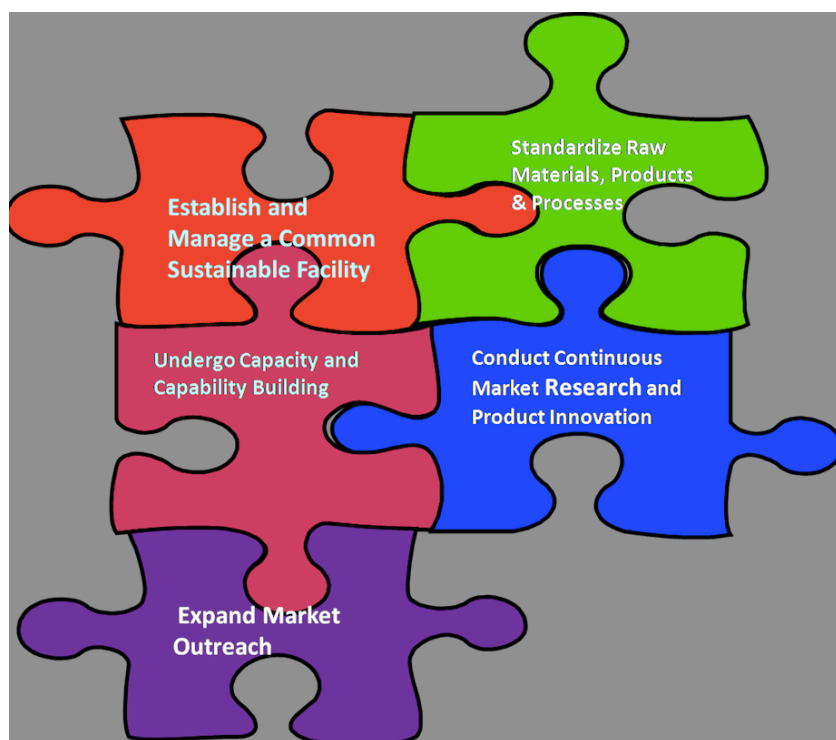

Figure 4: Keys to CBE Success

In these seemingly complex tasks, different approaches were taken by each of the cases. For example, in standardizing raw materials, Sapal Weavers ensured raw material supply and conducted quality control. In the case of MUAD-Negros, the marketing co-operative ensured that organic papaya matched market specifications. All three have a common facility – Sapal their own weaving centre, MUAD-Negros a trading site, a hauling truck, and a food processing centre, and BUSWACC its own marketing outlet or store. All three benefitted from research in terms of market and technology and were trained in different skills in business and organisation management, as well as production. Finally, all three also benefitted in terms of tapping alternative markets at their early stages.

It is within this context that a convergence model has worked, to a large extent. The organisations featured in this case study do not have the resources to conduct on their own all of the critical activities that have contributed to their continued existence up to the present day, and no single institution within the locality where these organisations operate has all the resources and expertise to assist the striving enterprises. A convergence of actors, of interests and of resources was necessary, so that the services critical to the sustainability of the businesses could be delivered.

Take the case of MUAD Negros, for example. Organising a large value chain that spans geographic and political boundaries would require significant effort and resources. But with the assistance of several stakeholders, like a foundation which provided financing, a local government unit providing a lot for the construction of a manufacturing facility, as well as funding agencies that provided training and market research, the functions necessary for MUAD Negros to achieve its current state of economies of scale became possible.

The same is true of Sapal Weavers. The local government (barangay) provided policy support by requiring households to plant the 'baryo' to ensure raw material sustainability. The provincial government provided funds for the construction of a common facility, while LGSP-LED, a CIDA-funded program, provided technical trainings and equipment support. Without the concerted effort of these actors with different interests, the achievements of Sapal Weavers would not have been possible. In the case of BUSWACC, APFTI provided capacity-building to set up the store, while the Peace and Equity Foundation provided capitalisation. Member organisations of BUSWACC, which were also sources of the products sold in the shops, ensured that there was continuous production of their handicrafts or delicacies. BUSWACC also relied on its external networks, like tour guides, travel and tour operators and hotel businesses, which brought tourists and customers to its display shop.

The cases covered by this paper have differentiated experiences and levels of achievement in terms of resource optimisation, strategic linkages, and value creation. In the case of Sapal Weavers, it was very successful initially in resource optimisation to strengthen its human, financial, physical, political and natural capital. The same can also be said of MUAD-Negros, though it was more cautious in involving government agencies. BUSWACC, on the other hand, was more dependent on its internal relationships with fellow civil society organisations and with donors, than with national and local government agencies.

Regarding strategic linkages, MUAD-Negros was able to tighten its value chain to the point where it was no longer able to supply the production volume that the market demanded. It was even unable to serve the manufacturing and export markets, because its papaya farmers were producing less than what was required. However, the same cannot be said of BUSWACC and Sapal Weavers, as they failed to strengthen the link between production and markets.

In terms of value creation, it can be said that the three organisations, though limited and differentiated in terms of results, were able to further create value and expand the

participation of farmers, weavers, and local producers in the market. This was shown not only by increased production capacity, but also by the enterprises' immediate effect on the value chain participants. The participants not only increased their household income but also became empowered citizens and active community members.

In essence, however, these results could not have been possible without the ideation, decision and action of actors. In a way, convergence recognises the primacy of actors in shaping the outcomes or results, though it does not assign agency values to non-human agents as Actor Network Theory does (see for example, Latour, 2005). Nevertheless, this convergence idea acknowledges that actors operate within a certain social, economic and political context that brings about positive entrepreneurial development and, later on, outcomes.

It is interesting to note that one of the definitions of social entrepreneurship recognises that social entrepreneurship is a process of convergence. Murphy and Coombes (2009: 326) define social entrepreneurial discovery as a 'recognition of a convergence of social, economic, and environmental resources allowing potential introduction of new goods, services, raw materials, markets and/or means-ends relations as an organised venture intended to generate social, economic and/or environmental value'. As pointed out by authors interested in social enterprise formation, however, this convergence, though created wilfully, does not happen automatically – it normally starts off with a founder, a core group of like-minded individuals, or a facilitator (Stryjan, 2006). In the cases covered by this paper, a facilitator-like actor exists – MUAD Negros and BUSWACC themselves, and LGSP-LED in the case of Sapal Weavers.

The role of the facilitator is critical, and the higher its stake in the entrepreneurial process, the greater the chances of the sustainability of the social enterprise. MUAD-Negros, for example, has as its interest the sustainability of its papaya-based social enterprises, because it owns a portion of the enterprise, and the same is true of BUSWACC. However, this is not the case with Sapal Weavers, because the LGSP-LED Project is a term-based external actor. Unlike co-operatives where members are also investors, in a convergence other players that provide the necessary enabling environment for the social enterprise to grow and sustain are not necessarily direct beneficiaries of the social enterprise. Thus, actors in a convergence have a greater tendency to opt out. If the facilitator is an external actor and is no longer there, chances are that the social enterprise will have difficulty in surviving, as there is a high likelihood that no-one will be able to fill either the resource void or the role vacated by a convergence actor.

THE LIMITS OF CONVERGENCE

As pointed out earlier, convergence models operate within a particular context, which brought several challenges to the organisations that have been studied in this paper. For example, the local market for both fresh and dried organic papaya was large, more than the two metric tons that the marketing co-operative was able to deliver. Unmet market demand was fulfilled by corporate giants, such as DOLE Philippines and Dizon Farms based in Mindanao. The same is true for BUSWACC and Sapal Weavers, where the inability to meet volume requirement affected their capacity to increase sales.

This could have been remedied had the CBEs expanded their coverage. However, all three were not able to increase their outreach to more communities and families, because of a lack of resources. MUAD, for example, relied on donors to pay agricultural technicians and community organisers who help farmers set up integrated farms. In the same manner, Sapal Weavers did not have the capacity to engage product designers,

while BUSWACC was dependent on donor funds to be able to assist more organisations in product development.

Unfortunately, the enabling environment was still deficient in terms of providing opportunities for the scaling up of CBEs. There was still a lack of trust of collectives on the part of the banking sector, despite legal formalisation. In several cases, banks would not lend to agricultural enterprises, because of the high risks involved. Financial institutions were needed, but loan products were more suited to commercial non-agricultural businesses than to agri-based CBEs run by farmers. To this day, the heterodox economic structure is not positioned to cater for financing the needs of an alternative economy.

While suppliers were located in remote, poor areas, roads were not built to standards that would enable the more efficient transport of goods from the farms to the markets and also ensure that transport trucks lasted longer. Like in most developing economies, infrastructure is a prevalent problem that affects not only households, but enterprises as well. Furthermore, the government of the Philippines' support to CBEs was deficient. The Department of Trade and Industry, for example, was mandated to assist exportable commodities and was biased against small producers.

CONCLUSION

The cases discussed in this paper clearly illustrate both the potential and the limits of convergence models so that CBEs can profitably sustain operations and perform their social role in the community. Going back to the idea of convergence as one characterised by a confluence of issues, interests and solutions (Bulloch *et al*, 2011), the case studies clearly illustrate that a convergence of issues (eg low productivity, weak production to market linkage, poor agricultural financing), intersecting with a convergence of interests (eg social enterprise facilitators wanting to fulfil their social mission, government programs that aim to increase the access of the poor to economic services) can lead to a convergence of solutions (eg market matching initiatives, production improvement, among others) that would achieve both financial and social aims. However, this convergence was also thwarted by a lack of reach, as well as a failure to involve more actors and processes into the model, more particularly those that exist outside the provincial geographic boundaries of the three cases. In this instance, the convergence has not permeated institutions and structures in the national and global economy.

Challenges abound for CBEs in the Philippines in an age and time where neo-liberal economics dominate the development agenda. The findings in this paper resonate with earlier studies on social and solidarity economy. Miller (2010), for example, identifies financing as the most significant logistical challenge for the social and solidarity economy. Business taxation applied to CBEs and social enterprises is also highlighted as a major challenge in a Philippine study (Gibson, 2009), as is the continuing bias towards export-led industrialisation (Cahill, 2005) affecting growth and scaling up of community enterprises.

Undoubtedly, for CBEs to exist sustainably within this context, they need a strong policy framework to be put in place by the Philippine government so that challenges identified relating to the roles and responsibilities of the State and other actors can be addressed adequately. ILO (2011), for example, proposes that these policies should include not only a legal and regulatory framework, but also provisions that would ensure 'development of and access to appropriate technologies' and 'access to solidarity credit and financing'.

In the House of Representatives of the Philippine Congress, a bill was filed in April 2012 regarding the development and promotion of social enterprises to ensure poverty reduction. The Bill provides for the creation of a social enterprise fund with mandatory budget allocation from the government, the implementation of a social enterprise capability-building and sustainability program, tax exemption for those with annual income of not more than 10M Php, compulsory social security enrolment of workers, and special credit windows for social enterprises in four of the country's state-owned commercial banks. If this bill is approved, this is already a significant step for CBEs not only but for the social economy of the country, especially if the programs contained within the Bill are fully implemented.

Laws, even when coupled with tangible projects, are not enough, however. For CBEs to thrive, and for the social and solidarity economy to challenge the status quo effectively, CBEs and other actors need to strengthen networks and relationships. The same recommendation was echoed in the recent meeting of SSE scholars, practitioners and advocates in Asia (Loh, 2013), as individual, disjointed efforts may not be able to withstand the challenges of the neo-liberal model. This needs to involve not only governments but also producers, innovators, community development practitioners, exporters, financial institutions, marketing companies, consultants, cargo forwarders, shipping companies and all economic actors that would help scale up and sustain not only CBEs, but also other players in the social and solidarity economy. More actors, better linkages and stronger and wider convergences are therefore necessary.

The strategy that MUAD, Sapal Weavers, and BUSWACC employed was to replace the trader on its own, as well as the processors who may take advantage of farm producers. In a larger context, this may not be feasible, however, as this would involve replacing all major actors between farmers and end-consumers. Miller (2010:10) suggested a provision of shared services, where networks of social enterprises create 'aggregations of financial power of many small enterprises ... that can leverage economic power at scales of efficiency similar to that of larger companies'. This, in a way, is replacing dominant powerful companies in the chain to provide, among other things, insurance, research and development, financial services, legal expertise and technical support. But the feasibility of this, given a protracted and disjointed development of SSE in the Philippines, is questionable.

What the cases here highlighted, however, are two emerging realities that are affecting CBEs - more particularly those of agricultural communities. These challenges cannot be addressed by legislation or the establishment of networks as suggested above. The impact of the changing climate is a problem affecting not only their enterprises. However, because these CBEs are dependent on agriculture, they are the worst hit. Frequent raining during flowering time for the papaya affects yield significantly, while prolonged droughts affect the growth of 'baryos'. Weather patterns (wet and dry season) have become so unpredictable in recent years that farmers have experienced difficulty in adapting in terms of farm scheduling, or, for weavers, in the case of drying their raw materials. When Typhoon Haiyan hit the Philippines in 2013, BUSWACC's sales plummeted, as did Sapal Weavers', as both are partly dependent on the tourism sector that suffered one of the biggest losses.

Secondly, the attractiveness of urban employment, as compared to farming, has been drawing the younger population from the rural countryside to the cities, resulting in an ageing rural population. This is aggravated by a growing preference for out-of-farm or out-of-rural education, as shown by the decline in enrolment to agriculture-related courses in Philippine universities and colleges. In most agricultural communities in the country, the farmers are an ageing subset of the population. Weaving is also considered to be an unstable source of income by the younger population. Several of the children of the weavers prefer to work in salaried work, rather than learn the craft. It's a circuitous

web – farming needs to be established as a lucrative enterprise to attract the young, but in order to do so, able people are required to make it happen, the young included.

As community-based enterprises normally rely on human and natural resources within their communities, these problems are expected to arise. As such, the future of CBEs is largely reliant on the state of the natural environment and the availability of human resources apt for the task. This can even be said of the current structure of the economy. As indicated in the RIPESS[4]-authored 'Declaration of the Social and Solidarity Economy movement at Rio +20', there is a crisis both in the values of actors, as well as the environment, that needs immediate remedy – something that the current capitalist economy will not be able to address.

Promoting and sustaining CBEs, and strengthening convergences for that matter, is not just about economics. As pointed out by Quinones (2013), even organisations purportedly advocating social economy can be co-opted by the mainstream capitalist system. It's also about cultural values playing a pivotal role (Peredo and Chrisman, 2006: 314) and a need for a system of education that would teach an alternative view of the economy rooted on solidarity and co-operation (Miller, 2010). In its most radical sense, what is needed is the development of a 'serious alternative economic theory that goes beyond the critique of neo-liberalism' to show an alternative world where social and economic arrangements can achieve 'ecological sustainability and social equity and harmony' (Clammer, 2013:69).

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4   RIPESS is the Intercontinental network for the promotion of social solidarity economy

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Successful partnerships for economic development

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ABSTRACT

In recent years, the role of the private sector and civil society in local economic development has changed significantly. Business and civil society were seen as part of the development problem, whereas over the past couple of years, they have increasingly been recognised as key players in the local economic development discourse.

A spatial cross-section partnership model is actively being promoted through this paper in the belief that it contains a valuable win-win potential for local economic development. Active and structured collaborative relations between the various sectors of society are believed to increase the possibilities of tackling the pressing social, economic and environmental challenges and make important contributions to societal development and benefit the various partners in the collaboration.

Keywords: *Local economic development, spatial cross-section partnership, partners*

INTRODUCTION

The World Bank (2003) states that Local Economic Development (LED) offers local government, the private sector, the not-for-profit sectors and the local community the opportunity to work together to improve the local economy. Canzanelli (2001) states that LED is a process whereby the local actors shape and share the future of their territory. Blakely (1994) argues that LED refers to the process in which local governments or community-based (neighbourhood) organisations engage to stimulate or maintain business activity and/or employment.

The above statements seem to emphasise the relevance of a spatial cross-section partnership, that is, they refer to the various partners (cross-section) working together towards a common or shared spatial (region or city level) objective, for example, increased employment for a specific region or city. LED is thus about partnerships, or at a minimum, it pre-assumes an effective partnership between the local stakeholders in reaching the shared spatial objective/s. Therefore it is possible to argue that, in effect, LED is, or should be, primarily based or founded on an effective spatial cross-section partnership.

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The Collective Leadership Institute developed the partnership cycle through which they argue that working in partnership holds real benefits; for example:

- o the pooling of competencies and experiences
- o increased problem-solving capacity
- o increased learning ability of the partners
- o the increased likelihood of implementation (http://www.empowering-partnerships.org/Why-partnerships.43.0.html).

Given the suggested partnership advantages, it seems only logical, or it pre-assumes, that the LED effort should be based on an effective spatial partnership.

On the other hand, it is possible to argue that some of the non-delivery of the LED effort or non-realisation of the LED potential in South Africa (SA) and KwaZulu-Natal (KZN) can be attributed to haphazard or failed spatial partnerships. For example, when stakeholders follow their own mutual exclusive interests, the allocation of scare resources may be sub-optimal, for example the creation of city slums. The accompanying Pareto sub-optimal allocation of resources [1] and associated rising opportunity costs could significantly constrain the economic future and welfare of the region or cities' citizens. The purpose of the paper, therefore, is to put forward an argument that a successful spatial cross-section partnership is a necessary condition for LED. It may not necessarily be a sufficient condition, but that is another matter altogether.

The paper is structured as follows. The following section will include a brief international overview of spatial cross-section partnerships. Section 3 will put forward some of the key characteristics or attributes of successful spatial cross-section partnerships. A discussion on two theories of partnerships for LED will be the focus of Section 4, whilst a discussion and development of a spatial cross-section partnership model for LED will be the focus of Section 5. Finally, the summary and conclusions will be presented.

UNDERSTANDING PARTNERSHIPS AND LED: AN INTERNATIONAL OVERVIEW

The international literature on the possible link/s between partnerships and LED seems to be fairly extensive. The following is a brief overview of some of the international literature.

McQuaid (2000) states that at the local level, continued or greater involvement in partnership approaches is likely between public bodies and/or private bodies and non-governmental organisations due to pragmatic factors such as resource constraints, as well as more ideological factors (see Leach *et al*, 1994). These factors include:

- o a belief in the overall advantages of a partnership approach
- o the move towards enabling local government
- o a recognition that any one local actor often does not have all the competencies or resources to deal with the inter-connected issues raised in many policy areas
- o greater agreement that urban regeneration should include the genuine participation of the local community.

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[1] An allocation is Pareto non (sub)-optimal if someone's utility can be increased without harming anyone else, by effecting another arrangement. See Buchanan (1985) Ethics, Efficiency, and the Market, pages 7 and 8.

Helmsing (2001) states that LED may be defined as a process in which partnerships between local governments, community-based groups and the private sector are established to manage existing resources, to create jobs and stimulate the economy of a well defined territory. It emphasises local control, using the potentials of local human, institutional and physical capabilities. Local economic development initiatives mobilise actors, organisations and resources, develop new institutions and local systems through dialogue and strategic actions (Helmsing, 2001).

Swinburn and Yatta (2006:2) provide a number of definitions for LED, including:

> Local economic development is a strategically planned, locally driven partnership approach to enabling employment growth, poverty reduction and quality of life gains through improved local economic governance.

The purpose of LED is to accelerate the transition from the informal to the formal market economy. This is achieved through sound analysis, visioning and careful strategic planning and resource mobilisation. It is lead by local government in partnership with the private sector and community stakeholders. (Municipal Development Partnership: ECOLOC Handbook Volume 2)

Swinburn and Yatta (2006:2) went further and developed ten guiding principles of LED from Global Practice. Guiding principle 4 focuses on partnership, that is:

> LED strategies are normally designed by partnerships of public, private and community actors led by local governments, ie, LED is best achieved through partnerships both for design and implementation.

The authors conclude by stating that the development of LED policy-making and practice has moved from largely project led, investment attraction, hard infrastructure, public sector run, to multi-sectoral, integrated, partnership and locally specific strategies involving broad-based investments in hard and increasingly soft infrastructure and more sophisticated institutional design and delivery systems.

The International Labour Organization (ILO, http://www.ilo.org/empent/areas/local-economic-development-led/lang--en/index.htm) argues that national and local governments, as well as enterprises and other organisations, have to rethink development strategies to cope with ongoing events such as financial contagion, globalisation and others. In contrast to traditional development policies, LED strategies need to promote local dialogue and enable people to be more proactive, amongst other things, to withstand changes in the global economic environment rather than top-down development imposed by national planners.

The Organization for Economic Cooperation and Development (OECD, http://www.oecd.org/employment/leed/forumpartnerships.htm) established the Forum on Partnerships and Local Development, which is a network of practitioners in the field of economic development, employment, skills and social inclusion. The OECD states that partnerships can be a great help in improving the performance of LED: area based partnerships provide a mechanism for local organisations, in particular, to work together and adapt their policies to better reflect the needs of people and the economy at the local level. Partnerships are thus a key instrument of local governance (OECD, 2006).

The United Kingdom (UK) Department for Communities and Local Government (2014) stated that the UK economy is too dependent on a narrow range of industry sectors and therefore needs to be driven more by private sector growth. One of the solutions put forward by the UK Government is to create local enterprise partnerships. This is based on businesses and councils coming together to form local enterprise partnerships whose geography properly reflects the natural economic areas of the UK. A local enterprise

partnership network has also been established to help local enterprise partnerships share knowledge and ideas.

Given the international acknowledgement that some sort of partnership is a necessary condition, or at the very least an important element, for LED, it is not surprising that the SA Government through the National Framework for LED (2006) specifically focuses on the issue of spatial partnerships as a key principle underlying LED. It states that 'LED involves local, national, and international partnerships between communities, businesses and government to solve problems, create joint business ventures and build local areas' (Department Provincial and Local Government, 2006). Nel (2001) supports this view, stating that in South Africa over the past decade, local governments, community groups and non-governmental organisations (NGOs) have become significantly more active in locality-based economic development.

THEORIES OF PARTNERSHIPS

To get an understanding of the importance or relevance of partnerships towards the LED strategy it's necessary to have a discussion or focus on two possible theories of partnerships. According to the American Heritage Dictionary (1992), a partnership is defined as 'a relationship between individuals or groups that is characterized by mutual co-operation and responsibility, as for the achievement of a specified goal'. The term 'partnership' first appeared in business law where it refers to a contract for sharing fairly the profit and loss of a joint business (Linder, Quill and Aday, 2001).

McQuaid (2000) put forward the theories of enforced co-operation and Game Theory to illustrate the pressures aiding or hindering co-operation between actors in urban regeneration and economic development policy. The main reasons for enforced co-operation are the threat of a central authority, common objectives or self-interest. In local economic development, co-operation can be forced onto the municipality and other government agencies through legislation or control of financial resources. Private enterprises will have commercial pressures making their motives more 'selfish', while some pressure groups may be primarily concerned with the interests of their own members rather than the wider community. Although self-interest is a powerful incentive for partnerships offering advantages to the individual partners, it may be insufficient to encourage participation, even though it may lead to increased overall welfare.

Axelrod (1984) states that to understand the theoretical foundations of a partnership, it is helpful to use game theory. In game theory, a relationship is defined by

- o identifying the players
- o specifying the choices they have
- o spelling out the consequences of these choices in terms of the payoffs to the players.

The players are the public (municipality and other government agencies) and the non-public (private sector and communities).

To highlight the theoretical aspects of a partnership, the choices can be reduced to just two: to co-operate or to defect. Choosing to co-operate, at a given point in time, means that the player performs the agreed-upon terms of the partnership promptly, and fully. Choosing to defect means that the player fulfils these obligations less than completely, or slower than agreed upon.

The consequences depend upon what each player (public and non-public) has chosen. The basis of a partnership is that there is mutual gain to be had by working together. Thus, if both co-operate, both do well. However, there is typically a temptation to defect, (ie the free rider problem)[2.]

The payoff matrix of Figure 1, according to Axelrod, is a fundamental tool for understanding the theoretical foundations of partnerships. The numbers are meant to be suggestive only; therefore what matters is their rank order. Since the payoffs reflect the incentives of the players, each side wants to get as high a payoff as possible.

The first number in each cell is the payoff for the private sector/community and the second is for the public. R is the Reward for mutual co-operation, T is the Temptation to defect, S is the Sucker's payoff for co-operating when the other defects and P is the Punishment for mutual defection.

		Public	
		Co-operate	**Defect**
Private sector and community	**Co-operate**	R=3, R=3	S=0, T=5
	Defect	T=5, S=0	P=1, P=1

Figure 1: A Partnership as a Prisoner's Dilemma

Axelrod (1984) and McQuaid (2000) argue that the rank order of the payoffs in a partnership relationship (from best to worst) is: the Temptation payoff for defecting when the other co-operates, the Reward for mutual co-operation, the Punishment for mutual defection, and the Sucker's payoff for co-operating when the other defects. With payoffs in this order the game is a Prisoner's Dilemma. In game theory, betraying your partner, or 'defecting' is always the dominant strategy, as it always has a slightly higher payoff in a simultaneous game. It's what is known as a 'Nash Equilibrium'.

McQuaid (1999) suggests, based on the above payoffs, a number of factors which may promote or hinder partnerships:

o The 'shadow of the future' should be enlarged (ie to increase the importance of the future relative to the present may aid co-operation).

o Co-operation can be encouraged by changing the payoffs, and by making deflections from co-operation more expensive.

o Partnerships are more likely to succeed if they are seen as a precursor to more intimate co-operation, rather than as finite activities.

o Long-term relationships can achieve the optimum outcome.

o Emphasis should be placed on capacity building to enable more local communities to participate in economic development initiatives.

The two theories of partnerships suggest that organisations generally join together in pursuit of self-interest, which may be shared with, or differ from, other stakeholders. Interests in partnership involve mutual benefits that range from additional resources, increased credibility, and better understanding and responsiveness to community needs,

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2   The 'free rider problem,' arising from the fact that an individual may be able to obtain the benefits of a good without contributing to the cost. See Pasour (1981) *The Free Rider as a Basis for Government Intervention*.

among others (Kreuter and Lezin 1998). Resource dependency theory[3] confirms the search for additional resources as a motivation for partnerships.

WHAT MAKES SPATIAL CROSS-SECTION PARTNERSHIPS SUCCESSFUL?

McQuaid (2000) states that the term 'partnership' covers greatly differing concepts and practices and is used to describe a wide variety of types of relationship in a myriad of circumstances and locations. McQuaid further states that it has been suggested that there is an infinite range of partnership activities, as the methods for carrying out such partnerships are limited only by the imagination, and economic development offices are becoming increasingly innovative in their use of the concept.

Hamann, et al (2009) state that cross-sector (spatial) partnerships involve some form of structured collaboration between organisations from business, government and civil society on the basis of converging interests, focused on achieving joint objectives. Partnerships exist on different scales and take different forms, but they have in common the expectation that the participants can achieve their objectives more effectively and efficiently through strategic alliances with others rather than acting independently.

Aquila (nd.) argues that it's critical that the partners focus on what makes a partnership great and suggests the following seven characteristics form the foundation:

- o The foundation of any good relationship is trust.
- o Common values are the very foundation for a successful partnership.
- o A good chemistry comes about as we learn more about the other person.
- o Goals should be set for each of the partners at the beginning of the year.
- o A mutual respect is essential.
- o Great partnerships create more than the sum of the whole.
- o Good or great two-way communication is important.

The European Union (EU, 2006) states that working partnerships are an increasingly central feature of service provision. They go further and supply a list of 'ingredients' for blending the perfect partnership:

- o The partnership is inclusive and representative of stakeholder interests.
- o The common interest is a higher priority than individual partner interest.
- o Partners use 'we' when talking about partnership issues.
- o Partners are willing to change to achieve shared goals.
- o Responsibilities and rewards are shared.
- o There is a real will to succeed and dedicate resources to make this happen.
- o There is a shared vision of what success looks like.

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3 Resource dependence theory (RDT) is the study of how the external resources of organisations affect the behavior of the organisation. See Davis and Cobb (2009). *Resource Dependence Theory: Past and Future*.

o Partners understand and respect each others' diversity and cultural differences.

o Partners understand the use of strengths and talents within different organisations.

o Effective communication methods are in place.

o There is a regular review in which partners assess how well the partnership is performing and decide on actions to improve, if appropriate.

The EU (2006) then states that more than just the above is required in order to make a good partnership. You need to make the above (ingredients) work effectively, and thus the following are critical:

o leadership

o trust

o learning

o review

The OECD (2006) argues that an area-based (spatial) partnership is usually designed to bring together all relevant actors within a region who can contribute to improving a given situation on an equal basis. This seemingly simple principle actually raises a number of different issues. Firstly, it brings together all relevant players. This is not an easy task, as it implies having around one table not only different government institutions but also social partners, entrepreneurs, NGOs, the education and scientific sector, representatives of the civil society and many more. Secondly, partners should have equal rights, and in cases where they don't, this should be agreed to as a partnership principle. The third key issue can be summarised under the term 'ownership', which stands for the partners' approach towards their partnership, its goals and its work.

Boraine (2011) draws lessons from Hamann and his colleagues through an overview of the international literature on cross-sector partnerships and through their research into 75 partnerships and analysis of ten comparative case studies in South Africa. He makes the following observations:

o Cross-sector partnerships have a varied lifecycle, and need to constantly adapt to changing circumstances.

o There is a need to constantly renew partnerships, and not to take them for granted.

o To build trust within a partnership, it is necessary to try and understand reasons for underlying mistrust.

o A partnership is neither a lobby group nor a public entity.

o The calibre of the people working within the partnership is important.

o A partnership is only as strong as the partners.

o Clear roles and responsibilities must be established.

o Different types of partnership must be understood.

Kindornay, Tissot, and Sheiban (2014) state that cross-sector development partnerships (CSDPs) are commitments between or among public, private, and/or non-profit institutions in which individuals from partner organisations commit various resources and agree to work co-operatively toward common development goals.

Their report highlights three key characteristics of successful partnerships:

- o Policy-makers and partnership practitioners should define from the outset the objectives and purposes of a partnership and outline the roles of different actors.
- o The level of engagement between and among partners should depend on the objectives and purposes of the partnership.
- o In addition to partnership objectives, the comparative advantages of different partners determine the types of value – associational, resource, interaction, and synergistic – derived from the partnership.

The National Centre for Media Engagement (2010) states that successful partnerships engage and transform communities.

Given the above, there seems no (or very little) reason not to advocate or actively follow a spatial cross-section partnership model for LED, especially given that the majority of successful partnerships share a lot of similarities. The spatial cross-section partnership must therefore include people from different functional areas, since they improve co-ordination and integration, span intellectual boundaries and reduce the decision-cycle time.

A SPATIAL CROSS-SECTION PARTNERSHIP MODEL FOR LED

It is therefore possible to argue that an effective spatial cross-section partnership is a necessary, but not adequate, condition for LED. A necessary condition for some State of Affairs S is a condition that must be satisfied in order for S to obtain. A sufficient condition for some state of affairs S is a condition that, if satisfied, guarantees that S obtains. Conversely, mistrust, competition for resources, resistance of key people/organisations and so on seems to be a sufficient condition for failure, but not a necessary condition. Failure of the LED effort can therefore in some way or form be attributed to the lack of an effective spatial cross-section partnership.

What kind of business models do partnerships for sustainable development rely on and what implications do these models have for the management and success of partnerships? And therefore, is it a focal question for the discussion in this paper? (The Seed Initiative Partnership Report, 2006).

The OECD (2006) indicates that when developing a successful model, the following should be taken into account:

- o selecting a partner
- o setting up a partnership
- o choosing a modus operandi
- o building trust
- o achieving selectivity
- o performing monitoring and evaluation.

The above factors are essentially what differentiate the various partnership models, for example an association is a much more informal partnership model compared with a joint venture model, whilst a strategic alliance model normally doesn't comprise individuals, compared to an association model that predominantly includes individuals. A joint venture or coalition model in general focuses on one specific goal, whilst a strategic

alliance model or an association model might have multiple goals (Sleijster, 2009). This is true of not just spatial partnership models, but of all partnership models.

Sleijster (2009) makes reference to Joint Ventures (JV) as a possible model. A JV is 'an entity formed between two or more parties to undertake economic activity together' (Child and Faulkner, 1998:231). The parties (partners) agree to create a new entity by contributing equity, and they then share in the revenues, expenses, and control of the venture. The venture can be for either one specific project or a continuing relationship.

Sleijster (2009:20) also makes reference to the Strategic Alliance (SA) as a possible model. This is 'a membership driven, formal relationship between two or more organisations to pursue a set of agreed-upon goals or to meet a critical development need'. It's a form of co-operation which aims for a synergy where each partner hopes that the benefits from the SA will be greater than those from individual efforts. But importantly, each party remains independent from the other. They usually consist of organisations, as opposed to individuals.

A Coalition, on the other hand, is 'an umbrella term used to describe a group of people or organisations coming together (informal relationship) to achieve a specific goal, usually of an economic and/or political nature (Creech, 2006: 3). Cohen, Baer and Satterwhite (2001) describe a coalition as a union or network of people and organisations working to influence outcomes on a specific problem. Coalitions are useful for accomplishing a broad range of goals that reach beyond the capacity of any individual member or organisation.

An Association is a model of co-operation between many teams (individuals) that have common views, interests and a number of goals. It leans more towards being a social group. The framework for this kind of co-operation might be set by a common geographical area, common sets of services, similar constituencies or sector of operations etc (European Union Agency for Network and Information Security, nd).

Networks are generally loose-knit groups formed primarily for the purpose of resource- and information-sharing. It's a time-bound and purpose-driven group of expert institutions working together to build each other's capacity and develop solutions for use outside of the network (Creech, 2006).

The table below displays some of the main similarities and differences between the five partnership models.

Table 1: Characteristics of a number of Partnership Models

	Joint Venture	**Strategic Alliance**	**Coalition**	**Association**	**Networks**
Partner	Two or more organizations	Two or more organizations	Group of people or organizations	Many Individuals	Many Groups
Organized group	Yes	Yes	Yes	Yes	Yes
Degree of Organization	Contractual/ Legal Binding	Formal	Formal	Informal	Informal
Size of the Partnership	Limited	Limited	Limited	Large	Large
Purpose	Limited and Specific	Unlimited and specific	Unlimited and specific	Unlimited and general	Unlimited and general
Focus	Short term	Long term	Short and long term	Long term	Long term
Partner linkages	Tight	Tight	Tight	Loose	Loose
Common Values	Yes	No	Yes	No	No
Resources	Shared	Shared or Individual	Shared or Individual	Individual	Individual
Rules and regulations	Contractual	Formal	Formal	Informal	Informal
Membership	Contractual	Formal	Formal	Voluntary	Voluntary
Degree of Permanency	Temporary	Temporary or Permanent	Temporary or Permanent	Temporary or Permanent	Temporary or Permanent
Office Bearers	Employed Staff	Employed Staff or Own Staff	Employed Staff or Own Staff	Own Staff	Own Staff
	Specific	⟵		⟶	General

The characteristics suggest the existence of a specific-to-general continuum, especially with regard to the formality of the partnership model, joint ventures being the most formal model and networks being the most informal. The characteristics also suggest that joint ventures and strategic alliances are fairly similar, as are associations and networks.

The German Institute for International and Security Affairs (2012) states that partnerships can be differentiated mainly based on their goals. Based on this assessment, the Institute suggests that most partnerships fall into one of three types.
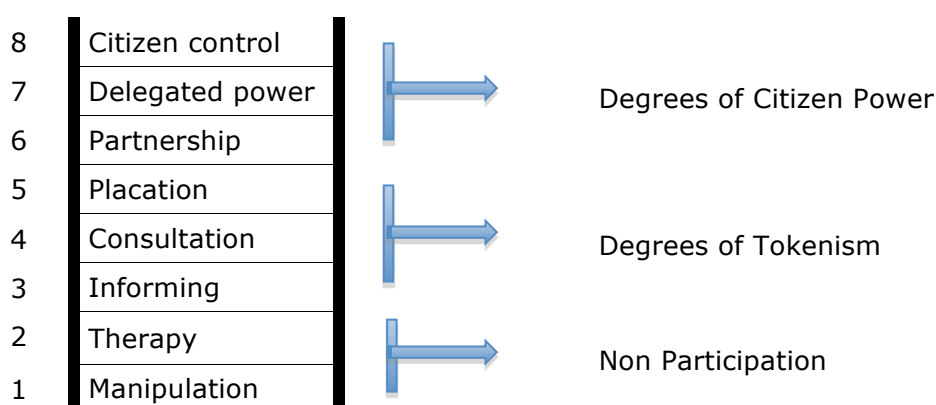
- o Knowledge partnerships
- o Standard-setting partnerships
- o Service partnerships

Table 2: Types of Partnerships and Partnership Models

Type of Partnership	Description of Partnership	Best Suited Model
Knowledge partnerships	Pool experience and formulate proposals on the best way to implement the spatial goals and objectives as agreed by the partners.	Association, Networks
Standard-setting partnerships	Develop and facilitate voluntary standards in areas not yet subject to binding goals or regulations.	Strategic Alliance, Coalition
Service partnerships	Focus on initiating and realizing projects designed to implement spatial goals.	Joint Venture, Strategic Alliance

Table 2 makes some suggestions with regard to the most appropriate partnership model/s in terms of the specific purpose for which a partnership has been established.

The illustration below describes a possible ladder of participation in the partnership model, according to Arnstein (1969).

8	Citizen control	
7	Delegated power	Degrees of Citizen Power
6	Partnership	
5	Placation	
4	Consultation	Degrees of Tokenism
3	Informing	
2	Therapy	
1	Manipulation	Non Participation

Figure 2:   Arnstein's ladder of participation

The manipulation and therapy participation steps are both non-participative. The aim is to cure or educate the participants. The proposed plan is best, and the job of participation is to achieve public support through public relations. The informing participation step is an important start for legitimising participation. Too frequently, however, the emphasis is on a one-way flow of information and therefore there is no channel for feedback. The consultation participation step seems to be a legitimate one, but could also be viewed as a window-dressing ritual. The placation participation step, for example, allows citizens to advise or plan ad infinitum, but it retains for power-holders the right to judge the legitimacy or feasibility of the advice. The partnership participation step implies that power is, in fact, redistributed through negotiation between citizens and power-holders. Planning and decision-making responsibilities are shared (eg through joint committees). The delegated power-participation step allows citizens to hold a clear majority of seats on committees with delegated powers to make decisions (ie the public now has the power to ensure the programme's accountability to them). The citizen control participation step is where the 'have-nots' handle the entire job of planning, policy-making and managing a programme (eg a neighbourhood corporation with no intermediaries between it and the source of the funds) (Arnstein, 1969).

Nel (2001) states that the issue of power monopolization in LED is a major risk factor, as is the willingness and capacity of some of the role-players in the partnership. Therefore, the level of participation from an LED perspective cannot be window-dressing and tokenism, but rather it must be centered on delegated power or citizen's power. The best suited partnership model, based on the participation steps, will intuitively be the Joint Venture and Strategic Alliance models.

Another important matter with regard to the LED partnership model is the stance adopted when organising, initiating or managing a process of participation or partnership building. Wilcox (2000) suggests thinking of five levels or stances (Figure 3), which offer increasing degrees of control to the others involved.

Supporting

Acting together

Deciding together   Partnership

Consultation
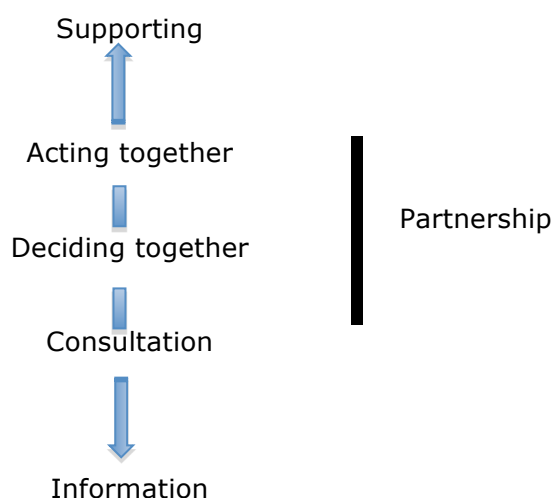
Information

Figure 3: Five Stances

Information involves telling people what is planned, whereas consultation implies that the problems be identified, a number of options offered, and the feedback noted. Deciding together suggests that others are encouraged to provide some additional ideas and options, and join in when deciding the best way forward. Acting together suggests that not only do different interests decide together what is best, but that they form a partnership to carry it out. Supporting independent community initiatives requires that one helps others do what they want (Wilcox 2000).

Wilcox (2000) states further that at the lower levels of participation, control stays with the initiator. However, it eventually leads to less commitment from others; therefore true partnership should operate at the levels of deciding and acting together. Therefore the best-suited partnership models will intuitively be the Joint Venture and Strategic Alliance.

The figure below attempts to capture and display an optimal LED partnership model incorporating the characteristics of the different models (Table 1), the types of partnership and partnership models (Table 2), Arnstein's ladder of participation (Figure 2) and the five stances (Figure 3).

The model is based on a strategic alliance model that focuses on initiating and realising projects designed to implement spatial goals. The main partners are also indicated.
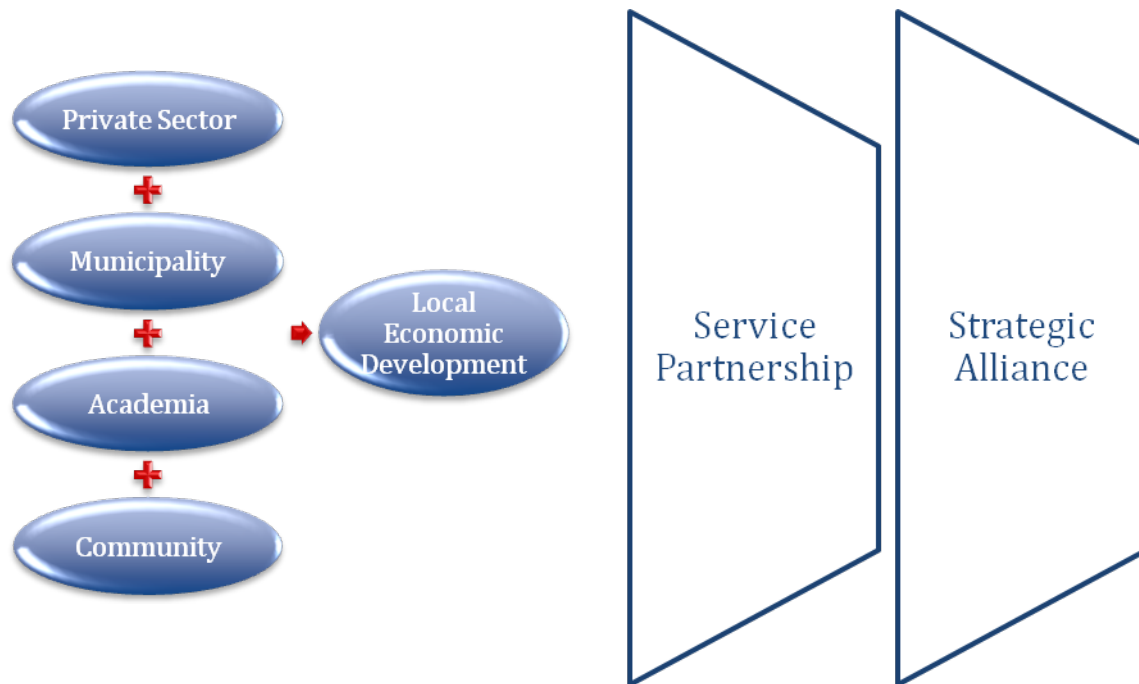
Figure 4: Proposed Spatial Cross-Section Partnership Model

The strategic alliance model is suggested, since it will support and ensure high degrees of citizen ownership and will also put the focus directly on acting, all of which are imperative for LED. The focus of the spatial cross-section partnership will be to drive the delivery of the city and/or region's LED plan; detailing, amongst other issues, how the local economic ambition can and will grow in the future years (functions). The focus is therefore very much on the spatial (specific geographical area) and utilises the self-interest of the partners through a clearly defined structural partnership model (relationships). The partners (components) are representative of different constituencies in the city and/or region, who are thereby enabled to put on the table their unique intellects and backgrounds.

SUMMARY AND CONCLUSIONS

To better respond to the current and future set of concerns of the population and to promote sustainable local economic development, governments, private sector and civil society actively seek a broad partnership. It is widely agreed that innovative solutions to the key challenges facing societies can be found through an open public debate. It is especially at local levels, closer to the problems and the individuals, that partnerships should be a key strategy for addressing issues that have collective implications.

Local partnerships have the potential to foster better, more adequate and innovative solutions to societal problems on the basis of a constructive dialogue between the actors involved and an exploitation of their different resources and comparative advantages.

Although many forms of spatial cross-section partnerships have been tried and tested, for a number of reasons the majority of them seem not to have delivered on their potential. All of them (both the failed and successful ones), however, have demonstrated the importance of treating the private sector and communities as full partners, allowing

enough time for change to happen in the complex systems of economic development, as well as for the inclusion of monitoring and evaluation. There are many obstacles to the success of spatial cross-section partnerships, but these are outweighed by the many potential benefits of a collaborative effort.

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Institutionalising social dialogue

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ABSTRACT

This article presents an argument for the institutionalisation of social dialogue at the local level in South Africa in order to foster effective private-public partnerships. It presents the view that social dialogue is the mechanism of participatory partnerships, due to its principles of common developmental objectives, as well as joint problem-solving and decision-making. In this way, the institutionalisation of social dialogue can strengthen institutional arrangements for LED. This paper will use the case studies of Ghana and Nepal to show how economic opportunities in the informal sector were leveraged through the institutionalisation of social dialogue. It also looks at various ways that the International Labour Organisation fosters LED matters at the local level from a social dialogue perspective. Because all stakeholders are important in the process of harmonization, equitable economic growth and social cohesion can be achieved through the institutionalisation of an inclusive social dialogue. Further, this paper points out that social dialogue can help promote more critical thinking and engagement on LED matters, and also go a long way towards strengthening the implementation of LED institutions and their various stakeholders and overseeing their practice.

Keywords: *Social dialogue, institutionalisation, partnerships, social cohesion, integration*

INTRODUCTION

Along with the increasing emphasis on local economic development (LED) in South Africa and the rest of the world, comes the call to strengthen institutional arrangements for LED (DEDEA, 2013; SALGA, 2014; DPLG, 2008; DPLG, 2002). The South African government has devised programmes of equipping local government authorities (especially LED practitioners) with essential skills such as project management, monitoring and evaluation (M&E) (SALGA, 2014; SALGA, 2011) in the name of strengthening institutional arrangements for LED. However, more emphasis also has to be placed on other institutions such as communities, civic organisations and the informal sector. A mechanism of integrating these institutions is much needed to create effective communication and to identify common developmental objectives between all local level actors.

In the wake of this, social dialogue has emerged as the mechanism for aiding the process of creating successful partnerships between the private, public and civil organisations (International Labour Organisation, 2014; Economic Development

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Department, 2015; Gasser, Salzano et al. 2013; Bridgford & Carls, 2012). This is because social dialogue requires the incorporation of all stakeholders when dealing with LED matters, resulting in strong partnerships grounded in social cohesion and inclusive economic growth and development (Gasser, Salzano et al. 2013; ILO, 2014; Fashoyini, 2004). This paper will argue that social dialogue needs to be institutionalised as a participatory mechanism of partnership to strengthen the arrangements for LED. The case studies of Ghana and Nepal will be used to justify the need for the institutionalisation of social dialogue at a local level.

LOCAL ECONOMIC DEVELOPMENT FROM A SOCIAL DIALOGUE CONTEXT

There is a general consensus that local government has emerged as the key player in LED matters (Fray, 2013; Rogerson, 2010; van Empel, 2008; Bond, 2001). This is because LED emerges out of the joint-planning by local government, the community and business sectors (Fray, 2013). LED has multiple definitions but can be defined overall as:

> [...] a participatory development process that encourages partnership arrangements between the main private and public stakeholders in a defined territory, enabling the joint design and implementation of a common development strategy, by making use of local resources and competitive advantages in a global context with the final objective of creating decent jobs and stimulating economic activity (Gasser, Salzano et al. 2013:30).

The most notable emphasis in this definition is the encouragement of partnerships between the public and private institutions and the use of local resources to stimulate local economic potential. All these key players should drive the vehicle for collective vision, community action and collaboration, and for broader stakeholders to provide input into the direction for LED (DPLG, 2008; Geyer, 2006). The most hoped-for end results from this process are the creation of sustainable jobs and the improvement of socio-economic conditions.

However, LED from a social dialogue perspective takes it a step further, where it is seen as:

> [...] a strategy for employment promotion through micro and small enterprise development, support of social dialogue and development planning. At the center of the approach is the creation of public-private partnerships that bring together stakeholders in the local economy, including representatives of regional and local government, employers' and workers' organisations, Chambers of Commerce, co-operatives, producers' associations, women's' organisations and other NGOs (ILO, 2015:3).

This definition incorporates social dialogue as a mechanism that is supposed to carry out the dialogue on LED matters. This is because, for the International Labour Organisation (ILO), LED is not limited to economic growth; instead it is a development approach that incorporates the use of dialogue as a participatory mechanism for improving the relationship between the government and the public and private sectors (ILO, 2015). It is thus a process that is reinforced by all local stakeholders through a participatory process.

The essence of the social dialogue approach to LED is that it emphasises the institutional integration of the social, political and economic realms at the local government level (Gasser, Salzano et al, 2013). In turn, these dimensions bring about social inclusion and encourage an inclusive economic growth. This is of utmost importance in the contemporary era of massive inequalities, globalisation and climate change. More than anything, South Africa's socio-economic dimension of being the most unequal society in

the world, with a Gini coefficient of 0.66 (World Bank, 2014), requires the integration of social, political and economic partners in the name of LED. The growing poverty makes it a necessary case that institutional integration must occur for the betterment of socio-economic conditions (Gibson, 2013).

It is important that there be a dialogue about LED matters because social dialogue brings together relevant stakeholders who are concerned about the matter at hand. As observed by van Empel, (2008:182), social dialogue creates a conducive environment for 'common objectives, consultation, and negotiation, exchange of information, joint-problem and decision-making between multi-parties'. Thus, social dialogue presents itself as a participatory mechanism that is focused on improving the means of engagement between different stakeholders, or simply as a mechanism of stakeholder relations; more than anything, as a mechanism that has to be institutionalised.

The use of social dialogue as a means of strengthening institutional arrangements for enhanced LED has many benefits; such as creating decent opportunities for all stakeholders to partake in development matters and the development of common developmental objectives (Rogerson, 2010). The most essential benefits of social dialogue include the ability to address immediate social and economic issues, foster good governance, continuity (stability) and the creation of an inclusive economic growth (van Empel, 2008; Rogerson, 2010). All of the abovementioned potentials have a direct impact on the success of LED if a participatory process is initiated and all stakeholders are represented.

What has been pointed out so far is the need for organising stakeholders in order to create partnerships between the public and private sectors. Social dialogue has been identified as the mechanism of economic co-operation at the local and regional level between all actors who have a stake in LED matters. It is in this regard that an inclusive social dialogue comes into play in integrating all stakeholders in matters of LED. However, social dialogue should not be conflated with partnerships; it should be viewed as a mechanism that fosters effective partnerships from all relevant stakeholders. In other words, it leverages partnerships.

THE NEED FOR INSTITUTIONALISATION

The need to institutionalise social dialogue is driven by the importance of understanding that an 'effective and sustainable local economic development has been associated with the emergence of strong local partnerships, bringing together key stakeholders – from both private and public sectors – along with community interest groups' (Eastern Cape Economic Development Department, 2013:4). Strong institutions and organised structures are key in informing development initiatives, policy formulations from a social dialogue perspective and co-ordinating the development effort of LED (Anyonge, Jonckheere et al. 2013). Hence the institutionalisation of social dialogue is for this purpose, and also to aid the less represented (ILO, 2015; van Empel, 2006).

To institutionalise social dialogue means more than just encouraging people to partake in an LED dialogue. It means the establishment of social dialogue as a new convention for a participatory approach to development matters in order to improve efficiency. For example, 'In order to ensure successful ongoing LED process, the municipality[ies] must have institutionalised a process for continual engagement with stakeholders' (DPLG, 2008:13). This is to say that communities have to see themselves as owners, rather than as receivers, of LED initiatives. This holistic view recognises that a successful and inclusive LED can be realised only through the democratisation, decentralisation and emergence of a strong community as a partner.

The most important aspect of engagement in relation to South Africa is the relationship between the government and private sector. There is a massive gap between these two institutions which often proves detrimental to the process of social dialogue. The consequences of these (lack of formal engagement between established businesses entities and newly government funded initiatives or co-ops) often lead to the pitfall of LED projects being left without investment, or a strong economic partner (ILO, 2015). The lack of engagement between the private and public undermines the need for stronger linkages between business community and the government. This is because these two entities see themselves in isolation from one another, which makes the process of institutionalisation problematic.

This is demonstrated by the fact that inasmuch as there are chambers of commerce and development agencies, the relationship between local government and business is still not as efficient as it could be. Hence the institutionalisation of social dialogue, as a mechanism of economic co-operation between the public and private sectors, is the first step in addressing such problems. Ratnam and Tomoda (2005:45) indicate that 'the role and success of local government depends to a great extent on the enabling dialogue environment provided by national and/or regional government [...] to ensure the implementation of dialogue outcomes such as adjusting regulations, allocating resources according to concerns raised and linking up with national policy makers'. In this case, social dialogue becomes the intermediary between the two institutions that are supposed to have common goals of improving socio-economic conditions and bring much needed inclusive economic growth. As already pointed out, South Africa seems to be particularly in need of social dialogue, due to the nature of growing inequities and poverty.

Communities are also significant drivers of LED and there is a need for them to be further capacitated in order for LED projects to be sustainable. Communities as representatives of community needs have increasingly become important in influencing pro-poor policies in the midst of growing inequalities (ILO, 2015). Traditional authorities are also important players in LED, as they often control access to land and still hold positions of authority in rural areas (van Empel and Werna, 2010). According to Fray (2013), South African economic communities are divided into three types: rural areas, towns and cities. All of these can be integrated in order to build an inclusive economy. There are economic potentials that have to be tapped into within all these economies, however, and it is important that local stakeholders should be at the forefront of these processes. Therefore, the local government should be engaged in a social dialogue with communities in the name of LED. Communities also need to establish themselves as key players in LED matters and community leaders must lead economic functions (Fray, 2013). It is through such a participatory process that an inclusive economic growth can be better achieved.

WHICH INSTITUTIONS ARE KEY?

There are various structures and institutions that make up the list of key stakeholders that play a key role in LED and the associated social dialogue. The institutional mapping process is critical, as it identifies the different stakeholders, together with the role they are equipped to play in the social dialogue (DPLG[1], 2008). These stakeholders range from civic organisations and businesses, to organised community etc. All of these stakeholders play different roles and functions in LED. It is important, however, that informal businesses are also integrated in the social, political and economic dimensions

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[1]   Department of Provincial and Local Government

of social dialogue on LED matters, as the essence of institutionalisation is the promotion of an inclusive dialogue between communities, civil organisations and society, investors and the business community, with the aim of fostering pro-poor development plans (International Fund for Agricultural Development, 2013).

These institutions have to be represented with the mandate of participatory governance and social dialogue**.** This can be done through stages of social dialogue; consultation, information sharing, negotiation, joint problem-solving and joint decision-making (ILO, 2015), with the understanding that it is compulsory to involve stakeholders in the development plans of the locality. The argument in support of this is that social dialogue, as a mechanism of economic co-operation, minimizes the risk of economic conflicts and also promotes social cohesion and stability (Gasser, Salzano et al. 2013). In turn, this also helps in building trusting relationships between local government and relevant stakeholders.

The fact that social dialogue enables a conducive environment for local actors means that the act of facilitating development matters can also be successfully promoted. Gasser, Salzano et al. (2013:30) noted that 'The design and implementation of a bottom-up strategy further guarantees the most suitable solutions for the local needs and is a warranty for the sustainability of the development process'. The pro-poor strategies that are promoted in this process make it possible for grassroots communities to institutionalise social dialogue, because it speaks to their needs and thus enables them to take charge of development matters.

Public-Private Partnerships

The integration of the public and private in LED matters creates space for an enabled environment. It cannot be that only the interests of the public, or those of the private sector, are promoted. There has to be a mutual duality of these interests in order for the two to coexist in partnership. This is where public-private partnerships are most useful in shaping the social and economic needs of the two institutions (ILO, 2015; Rogerson, 2010). Through an institutionalised dialogue, the two can foster effective local economic development that is complemented with an inclusive economic growth.

Cooperation between public and private institutions is key in the development of commercial linkages between all local actors (Gasser, Salzano et al. 2013). The Chamber of Commerce can assist with information such as labour demand, challenges that are experienced in the business environment, and can also act as jointly implementing vehicles of the dialogue outcomes. (Van Empel and Werna, 2010). This could yield more success (in LED projects) in that the co-ordination of development mandates is treated through partnerships between two or more parties, which promotes the sustainability of activities that are undertaken. The mobilisation of local resources in an effective manner through public-private institutions also yields higher returns and an improvement in socio-economic conditions (Gasser, Salzano et al. 2013). Higher returns influence the social, political and economic dimensions of the relationship between local players.

Public-private partnerships also work together to stimulate the act of governance. This signifies a move from local government, to local governance that is driven by all local stakeholders. This is essential in that it influences the rightful distribution of resources and is therefore vital in the creation of a sustainable development mechanism (Gasser, Salzano et al. 2013). The result is the institutionalisation of social dialogue as a mechanism for fostering greater commonality between the public and private sectors, in terms of development objectives, so that they are more people-centered. The act of institutionalisation then results in flexibility and harmonises the relationship between the government and the private sector. Such results can be achieved effectively if social dialogue is institutionalised by the various local players.

Community and Partnerships

The failure of strengthening community arrangements for LED has resulted in many unsuccessful initiatives in South Africa (SALGA, 2011). This view is based on the assumption that the purpose of LED is to build the economic capacity of the locality. This might then be labelled as the failure of community development, suggesting that such a failure affects the sustainability and economic viability of projects. However, this argument reveals the blind side of a reductionist view, as it simply draws parallels between LED and community development. The bigger picture is that communities also have to organise themselves to act as joint drivers, if LED projects are to be effective. Hence this view is negated by the reductionist view in its attempt to limit it to an undefined territory. This is why the Municipal Act of 2000 emphasised the role of ward committees in capacitating the local people, especially from rural areas (Municipal Act System, 2000).

Communities, especially rural communities, are vulnerable to misinformation because there is often no significant degree of information exchange. Overcoming such challenges often requires that existing linkages are leveraged between the formal and informal sectors and communities. Van Empel and Werna (2010) stated that organised communities or civil societies contribute to a great deal of information and a new outlook that can easily be missed by other institutions. Hence SALGA (2011) stressed that for LED to be a success, it has to be a joint partnership project between public, private and civil society. In this regard, organised community has to align itself along with its economic potential, set its own development agenda and try to get people interested in its businesses (Fray, 2013). The next step would be to form partnerships with the business community. This is because businesses are organised or managed within communities. Hence it is important that the relationship between the community and the business community is a harmonious one.

The Informal Sector

Van Empel (2008) in his paper, *Social Dialogue for Urban Employment,* argued that inclusive social dialogue is the first mechanism that has to be utilised in tackling poverty. This is because of the growth of the informal sector and its ability to impact positively on poverty reduction. The emphasis on inclusive social dialogue in the informal sector is driven by the ever-growing role of the informal economy. According to van Empel:

> Economic development in developing cities depends largely on the informal economy where micro and small enterprises are predominant. Hence, municipal authorities have a vested interest in upgrading small businesses. This puts, together with ongoing decentralization processes and the widespread concern for good governance, increasing pressure on municipal authorities for 'home-made', bottom-up responses to economic development challenges, which are based on consultation with other stakeholders' (2008:181).

The recognition of this phenomenon makes it a necessary case that an inclusive social dialogue be adopted to include 'informal' stakeholders. It is in this regard that the contribution of the informal sector has to be taken into consideration, as it plays a key role in improving socio-economic conditions.

In addition to this, Van Empel (2008) suggested that the informal economy has to have a representative voice in development matters through promoting an inclusive dialogue and inclusive economic growth. The informal economy is 'the unofficial part of the economy whereby many people are forced to live out a meagre economic existence through lack of formal job opportunities. This sector of the economy, which evades income taxes and circumvents labour laws, now represents over 30% of SA'S potential workforce and is the fastest growing sector' (iLembe Integrated Development Plan,

2015:91). The need to institutionalise an inclusive social dialogue is therefore a vital mechanism through which typically voiceless sectors are able to engage with other stakeholder groups in a meaningful way. This is what is meant by creating an inclusive social dialogue that is driven by the local stakeholders.

Social dialogue as a participatory mechanism of partnership integrates all the abovementioned stakeholders in the name of economic development. Cross-sectoral dialogues between the formal and informal economy can take place to enhance information sharing and possibly lead to the formalization of the informal sector. The informal sector can also learn better practices (such as business and financial management) from the formal economy. The local government, as the facilitator of social dialogue, can also help by providing the spaces for such a dialogue to take place. This shows the need for cross-sectoral dialogue between formal and informal business, because the two are intertwined.

SUCCESS STORIES OF PRIVATE-PUBLIC PARTNERSHIPS

Various successful cases can be cited of private-public partnerships from a social dialogue perspective, ranging from Ghana, Mozambique and Nepal to Malawi. All of these are steered by the ILO. For the purposes of this paper, only the examples of Ghana and Nepal will be considered in order to show ways in which the ILO uses social dialogue to foster LED, since these study cases are aligned with the theme of this paper, namely the institutionalisation of social dialogue through the informal sector, right-skilling and private-public partnerships. These two case studies are current examples of the impact of institutionalising social dialogue, with the aim of improving LED and socio-economic conditions.

The case of Ghana

This case study goes to the heart of institutionalising social dialogue with the aim of fostering an integrated LED system. As is also observed by Bridgford and Carls (2012), social partners can use social dialogue to influence the outcomes of policies by taking part in a consultative process, by involving themselves in decision-making or by helping administer the impact of policies. In Ghana, this was done through the ILO's ability to lobby and influence economic policies, in order to maximise the effects of LED projects (Di Meglio, 2014). This is the foundation phase of social dialogue, where social partners work to address socio-economic conditions.

The Ghana Decent Work Project emerged through the formation of independent LED forums in eight regions in order to improve the working conditions of workers in the informal economy (Di Meglio, 2014). This ended up being a joint initiative by ILO and the government of Ghana, with the aim of fostering LED. This was achieved on a large scale: although it started off as a local project, it ended up as a national project with an impact on the informal economy. It is also necessary to understand that Ghana's informal sector plays by far the most important role when it comes to employment in the country. Hence, a forum of such magnitude was needed in order to foster stability in the informal economy, as the issue is of national importance.

The project was grounded on characteristics that were meant to create a sense of ownership and participation from all stakeholders. These included (Di Meglio, 2014):

- o the promotion of local interests through local ownership and commercial independence through enabling the local people with skills, rather than giving them direct funding
- o the empowerment of local social partners to create an LED approach that is informed by local cultures and values, therefore creating space for the development of public-private dialogue and sustainable partnerships
- o the facilitation of well-managed mechanisms of access to financial opportunities through engaging with local financial institutions to help support small businesses that had economic potential
- o the joint use of public facilities and resources and the influence of social dialogue in policy formulation enabled the institutionalisation of LED forums, together with the local authorities.

Through ILO's introduction of social dialogue and the creation of self-sustaining LED forums in Ghana (the facilitation of financial opportunities through information exchange and consultation), LED projects were seen as a success by the national government and resulted in the formation of a national policy for LED (Di Meglio, 2014). It has also been suggested that this attracted interest from many institutions and is now a part of the curriculum for local authority officials. More than anything else, this shows that the case study of Ghana provides an exemplary model.

The partnership and trust between public-private institutions in Ghana is on the increase as a result of the work of the ILO. There is ongoing engagement about the importance of the informal sector in LED, and the government is ensuring that all social partners participate meaningfully. This is also evident in that the Ghanaian government has institutionalised LED from a social dialogue perspective. The guide that is being used in the country is a model of LED assistance that Ghana received from the ILO from 2002-2009 (Di Meglio, 2014). The case study of Ghana has proved itself to be a successful example of how partnerships between the government and the public and private sectors can be used to stimulate local economic development in the informal sector.

If there is one important lesson to take from the above case study, it is that partnerships between all stakeholders (communities, government, and businesses) can be used to leverage opportunities and economic potential in the informal sector. Given that the informal sector in Ghana reflects the highest employment rate, this truly shows the merits of LED. The scope of achievement can be used to show that LED is not limited to a locality's natural resources, but is rather a reflection of its people and their ability to enhance economic capacity. This is to say that people are the most important resource that each locality has at its disposal, and their right-skilling can help to improve the efficiency of LED initiatives.

The case of Nepal

Nepal's history has long been characterised by conflictual political and historical battles, leading to many people being dispersed and some being marginalised (ILO, 2015; Di Meglio, 2014). Through a number of projects, the ILO played a crucial role in stimulating economic potential and growth in two regions of Nepal. This led to employment creation and encouraged a greater stability within the region (Di Meglio, 2014). The district is said to have had a 'significant share of landless and other marginalized groups, high emigration, and weak capacity for planning, co-ordination and implementation of pro-poor development initiatives' (Di Meglio, 2014:4). However, with the help of ILO and partnerships established between various private and public institutions, these circumstances were overcome.

The projects in Nepal were grounded on the theme 'Employment Creation and Peace Building based on LED'. The projects were funded by the International Netherlands Cooperation under (NICP) with ILO and local representatives (public and private) as the implementation partner, with a fund of US $ 3 million (ILO, 2015).

According to ILO (2015:1):

> The main LED action programmes [we]re focused on: (1) capacity building for the Forum members and the MoLD[2] to sustain and expand LED process momentum in the target Districts and other areas of Nepal; (2) job creation through value chain upgrading in tourism and food products; and (3) encouraging entrepreneurship and a culture of enterprise through LED radio programming.

Through institutionalising social dialogue, ILO was able to achieve remarkable results, such as skills development within these regions. The approach that was used to institutionalise social dialogue emphasised the activism of the local people in an inclusive manner. The process included the following: (Di Meglio, 2014)

- o the development of a wide-ranging led forum in each region, which created a conducive environment for public-private dialogue on led matters, co-ordinated by the public-private partnership with the aim of fostering pro-poor development strategies
- o the promotion of skills development and skills exchange for people to be marketable
- o a functioning chain of connections for local tourism and agricultural sector
- o the creation of a dialogue between financial mechanisms and the local people for the creation of effective value chains
- o an improved access to markets through reindustrialisation.

All these projects were conducted in an integrated manner that meant all local stakeholders played a key role. The initiatives yielded much-needed results in producing two tourism centers and a production company that was locally owned (Di Meglio, 2014). All the goods produced involved stakeholders from various sectors. This highlights the importance of partnerships, as it takes many different sectors to boost the LED of a particular locality.

The case of Nepal can also be used to show that skills gaps can be overcome through social dialogue and integration. This is because every stakeholder brings a set of skills or resources to the table, and the exchange of those skills and resources lays a foundational structure for the success of LED (Fray, 2013). The better-skilled the people are, the better their chances of being hired or starting their own businesses. Similarly, the greater the number of skills that are available, the greater the chances of innovative ideas and of creating decent jobs, as seen with the skills exchange programme in Nepal. Therefore the act of nurturing people for the right types of work (right-skilling) is key. The financing of value chains also plays an important part in leveraging opportunities or economic potentials (DPLG, 2008).

LED forums and social dialogue

It should also be pointed out that LED forums in South Africa are not social dialogue forums. They are vehicles for municipalities to showcase LED projects that they already have in place, or are planning for. These projects are mostly aligned with municipal

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[2] Ministry of Local Development

mandates and include co-operatives, however these forums do not include various sectors that have organised themselves, or allow them the opportunity to present what they have come up with, in the name of LED. This is the manner in which LED forums have been, and continue to be, conducted in South Africa. It seems that the social dialogue aspect has not reached the local government level. Although South Africa adopted a National Social Dialogue Framework at the national level in 2011 (EDD[3], 2015), social dialogue has not yet been experienced at the local level. Social dialogue has to be included in the local level if stronger partnerships are to emerge between the public, private and civil society in the near future.

The institutional arrangements of strengthening LED have a direct implication within the social, political and economic dimension of institutional integration. This is why LED forums can be strengthened by incorporating a social dialogue perspective. This is to say that LED forums should not be limited to the municipal level. Business communities are supposed to have their own social dialogue and integrate it with that of the municipality. The LED forum can therefore be used as a social dialogue vehicle for ongoing engagement and consultation for all stakeholders (DPLG, 2008). Cross-sector dialogues take place, because no business works in isolation and there is an ecosystem of businesses and municipalities and various opportunities that should be tapped into. If the desired end result is inclusive economic growth, then an integrated LED forum is necessary – one that informs the LED strategy and plans of a particular locality.

CONCLUSION

This paper has argued that there is a need to institutionalise social dialogue in order to form an effective partnership between the public and private sectors. It has identified social partners or stakeholders as the local community, civil society, business community and local authorities. In addition, local government has been identified as the custodian of social dialogue, because of its role in creating a conducive environment. The institutionalisation of social dialogue would thus acquire a legitimate status. However, social dialogue should not be limited to the local government heading it; other sectors have to have their own social dialogue and align the common development agenda as the locality or whole region.

The institutionalisation of an inclusive social dialogue as a participatory mechanism would contribute positively to the greater LED project. The case studies of Ghana and Nepal demonstrate just what can be achieved. The impact of this approach can be seen in how Ghana has institutionalised social dialogue within its local government framework, as well as the way in which it has empowered Ghana's informal economy and contributed to the reduction of poverty. This is what is meant by leveraging economic potential in the informal economy (through creating a conducive environment for informal workers and businesses). On the other hand, right-skilling people also yields good fortune, as seen in the case of Nepal.

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Occupational qualifications:
Work experience and real skills development[1]

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ABSTRACT

As SAQA registers more occupational qualifications, Human Resource (HR), Education and Training Development (ETD) and related practitioners are facing the challenge of implementing a new curriculum component called 'work experience'. Work experience forms the basis for workplace learning, but few have the tools to prepare for and implement learning programmes in a real-time, real-life working environment. Workplace learning in the form of apprenticeships, internships, articles of clerkship, pupillages and other forms of occupational and professional development is as "old as the hills", but this means of learning is no longer valued or practised effectively. Yet these development programmes are crucial to the ultimate learning outcome: the development of an occupational identity within a community of practice. This paper outlines some of the challenges and the solutions towards making work experience work.

Keywords: Occupational qualification, workplace learning, work experience, learnership; internship; Quality Council for Trades and Occupations

INTRODUCTION

Almost on a daily basis, we hear or read about the skills crisis and skills shortages in South Africa. Typing 'Lack of skills' site:za into the Google search engine on 9 November 2013 resulted in 239 000 hits for documents in the co-, ac-, org- and gov.za domains. 'Lack of skills in South Africa' got 29.6 million hits and 'skills shortages in South Africa' listed 252 000 pages. The following is an example of one of those hits:

'What's the cost to the country of poor skills'?

> The government has encountered a number of challenges in this program. The quality of the houses has been a big issue. The contractors who are involved are not always competent to carry out the tasks. There are several reasons for this. However in all the cases the lack of skills on the contracting party is the main cause. As a result of this, the service that contractors have rendered has been inadequate resulting in the construction of poor quality houses. The result is that the government has had to rectify such poor workmanship in many of the municipalities. Rectification of such poor workmanship has had a huge financial impact (Dlodla, 2011:2).

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[1] This paper is an extensively revised and shortened version of an unpublished conference presentation originally delivered by the author at the First SkillzHUB Conference, Gordon Institute of Business Science (GIBS), Johannesburg, 12-13 November 2013.

In all walks of life, the lack of skills impacts on the quality of services and products and leads to additional costs, time-wasting delays and inadequate of service delivery.

WHY IS THERE A LACK OF SKILLS?

It's beyond the scope of this paper to delve deeply into the background and reasons for this situation. Suffice it to say that there is:

- o a lack of systemic and effective links between education and training and the workplace in terms of development pathways from
  - – school/college/university to work
  - – from work to school/college/university
- o a deep prejudice against the legitimacy of the workplace as a learning space
- o a supply-driven versus demand-led approach to education and training
- o a change in the nature of work in the knowledge economy and a slowness on the part of the education and training value chain to adjust in order to meet those changes.

These are broad generalisations about current systems. We should not, therefore, conclude that there aren't examples of situations where, for instance, colleges and universities of education have productive partnerships and have created those linkages. Nor should we ignore the lessons of successful learnership projects.

Initially stakeholders with an interest in recognising learning in and for the workplace hoped that the establishment of the National Qualifications Framework (NQF) would address the above problems. However, this hope was not realised. The NQF was imprisoned in an education paradigm that made it difficult to address the need for skills development. Some aspects were:

- o The nomenclature of the occupationally-directed qualifications in the NQF had to reflect a field of learning (eg electro-technology instead of electrician).
- o There was a lack of a coherent typology and structure for occupational qualifications – they had to be sliced into sequences of 120 credit qualifications at various levels of the NQF. '…the lack of a coherent set of qualifications beyond artisan level in the working context … has always been the source of argument, debate and frustration' (Department of Education & Department of Labour, 2003:17).
- o Providers had to be accredited for the qualifications and unit standards in order to award credits. Workplaces are not providers – they are sites of production and service delivery – so the workplace standard of performance did not form the basis for awarding the credits.

BACKGROUND TO THE EMERGENCE OF OCCUPATIONAL QUALIFICATIONS

With the emergence of the occupational sub-framework within the National Qualifications Framework, we have begun to shine a light on this partly hidden world and its practices and begun to focus on how we can improve the quality and efficacy of this kind of learning. Finally the South African Qualifications Authority (SAQA) is now registering fit-

for-purpose qualifications on the NQF for trades, occupations and professions. These contain a work experience component, the critical element of workplace learning.

If we want to implement these qualifications successfully, we have to get to grips with implementing the work experience component, which is structured quite differently from formal education and training programmes.

So what are occupational qualifications?

Occupational qualifications recognise competence in producing products or services within work contexts.

They relate to dimensions in the Skills Development Act, that is, to use the workplace as an active learning environment (SA, 1998:4), to provide for learnerships that lead to recognised occupational qualifications (ibid:2) and practical work experience of a specified nature and duration (ibid:20).

All general or occupationally directed/vocational education and training is simply preparation and foundational for novices. For seasoned practitioners, it will extend their horizons in terms of broader knowledge and understanding, career development, or the attainment of an educationally-based status.

Nothing other than work experience can simulate or substitute for:

- o the real-time, real-life demands of work (ie the pressure created by sometimes hostile physical environments, customers, time constraints and safety, health, environmental and quality requirements)
- o the contextual variations in the work place (eg variations in equipment, customer needs, physical conditions such as temperature, weather, terrain, and surroundings)
- o the group of individuals who co-operate and co-create to produce the products or services
- o the sense of producing something for a real customer or client at the end of the process
- o for developing occupational and professional practices.

What are the challenges to implementing occupational qualifications?

There are many factors which impact on implementing occupational qualifications. Three are discussed below

- o the negative impact of the knowledge acquisition paradigm
- o the lack of a formal work culture
- o the loss of the 'apprenticeship' culture.

The negative impact of the knowledge acquisition paradigm

The primary challenge is to change long-standing education and training paradigms and practices. The education system is still situated largely within a knowledge acquisition paradigm – skills are only incidental to the education process and many graduates coming out of the system are simply 'passive knowledge consumers'.[2] The many stories

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2   This phrase is used in a wide variety of documents, books and articles without attribution – it is therefore difficult to determine the original source.

and anecdotes of those with the responsibility of integrating graduates into the workplace attest to these difficulties. In part, this is because the education systems have based their development model on the 'front end model' (Becket and Hager, 2002) of learning (ie providing as much as possible to prepare students for any eventuality before the transition to the workplace).

Secondly, the knowledge acquisition paradigm seems to have forgotten the Ebbinghaus' Forgetting Curve (1885). Little of what students learn is retained, let alone applied in a meaningful way.

Thirdly, the veneration of the educational establishment of the Bloom's taxonomy for the cognitive domain (1956) has resulted in a skewed view of skills acquisition.

Embedded within this front-end paradigm is the reliance on text, and oral statements relating to the text. Text becomes a substitute for 'truth' – and the lecturer, teacher or learning facilitator is the carrier of this truth. The text is almost always unconditional, context-free, rule-based and very directive. Once learners who have been exposed to this kind of training have to apply the 'truth' in a work context, they find they cannot do it. They are often so overwhelmed by the abundance of situational information that they are unable to initiate any action.

The loss of the apprenticeship culture

Through the increased focus on results in organisations, an ageing workforce and the loss of skilled people, we have also lost a great deal of the 'apprenticeship' culture. This is not necessarily linked to apprenticeships, but lies in the behaviour of practitioners, supervisors and managers who bring youngsters on-board into the workplace, which requires an understanding of how to structure work for new recruits, so that they can immediately start contributing and then slowly build up their experience and proficiency in a guided, scaffolded manner.

THE WORKPLACE CONTEXT

We now shift away from the education and training context and consider the workplace context. What is it that underpins successful experiential learning? Contrast Bloom's taxonomy of educational objectives (cognitive, affective and psychomotor) and the front-end education model with the following model of learning:

Seven Learning Principles

- o Learning is fundamentally social.
- o Knowledge is integrated in the life of communities.
- o Learning is an act of membership.
- o Knowing depends on engagement in practice.
- o Engagement is inseparable from empowerment.
- o 'Failure' to learn is the result of exclusion from participation.
- o We already have a society of lifelong learners. (Henschel, 1999:1)

Peter Henschel was the Executive Director of the Institute for Research on Learning (IRL) from 1992 to 2000. The IRL studied learning in all sorts of different settings and attracted some leading researchers, as well as young researchers such as Etienne

Wenger, who subsequently became well known for his work on communities of practice (CoPs). The recognition of CoPs was one the major contributions made by the IRL into organisational and social learning systems, and the seven principles embody the type of learning happening within these communities.

The process by which new practitioners become part of the community of practice is through an 'apprenticeship', whether formal or informal. This is true not only for trades but also for all occupations, even the professions. With the exception of a handful of (mostly medical) professions, universities do not produce professionals. For non-medical professions, there is almost always another form of learning that follows the degree: graduates still have to become "appies" (apprentices), albeit by another name: interns, pupils, cadets, candidates and articled clerks, for example.

The learning component that forms the most significant part of the 'apprenticeship' is reflected in the Quality Council for Trades and Occupations (QCTO) curriculum as work experience and, to some extent, as specialised knowledge, theory and practical skills.

So why is work experience so important? Because "knowin' it ain't the same as doin' it". Work experience is based on applying your knowledge in a real-time, real-life context, and in so doing:

- o converting explicit knowledge and stand-alone behaviours into occupational practice
- o being exposed to, experiencing and making adjustments for situational and contextual variables
- o making mistakes and learning from them
- o engaging in a different learning modality, a modality where you no longer read books, but learn to read and interpret situational cues and clues
- o laying the ground-work for continuous and unremitting lifelong learning – in the sense that the IRL principles (described above) apply it, not in the meaning of continuously attending courses
- o acquiring new forms of knowledge.

The ultimate purpose of work experience is to be able to do useful, purposeful, remunerative or socially-directed work. This does not mean only the mindless application of formalised procedures in some disembodied way. That is only a sort of notional competence. The purpose of work experience is to develop proficiency and eventually expertise in the sense applied by the Dreyfus brothers (Dreyfus & Dreyfus, 1980 and Dreyfus, 1999), described further in the next section.

A five stage model of skills acquisition

Much has been made of the term 'competence'. But in this second model, which reflects workplace learning, it is but a stage in the skills development process. Skills as defined here are clearly focused on cognitive development. Dreyfus (1999) makes use of two sets of examples: one is driving a car while the other is playing chess. The first requires a measure of physical dexterity; the other is a more cerebral type of skill.

Novice

The novice

- learns the de-composed task environment free of context from an instructor
- is then given and follows rules
- applies specific rules for specific circumstances
- has a limited awareness of context.

Example: Change gears when the needle reaches 10 on the speedometer.

Advanced Beginner

The advanced beginner

- gains experience by coping with real situations
- identifies, or has pointed out, additional aspects of the situation
- learns to recognise these new aspects and begins to apply rules based on conditions
- still makes decisions by applying rules.

Example: Change up when the engine sounds as if it's racing; change down if the engine sounds as if it's straining.

Competence

These are the characteristics of the person showing competence:

- As the number of situational elements becomes overwhelming, begins to devise a plan or choose a perspective to determine which elements are relevant and which can be ignored.
- Realises understanding; and decision-making becomes easier.
- Begins to let go of the rules and maxims given in the instruction manuals.
- Discovers high level of uncertainty; coping becomes exhausting and frightening; starts to feel responsible for choices.
- May also feel a sense of relief if the situation is handled correctly, or a mistake is felt as being "in the pit of the stomach".

Example: Changes gears depending on speed of car, surface conditions, or internal time pressures

Proficient

The following characterise proficiency:

- o Only if rule-following is replaced by involvement (engagement) is further development of skills possible.
- o Positive and negative emotions, resulting from successful or unsuccessful responses, influence choices.
- o Theories of skill (ie rules and principles), are replaced by situational discriminations and associated responses.
- o Experience is assimilated in an embodied, a-theoretical way and decisions start to become intuitive.
- o Perspectives are enriched from multiple real-world experiences.

Example: The driver approaching a curve on a rainy day starts to 'read' the situation; feels, by the "seat of the pants", that the car's speed is too high, and will then decide how to respond.

Expert

The expert exhibits the following:

- o no longer relies on rules, nor makes conscious decisions but is totally immersed in skilful activity and immediately 'sees' what needs to be done based on sufficient experience of a variety of situations
- o has an intuitive grasp of situations based on deep understanding
- o displays in-the-flow decision-making (cf Csíkszentmihályi, 1990)
- o only responds consciously to novel situations.

Based on this model, the purpose of work experience is to provide the learner with sufficient exposure to, and experience of, as wide a variety of situations related to the occupation as possible. Work experience requires deliberate practice, which builds stamina by making the routines so ingrained that the need for conscious thought is reduced.

Dreyfus (1999) links these stages of development to the concept of maximal grip developed by the philosopher, Michel Merleau-Ponty. Maximal grip is about creating equilibrium between the practitioner and the practitioner's environment, where performance 'is experienced as a steady flow of skilful activity in response to one's sense of the situation' (Dreyfus, 1999:11).

Finally, the work experience goes beyond the learner as the unit of analysis. It relates to the learner in context as part of a social network of skilled activity. In work spawned by research by the IRL, Lave and Wenger describe how novices are not just 'taught', as in the Dreyfus example above, but are allowed to participate in the activities of the community of practice, starting off on the periphery (which they referred to as legitimate peripheral participation), and then as they become more competent and proficient, they move from the periphery towards the centre of the community — until ultimately, if they become expert, they can help to shape the community itself. Through participation on the periphery, they learn not only the essential task-skills but also the vocabularies and verbal codes, implicit codes of conduct, attitudes and values and the organising principles that underpin that community of practice.

For all these reasons, the importance of work experience in addressing the "skills crisis" in South Africa cannot be underestimated, nor should it be marginalised. All those involved directly or indirectly with the development of individuals and groups need to start learning about and understanding the dynamics of workplace learning.

To maximise the benefits of informal learning in the workplace, we need to consider ways of structuring work experience to enable learners to move as quickly as possible from 'novice' through to 'proficient' level.

HOW DOES ONE STRUCTURE WORK EXPERIENCE?

The goal of many educators, Learning and Development (L&D) professionals and coaches and mentors is to try and spare the learner any pain caused by uncertainty. So their approach to support learning in the workplace is to try and extend the training process and keep the learner dependent on the trainer as long as possible.

I would contend that reducing the dependency of the learner on the trainer and increasing the level of uncertainty is one of the most powerful drivers of learning in the workplace. Instead of focusing on the "poor learners" as they are so often described, rather focus on a structured set of activities that they should engage in, so that they can shift from competent to proficient; from dependency on external rules, to internal control mechanisms.

What makes such a change in approach different is that there is no standard way of codifying work experience. Hence it is difficult to construct a robust and generalised model of workplace learning. In this paper, I describe a model that has been evolving in South Africa over the last 15 years. At its core, the model is based on analysing workplaces and identifying occupationally relevant activities. By determining these activities, it then becomes possible to determine the scope of learning requirements required to achieve occupational proficiency.

In 2000, the Manufacturing Working Group (Vorwerk, 2002) explored ways of developing a generic manufacturing qualification. This was to counter the approach at the time where stakeholders were producing a multiplicity of specific qualifications for each variation in process or product. During the analysis of work unit standards that had already been developed, it became clear that most Standards Generating Bodies (SGBs) viewed the learning more broadly than simple technical competence. Learning needs were based upon a learner having to engage with the following three interfaces:

o   the learner/machine interface (technology)
o   the learner/team interface (including organisational structures and processes)
o   the business relationship interface (including customers, markets and legislation).

Over time this approach evolved further to take into account the great variability in working environments. To codify work experience it was necessary to determine the working activities using the following framework:

o   the work contexts
o   the interfaces
o   the occupational variables.

These three items are not absolute categories, but rather act as simple guidelines. They may overlap, can correlate to one another and can also result in further sub-sets, such as the following:

Table 1: Subsets and examples

	Examples
Physical settings	• Front office/back office • Surface/underground • Workshop/field service
Organisational processes	• Daily, weekly, monthly, annual work processes • Strategising, planning, budgeting process • Receiving, processing, dispatching processes • Inspection and assessment processes • Repairs and maintenance process • Recruitment, induction, disciplinary, arbitration processes
Systems	• Sales, Enterprise Resource Planning (ERP), quality, safety and health, but not just in the sense of IT systems, also the purpose, philosophy and guiding principles underlying such systems

The next step in structuring the learning process is to build these activities into a structured and scaffolded process. This is achieved by bringing a learner in from the periphery (almost as a spectator) and gradually, but rapidly embedding him/her in particular processes. The structured learning process has a didactical character, even though this is mostly 'invisible'. It can be applied to any level of work, from labourer to professional and consists of a number of stages:

o Observe and assist an experienced/qualified practitioner to do x.
o Do x under supervision of experienced/qualified practitioner.
o Do x independently, signed off by an experienced/qualified practitioner.
o Or, in the case of team-based processes, these activities can be codified as:
  – Observe and participate in x process
  – Lead x process (eg quarterly review or annual budget).

One of the difficulties in compiling a guide like this is that the examples come to be seen as absolute categories, whereas they are only triggers to analyse the work context, and other approaches are possible. For instance, the Engineering Council of South Africa (ECSA) has a 5-stage activity module consisting of

A: Being exposed

B: Assisting

C: Participating

D: Contributing

E: Performing (ECSA, 2011:17)

The underlying purpose in designing these work experience activities is to shift the aspirant practitioner from a reliance on reading texts in order to learn; to developing their senses to 'read' the work context; thus moving them from concept to percept. At the implementation level, this is a natural process in old-fashioned apprenticeships, as the following example demonstrates.

Figure 1: An armature winder and two apprentices 'taking the dope'

In the above figure the armature winder is exposing damaged coils on the stator of a large electrical motor. He then notes the number, the size and the configuration of the conductors. This process is referred to as 'taking the dope', dope here having nothing to do with drugs, but rather with the old-fashioned understanding of it: a synonym for critical information. The apprentices independently repeat the exercise and then compare results with the artisan. While the process goes on, the artisan may stand back and simply observe, or provide hints and tips. This example suffices to explain the experienced practitioner's didactical role in the learning process. This type of teaching happens in all kinds of work activity. The role of the practitioner is to:

- o *Model the behaviour* – Allow the learner to observe the whole process.
- o *Support the learner* – Repeat modelling the behaviours, correct the learner's attempts or provide feedback.
- o *Fade* – Step back and let the learner to gain confidence by going through the learning phases from uncertainty to being at ease, as well as making decisions related to the quality of the task or outputs (adapted from Collins, Brown & Holum, 1991).

From a more programmatic perspective, the practitioner will also allocate tasks that scaffold the learning (ie sequencing of behaviours and activities during the apprenticeship, by building up from the simple to the more complex).

Role of coaching and mentoring

Coaching and mentoring are terms that are often applied to these processes. But the meanings of these terms have drifted over the years and have become confused. Also, labelling people as coaches often leads them to shift from the above types of behaviour to become what I term 'surrogate teachers'. They fall back on oral instruction, admonishments and warnings.

By coaching I refer to this kind of activity:

> Coaching is the thread running through the entire apprenticeship experience. The master coaches the apprentice through a wide range of activities: choosing tasks, providing hints and scaffolding, evaluating the activities of apprentices and diagnosing the kinds of problems they are having, challenging them and offering encouragement, giving feedback, structuring the ways to do things, working on particular weaknesses. In short, coaching is the process of overseeing the student's learning (Collins, Brown & Holum, 1991).

A significant portion of the coach's work is not just to model the technical behaviours, but also to model the 'soft skills' or task management skills, such as setting goals, then planning, monitoring and evaluating the work and, finally, continuously looking for opportunities to improve. Soft skills also include social behaviours and attitudes and values (both technical and social).

The reality is that any good manager (ie one who also keeps an eye on sustainability and counts the cost of poor work practices) can act as a coach in the sense spelled out above. It is not a learning and development role; it is the essence of quality-orientated management.

Relevant assessment of workplace learning

Many trainers want to impose themselves on the workplace and 'assess' or evaluate the learner's progress. The difficulty is that they often use checklists or rubrics based on the competence category from the Dreyfus five levels of skill acquisition (Dreyfus, 1999). These checklists assess whether the learners are applying the rules that they have been taught, while on the whole the learners will have moved on to the next stage of learning and are already using what they have learned to make decisions. So this kind of assessment is not useful in the workplace. Another set of metrics is required.

What the managers and the practitioners evaluate is very simple:

- o   Is the learner-practitioner working to explicit and implicit workplace standards?
- o   Is the learner-practitioner producing the quantity and quality of product or service, within expected time-frames and in conjunction with the rest of the team?

The standards of performance that the learner-practitioner should achieve are those that are embedded in the workplace, in the overall value chain; they are driven by the demands of work (ie the customer). Learner-practitioners should be measured by their contribution to the objectives of the department they are engaged in. Ultimately all who work together are constantly learning because:

> WORK = LEARNING; LEARNING = WORK (Cross, 2007:226).

WHERE WILL WE RECEIVE GUIDANCE IN IMPLEMENTING THE QCTO CURRICULA?

The sad news is that there is going to be very little in the way of guidance, neither from the Department of Higher Education and Training (DHET), nor from the QCTO. At best, they will provide broad-brush guidelines, reinforced by conformance requirements in terms of workplace approvals.

We can still learn, however, from the remaining vestiges of the apprentice paradigm in artisan and professional training, as well as lessons learned from the implementation of learnerships in the more recent past. With the latter, we need to be cautious, since many of these implementations became 'provider-driven'. No matter how good the provider, the implementation needs to embed the learner-practitioner into the workplace. That is possible only if the manager and the team accept the apprentice into the community of practice.

To redevelop these implementation practices we have to, firstly, focus on workplace learning as a legitimate learning modality and then to find sources of knowledge and expertise to help foster and develop support for such learning. Since the mid 1990s, there has been a growing canon of literature which deals with workplace and associated learning. While these texts are useful, they do not always provide information at a practical level.

The 'teaching' style in the work place needs to shift from 'telling' to directing attention; directing learners' attention to phenomena in the external environment and to mental processes in the internal environment. This is the style of teaching that is used in a number of contexts for the real-time training of learner-practitioners: in teaching hospitals, in maintenance workshops and in process control rooms. Good coaches direct the attention of the learner-practitioner to a phenomenon. The learner-practitioner must decode it: what is it, what does it mean, what are the implications, what must I do with it, what are the thought processes that have to be invoked? It is this type of learning we have to activate in order to implement work experience efficiently and effectively and to benefit the employer, the learner and the customer.

We've been doing it for centuries; let's just start to identify best practices. At the same time, technology and social media are playing an increasingly important role in the development of work skills. Let's explore how they can augment the traditional practices.

INTERVENTIONS WHICH COULD PROVIDE SUPPORT IN THE SHORT-TO-MEDIUM TERM

The University of Johannesburg (UJ) is in the process of establishing a cross-disciplinary unit, the Workplace Learning Hub, within the Department of Industrial Psychology and People Management. Its strategy is to invite participation and harness collective energy to engage co-operative research into good workplace learning practices. As Becket and Hager (2002:101) point out:

> Practice as the basis of learning at work… It can be regarded as a new beast on the educational landscape. However, it is not a recent arrival: it has been there all along without being noticed. Practice, and the informal learning that accompanies it, have gone largely unnoticed because they do not fit easily into what has been the dominant educational paradigm.

There is a second initiative which could provide assistance in the short-to-medium term. The QCTO model will be used as a starting point to develop a Professional Practice Standard within the South African Board for People Practices' (SABPP) Human Resources (HR) Standards and Metrics strategy[3]. This Workplace Learning Standard forms part of the suite of Learning and Development practice standards. The development of this particular standard could begin to provide the necessary guidelines and metrics which will help to shape the implementation and improvement of workplace learning.

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[3]   See http://www.sabpp.co.za/about/our-projects/hr-standards-and-metrics/

CONCLUSION

This paper has outlined the importance of work experience in addressing skills shortages, as well as addressing some of the challenges of implementing and improving workplace learning. To view this challenge simply as part of the process of moving young people through education and training and into the workplace is too limiting a vision.

By structuring work experience in an intelligent and systematic fashion, we will influence the range and quality of workplace learning. It is not just an issue for the on-boarding of new recruits, but also part of a talent management strategy to support progression, career development and, ultimately, improved organisational performance in the face of constant and unremitting change, as well as disruptive technologies and business models.

Embrace learning@work – it's what truly shapes us and gives us our identity as practitioners and professionals.

RESOURCES

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'No longer going to sleep hungry': Income generation through urban 'green-preneurship', KwaZulu-Natal, South Africa

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ABSTRACT

South Africa has one of the highest urbanisation rates in Sub-Saharan Africa, and while this presents economic opportunities, it has resulted in urban poverty and environmental degradation, making urbanisation one of the greatest challenges that policy-makers face. The informal economy is proving to be a suitable urban poverty alleviation strategy for people who lack suitable qualifications to find employment in the formal sector. The paper illustrates how women from three urban communities in Pietermaritzburg, South Africa, are benefitting from informal ventures under the tutelage of an environmental non-governmental organisation (ENGO). This urban green-preneurship initiative not only contributes to poverty alleviation, but is promoting environmental sustainability and sustainable livelihoods. In so doing, the project is empowering the women economically and socially while promoting local economic development.

Keywords: *Urbanisation, environmental degradation, urban poverty alleviation, informal economy, urban green-preneurship, sustainable livelihoods*

INTRODUCTION

South Africa is undergoing rapid and intense urban growth, and is expected to be 71.3% urbanised by 2030 (Crush and Frayne, 2010; SAIRR[1], 2011; Turok, 2012). Urbanisation is one of the greatest challenges facing policy-makers (Ravallion *et al*, 2007), with more people facing sub-standard living conditions, high rates of unemployment and a lack of access to basic services. The informal economy is increasingly providing a means of addressing these challenges and is perceived as an important component of strategies to tackle poverty and unemployment in urban areas (SALGA, 2012). The informal sector is creating more jobs than its formal counterpart, alleviating poverty, promoting gender

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equality and self-reliance, and contributing to economic growth (Rogerson, 1996; SALGA, 2012). According to the South African Local Government Association (SALGA, 2012), the informal economy contributes 28% of South Africa's gross domestic product (GDP), employing over two million people.

More women than men are seeking opportunities in the informal economy, for survivalist reasons. The majority of these women are undereducated and lack the necessary skills to enter the formal economy, making the informal economy one of the few viable options for them (Qase and Annecke, 1999). According to Lawanson (2012), in an effort to address the social externalities of economic growth, government policies should promote and assist the informal economy to ensure sustainable livelihoods and lead the way to the attainment of sustainable development, a fact that was underscored in the Nairobi Forward-looking Strategies as early as 1985 (United Nations, 1985).

This article explores the importance of the informal economy to the livelihoods of marginalised urban women in three urban communities in Pietermaritzburg, KwaZulu-Natal. These women generate income from environmental services through their participation in a green economy initiative organised by a local environmental non-governmental organisation (ENGO), Wildlands Conservation Trust (WCT). The initiative contributes to efforts to reduce urban poverty, address environmental sustainability and promote local economic development (LED). Using data from questionnaires and interviews with green economy participants, this article emphasises the impacts from the perspective of marginalized women, and the implications for development practice.

URBAN POVERTY IN SOUTH AFRICA

Poverty is multi-dimensional in nature, entailing a lack of regular income and employment and poor access to basic necessities including water, waste disposal, housing, medical services, education and security. Furthermore, poverty refers to a lack of well-being, living below an acceptable standard within a community and the absence of political power (Wratten, 1995; Kanté, 2004; United Nations Environment Programme (UNEP), 2004; UN Economic and Social Council, 2007). The majority of the poor are found in rural areas; however, the number of poor in cities is increasing with continued urban development, especially in Sub-Saharan Africa (World Bank, 1997; UN-HABITAT, 2003). UN-HABITAT (2014) notes Africa has one of the highest urbanisation rates in the world, and the urbanised population is expected to more than double by 2050. It is estimated that in Sub-Saharan Africa, two-thirds of the population will be urban dwellers by 2030 (Crush and Frayne, 2010), this being caused largely by the migration of people from rural to urban areas in search of employment and other socio-economic opportunities (Wratten, 1995; Yousif, 2005).

Historically, poverty in South Africa has been perceived as a predominantly rural problem as opposed to an urban one, mostly because the country's poverty maps indicate that the population living below the poverty line is greater in rural than in urban areas (Kimemia, 2007). The South African government, however, is starting to acknowledge that while cities are centres of wealth, the number of people living in poverty in urban areas has increased as urban populations grow (Kimemia, 2007). Rather than urban life delivering the expected 'urban advantage' of better incomes and services (Harpham, 2009), increasing numbers of people live in dire poverty with poor access to basic necessities and reside in unsanitary informal settlements that increase their vulnerability to disease and 'environmental stressors' (Qase and Annecke, 1999; Yousif, 2005; Kimemia, 2007; Crush and Frayne, 2010). Moreover, the government-instituted social grants such as old-age pensions, child support and disability grants, while important for survival, have done little to reduce poverty, as the money is not

enough to pay for basic necessities and millions of people have no access to these social security grants (Kimemia, 2007; Warshawsky, 2011). Clearly, poverty has ceased to be only a rural problem and now also affects urban areas. Both forms of poverty need to be addressed (SACN, nd).

Unlike rural households, where people depend on their surroundings to meet some of their basic needs such as fuel, water and building materials, urban households 'are affected by the highly monetized nature of urban living' (UN Economic and Social Council, 2007: 1). This forces them to gain some form of income to pay for basic goods and services such as transport, water, food and rent (Wratten, 1995; Mitlin, 2004; Crush and Frayne, 2010). These expenses can lead to urban poverty being more crippling than rural poverty (Crush and Frayne, 2010). One way for urban households to earn money is to sell their labour; however, employment choices are limited by a lack of education, especially amongst women (Wratten, 1995; Mitlin, 2004). Education is often viewed as a non-essential household expenditure and female children often do not attend school; rather they stay home to assist in income-earning activities or in caring for the family as their parents work. Such action only serves to perpetuate the poverty cycle and decrease the chances of future generations' escaping poverty (Wratten, 1995; Perlman et al, 1998).

Given this lack of education, the 'low absorptive capacity of the formal sector' (Rogerson, 1996: 175), housing shortages, and the failure of wealth from economic development to trickle down to the poor, members of the urban poor are entering the informal economic sector for survival (Wratten, 1995; Dhemba, 1999; Giddings, et al, 2002; UN Economic and Social Council, 2007; Lawanson, 2012; WIEGO, nd). Viewed as 'buffers between employment and unemployment' (SALGA, 2012: np), informal jobs provide a steady flow of income for those who lack skills and qualifications, making it a suitable option for the poor, especially women (Giddings et al, 2002; UN Economic and Social Council, 2007).

There are two main types of informal economy enterprise, namely survivalist enterprises and micro-enterprises or growth enterprises (Rogerson, 1996). Given their lack of skills and training, women in South Africa tend to venture into survivalist enterprises, for example, street vending and sewing, although such endeavours earn limited income. On the other hand, micro-enterprises require some business skills, and are usually run by the owner and some family members, employing one to four workers (Rogerson, 1996). Examples include the running of a taxi business, or home-based enterprises. Unlike formal businesses, individuals within informal enterprises tend not to comply with standard business practices which include, inter alia, government registration, taxation regulations, and the acquisition of business licences or operating permits (Rogerson, 1996; Department of Economic Development and Tourism, KZN, 2013). The UN Economic and Social Council (2007) asserts that in the absence of the informal economy, urban poverty would be more severe.

GREEN ECONOMY AND GREEN-PRENEURSHIP

Green economy is the newest environmental discourse which aims to address the failures of sustainable development by taking a people-centred approach to sustainable development (UN Environment Management Group, 2011). The goals of green economy are to reduce poverty by providing new sources of income and employment through green jobs that are meant to protect the environment by creating a low carbon emission economy and to promote social equity (UN Environment Management Group, 2011). Countries such as South Africa are attempting to incorporate the concept of green economy into their policies and poverty alleviation strategies. South Africa has a high carbon footprint, due to its overdependence on mineral resources and coal-burning

electricity generation, coupled with high levels of unemployment and inequality, which makes the green economy approach a viable solution (Maia et al, 2011; Musyoki, 2012). The government has identified green economy as one of ten key job drivers in its New Growth Path of 2010 and has started taking steps to transition towards a green economy (Maia et al, 2011). Examples include large-scale programmes such as Working for Water (WfW), which creates employment for the rural poor, primarily women, by paying them to remove alien flora. Such 'payment for environmental services (PES)' initiatives are becoming increasingly popular for income-generation in developing countries, as they not only empower the poor economically, but conserve biodiversity and restore ecosystems (Musyoki, 2012).

The case study: The role of ENGOs

Wildlands Conservation Trust (WCT) is a registered non-profit, public benefit and welfare organisation based in Hilton, Pietermaritzburg, South Africa, and it is the country's third largest environmental NGO (based on income generated). Founded in 2005, its primary goal has been to create a future that is socially just, economically sound and environmentally sustainable (Aguiar, 2012) and to ensure that the poor are included in the global drive towards sustainable development (WCT, 2011). To ensure that the goal is met, the ENGO implements initiatives that are founded on the Community Ecosystem Based Adaptation (CEBA) model, which is a modified version of the Ecosystem-Based Adaptation (EBA) framework (UNFCCC, 2012). In the face of the impacts of climate change, the EBA model aims to enhance adaptive capacity and increase resilience. The model minimises the vulnerability of ecosystems and people by utilising methods that enable the conservation and sustainable use of natural resources, while restoring ecosystems (UNFCCC, 2012). Against this backdrop, WCT forged a partnership with the South African government to adopt and implement a CEBA model that integrates the aims of green economy into the EBA model. The focus of the resulting CEBA projects is to uplift the poor and marginalised community members through green job creation. In addition, the projects provide a steady and sustainable source of livelihood, and the participants are given the opportunity to contribute to the green economy and promote environmental sustainability. This is accomplished by highlighting the interconnectivity between local communities and their supporting environment (WCT, 2012) and by partnering with local communities. This joint venture between WCT and communities has resulted in 'unlocking the green-preneurship potential of the impoverished and unemployed' (WCT, 2012: 7) through:

- o cleaning of rural and urban communities by removing waste and ensuring effective waste management
- o restoration of ecosystems and creation of carbon sinks, for example, through re-afforestation of degraded areas
- o facilitating effective conservation management and advocating for the establishment of Climate Change Adaptation corridors

'Green-preneurship' refers to the green economy-based pro-poor economic development ventures WCT has embarked upon since its inception, with financial assistance from donors. The initiative is highly gender focused, with the majority of participants being women. To date, WCT has launched three types of green-preneurship activity, namely waste-preneurship, tree-preneurship, and food-preneurship (WCT, 2011; WCT, 2012).

WCT launched its green-preneurship activities in the hope of providing members of poor communities, both rural and urban, with a source of income and ways to diversify their livelihoods (WCT, 2011). The activities have been established across four provinces in South Africa, namely, KwaZulu-Natal (KZN) with seven projects, and one project each in

Mpumalanga, Gauteng, and the Western Cape. There are also similar projects in the neighbouring countries of Swaziland and Mozambique (WCT, 2012).

Waste-preneurship (Recycling for Life projects)

Waste-preneurship is a recycling initiative that encourages community members to collect recyclable waste such as plastic bottles, glass and paper from their surrounding areas for recycling or re-use. WCT weighs and purchases the waste collected from registered members at a rate of R5/kg (ZAR 1= USD 0.089, September 2014) of segregated waste. To ensure that the basic needs of the community are met, the waste-preneurs are paid in the form of credit notes (or vouchers) to the value of waste collected, rather than in cash. Cash can easily be confiscated by family members with more power than the women green-preneurs, or otherwise diverted from family necessities. The waste-preneurs are able to trade these credit notes for livelihood goods at the WCT's community 'Green Future Stores'.

Tree-preneurship (Indigenous Trees for Life projects)

Tree-preneurship is a livelihood and re-afforestation project in which WCT participants are taught how to identify and grow the seeds of indigenous trees (Coan, 2009). Once the trees have reached a height of 30cm or more, WCT purchases the saplings from the individuals or families at a rate of R5/ tree (ZAR 1= USD 0.089, September 2014). A 'barter' system is in place that enables tree-preneurs to exchange indigenous trees for livelihood support goods. As part of a waste management effort, the community members are encouraged to use old plastic bottles to propagate and nurture the trees. The saplings collected by WCT can assist with the removal of carbon from the atmosphere, making them important carbon sinks. Since 2004, WCT has been planting 300 000 trees per annum through its tree-preneurship initiative (Coan, 2009).

Food-preneurship (Food for life projects)

To promote livelihood diversification and develop entrepreneurial skills, the food-preneurship project encourages and teaches members to grow vegetables such as carrots, beans, and cabbages (Figure 1) for personal consumption and income generation. WCT provides the start-up infrastructure, and the food-preneurs plant these crops in their yards.

Figure 1: Food-preneurship

Cabbages, beans and carrots are grown by women in the communities for subsistence and for sale to other members of the community.

Currently, waste-preneurship is the most successful project of WCT, due to the immediate returns, as opposed to tree- and food-preneurship, which require a waiting period to allow the trees and crops to grow before they can be sold.

Methods

The research was undertaken on one of the seven initiatives launched in KZN- the uMgungundlovu initiative in Pietermaritzburg. Green-preneurship has commenced in a total of thirteen poverty-stricken neighbourhoods in the city of Pietermaritzburg; three of these sites were selected as study areas, namely:

- o Sweetwaters
- o SWAPO
- o Willowfontein.

The data were collected via a questionnaire survey of 120 women and semi-structured in-depth interviews that were held with key informants. These included two project facilitators at each site, an official from WCT, and the manager of the Environmental Management Unit of the Msunduzi Municipality, South Africa. The questionnaires were administered by fourteen enumerators who worked in pairs over a four-day period.

Results and discussion

Green-preneurship is a highly gender-focused initiative, as women form approximately 80% of the participants. They have few options to enter the formal economy as they lack the skills and educational qualifications. The majority of women in the study are unmarried, over 50 years of age and have primary level education. They are unemployed, depend on government grants for income to support their families and live in households with at least three dependents. The introduction of the green economy project by WCT provided the women with a means of employment and of earning an extra income to help support their families, thereby reducing their over-dependence on government grants. In the three study areas, it was evident that the majority of green-preneurs are waste-preneurs and some are involved in two or more initiatives, as this livelihood diversification enables them to generate more income. Waste-preneurship has made for a cleaner environment, as most of the waste in the communities has been collected and recycled. This has served to reduce environmental degradation, improve health, and prevent burning of waste by community members who, prior to their involvement with WCT, would bury and burn waste as a form of waste management. Though green-preneurship addresses both poverty alleviation and environmental protection, the main incentive for women joining WCT's green-preneurship initiative was financial as 'access to income and employment opportunities is critical for the urban poor' (UN Economic and Social Council, 2007: 8). Environmental protection is of secondary consideration, as the impoverished have to earn an income to meet their short-term needs and support their families before they can concern themselves with other issues.

As mentioned above, the majority of households in the study are low income and female headed, with a high dependency on government social grants. At ZAR 1 350 per month (ZAR 1=USD 0.089, September 2014), these grants are inadequate to meet basic needs, even if the women receive child support grants of ZAR 310 per month per child under the age of 18. Therefore, green-preneurship supplements their income, enabling them

to meet some of their basic needs, educate their children — in some cases, affording them a few luxuries — and empowering them economically. Moreover, their participation in this informal economy venture has ensured their food security, as many testified to 'no longer going to sleep hungry'. This is an important contribution to urban development, as urban food insecurity is one of the growing effects of urban poverty, especially in Southern Africa, where the majority of urban poor households are facing a widening food gap (Frayne et al, 2009; Warshawsky, 2011). Moreover, it is estimated that urban food insecurity will be greater than rural by 2050 (Warshawsky, 2011).

The project has enabled participants to purchase water storage tanks in some areas, such as SWAPO, where residents have no access to clean piped water. This is common in many urban areas in South Africa, where the high rates of urbanisation are accompanied by the failure of government to provide basic services (SAIRR, 2011). This is also the case with housing in the study areas, where some women are building houses with their extra income as 'they have grown impatient waiting for government's promise of Reconstruction and Development Programme (RDP) housing' (Project facilitator, pers comm, 2012). The South African government launched the RDP housing project with the aim of improving the living conditions of the poor by providing them with subsidised low-cost housing. However, while some progress has been made, lack of human and financial resources, the short supply of land on which to build the houses and corruption have meant that housing projects have been slow to materialise (Chetty, 2012). The lack of access to urban land and housing on the part of the poor is one of the major challenges facing South African policy-makers, as they are unable to keep up with the increasing demand as urban populations continue to grow (Cities Alliance, 2006; Chetty, 2012).

Like many other informal ventures, this green-preneurship initiative is faced with a few challenges. Despite the overall success of the project in addressing unemployment and inequality, the green-preneurs argue that there are too many people registered for the project, meaning that there is competition for waste collection. Many women are forced to walk long distances in search of waste to sell, adding to the project's labour intensity. This led many to complain that they were not paid enough for the environmental services they provide. Moreover, the price of waste fluctuates, sometimes reducing their monthly incomes and compromising their economic security. In view of this, an official from the Msunduzi Municipality suggested that waste-preneurship could be diversified by having the women organise themselves into co-operatives and providing them with transport to enable them to collect waste from more affluent areas, where such programmes are absent. However, there is a need for formal structures to be in place, for proper management, and for the people living in the wealthier areas to be amenable to such an initiative. If successful, this kind of micro-enterprise could grant the women autonomy in the project and empower them.

Another major issue is the questionable sustainability of tree-preneurship. With the rapid rate of urban growth, the amount of land on which to plant trees is decreasing. At a rate of 300 000 trees planted per annum, it is inevitable that there will be an excess of trees. This issue will need to be addressed in the immediate future.

Despite the challenges, many women expressed a strong desire to continue to participate in the green-preneurship initiative, due to the financial gains. The initiative has had a positive impact on their livelihoods, as it is not only empowering them economically and socially, but it is helping them to escape 'the discriminatory social structures and attitudes, at personal, community, and institutional levels that persist in deeply entrenched patterns of gender inequality' (UNEP, 2004: 13). The women in the study stated that they are now more respected in their households and communities, and they have inspired others to pursue the project. In addition, the women now have 'peace-of-mind', as their communities are cleaner and safer for their children and livestock. Furthermore, despite their financial and livelihood motivation for staying in the

project, they do acknowledge the environmental benefits of their work. They feel empowered by the knowledge that they are working to protect the environment and preventing environmental degradation.

CONCLUSION

Rapid urban growth in South Africa has been accompanied by an urbanisation of poverty and environmental degradation. Urban growth is also placing increasing pressure on government to provide basic services for the ever-increasing urban populace (UN-HABITAT, 2007; SAIRR, 2011). The urban poor are exposed to declining socio-economic conditions including high rates of unemployment, lack of education and access to basic services and poor living conditions, which have a negative impact on their health, quality of life and on the environment.

The urban poor are using the informal economy as a means to escape the poverty trap. Given the failure of the formal sector to provide adequate levels of employment, this sector is proving to be a necessary tool for urban poverty-alleviation and should be encouraged. WCT's urban green-preneurship initiative illustrates the importance of the informal economy in job creation and in promoting sustainable livelihoods. The project is striving to meet the goals of a green economy in the context of urban poverty alleviation and sustainable development. It enables the impoverished and vulnerable to generate income from environmental services, thereby promoting 'sustained environmental sanitation improvement' (Living Earth Foundation, nd: np). The project takes a bottom-up approach to poverty alleviation, thereby encouraging sustainable community development. Rather than giving the poor hand-outs and increasing their dependency, the ENGO is harnessing their skills and equipping them with knowledge to work their way out of poverty.

As urban populations continue to grow, the challenges facing policy-makers are fourfold. They have to meet the needs of the growing populations while preventing further environmental degradation, address urban poverty and ensure women empowerment and gender equality in the sustainable development agenda. Ventures like WCT's green-preneurship initiative help to address these pressing social and environmental issues. Therefore, there is a need for policy-makers and government to work with civil society organisations and the private sector to promote such informal economy initiatives and reinvigorate the 'urban advantage' that cities have begun to lose.

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Book review:
JP Landman (2013)
The long view: Getting beyond the drama of South Africa's headlines
Johannesburg: Jacana Media

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INTRODUCTION

The Long View encourages its readership to think beyond the drama of news headlines and focus on the prospects for a better South Africa (SA) on the basis that there is more to this country than the media portrays. The main premise of the book is that, as citizens, we ought to look beyond headlines and focus on 'trendlines' in our society, because the long view of our country's development stems from these.

The book begins by defining a modern and successful society as one which is able to contribute to the sustainable livelihoods of its citizens and which allows for the decent delivery of services such as health, education, community safety as well as the arts. This, Landman argues, is the kind of society that the Constitution of South Africa envisages - a society which allows its citizens an opportunity to enjoy a better life and to realise their potential. The book acknowledges that modernity is not a process without problems, however; it is a process flexible and open enough to recognise and thereafter address these problems. Landman further questions whether we can become a successful nation and still respect the traditional aspects of our lives and our culture, and if we can achieve modernity whilst holding on to the 'stuff' that makes us uniquely South African. In asking this question, the negative realities of modernity are highlighted. The process of modernising is thus viewed in the book as a disruptive one, capable of destroying cultures and values, turning old economic power relationships upside-down and transforming institutions. The book also finds itself equating modernity to a 'better life' and 'success', but maintains that one can modernise without sacrificing one's own traditions.

Overall, the predominant questions posed in this book ask whether South Africa is better off today than twenty years ago, and whether it will be any better ten years from now.

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To address these central questions, the author identifies and discusses eight factors that have to be addressed in order to create a modern, successful society, namely:

- o the economy
- o demography
- o employment
- o an open society
- o creative individuals
- o unlearning and learning anew
- o social capital
- o inequality.

The economy

The economy is said to be the foundation from which a society is built, because a modern society cannot be built without money and resources. These play a role in job creation, building of roads, provision of hospitals and community facilities. The book highlights the fact that economic growth makes social development possible. When a country or a nation becomes richer, all the promises embedded within the Constitution have a better chance of being realised, as: '… without a sound economy a country has nothing' (Landman, 2013:37). The author also argues that economic development shapes values, causing a society to develop new norms, a new culture and a new way of life. Essentially, economic development steers society in a new direction.

Demography

The author states that '[A]n essential step to modernity is to get population growth well below economic growth' (Landman, 2013:44) and postulates that to reach modernity, the nation needs economic growth well in excess of its population growth.

In South Africa, demography is shaped by three forces, namely:

- o fertility
- o mortality
- o migration.

Fertility is determined by various socio-economic and cultural factors. Whilst the fertility rate remains high (about 5 children per woman) in sub-Saharan Africa, the fertility rate has lowered (to about 2.34) in South Africa. This could be due to modernity reaching a large number of women in the country. Additionally, South Africa is reported to have high rates of mortality due to HIV/Aids, malaria, tuberculosis and diabetes. However, life expectancy has increased from 56 years to 60 years, due to improved health care services in the country between 2009 and 2011. South Africa also has a high population growth, because it is a net recipient of migrants, mainly from the rest of Africa. Given these three factors, the population of South Africa is classified as young, as it has an age median of 25. Although the population is getting older, there are still large numbers of

young people. The author highlights the implications for social stability, as most violent crimes are committed by males under the age of 35.

Unemployment

The most important factor in the development of South Africa is the growth in the number of employed people. The author poses a question about whether or not the country can actually succeed in generating 5 million jobs, as promised in the National Development Plan (NDP). The answer depends on the rate at which the economy grows, because this should result in a corresponding growth in the labour market. The political right argues that sufficient jobs can be created only by doing away with labour laws, minimum wages and minimum conditions of employment, and that when there is growth, jobs follow; while the left argues that 'jobless growth' is possible. The author asserts that growth is not enough and draws the reader's attention to three different views of the labour market, namely:

- o *the macro-economic view* (which stresses the importance of high economic growth in creating jobs, which could be the result of public and private sector investment)
- o *the labour market view* (which suggests that the labour market does not work as well as the theory says it should)
- o the poverty-inequality view (which asserts that there is a stage where growth and the market cannot help).

As the country becomes more and more modern, it is possible to have rising employment and unemployment at the same time. Furthermore, it is made apparent that economic growth alone will not solve the problems that the country faces, because what is needed is an efficient government, at all three levels.

Open societies

An open society centres on the extent to which government and citizens work co-operatively. South Africa qualifies as an open society in many respects, because it has escaped from tribal constraints and has evolved to recognise and acknowledge the importance of the individual over that of a tribe. Individualism therefore becomes an important aspect of a modern society, as South Africa subscribes to the notion that dignity and freedom; as well as a high level of the recognition of political rights, are cornerstones of society. An open society is characterised by a Constitution, civil society, courts and the media. The author also highlights examples of 'arrested' societies like Zimbabwe and North Korea. These subscribe to propositions contrary to those of South Africa. Arrested societies are those that either fade away or cease to exist when their growth and development has been stunted by a closed system. A country or society's ability to respond to challenges depends on how open or closed it is, because an open society is able to deal with problems and thus avoid stagnation.

Creative individuals

Another factor which makes a successful modern society is the presence of creative individuals, from all walks of life: they are academics, critics, idealists, entrepreneurs and champions of various causes. People who are creative are

liberated by openness and provide the leadership, vision and energy that enable a society's transfiguration. Landman highlights the number of creative individuals in South Africa, as well as the role they have played in changing our political and constitutional system. People like Nelson Mandela, FW de Klerk and Thabo Mbeki are some examples of those whose efforts have led to the initiation of something new. Through formulating new initiatives, creative individuals tackle social epidemics and ills (which manifest in the form of corrupt government officials, a poor education system, endemic HIV/Aids and so on), thus achieving a better society.

Unlearning and learning anew

Successful societies are continually engaged in unlearning and learning anew their habits, values, beliefs and art, amongst other things. This ensures a society and its culture are constantly renewing and evolving. The laws, institutions and practices of an open society create the space for learning, where individuals can act and think freely. The author suggests that when people are caught in group thinking, they are unable to challenge the status quo. Unlearning and learning anew is a process that comes naturally to creative individuals – people who are open to becoming conscious of what has passed for conventional wisdom, cultural assumption and habit. Unlearning refers to doing away with what was learnt from traditionalism, and learning anew is the acceptance of modernity as a way of progress in society. The more things stay the same, the more they fall apart. Landman encourages us to think about how South Africa would be, if it had not succeeded in unlearning and ceased subscribing to the tenets of the Apartheid regime. He cites Zimbabwe as an example of a society which challenged the process of learning anew, and as a result fell apart.

Landman points out that in South Africa, the NDP represents an interesting example of the unlearning and learning of a new process, whereby the government humbled itself by giving a report on the state of the nation that focused mainly on what was wrong. According to the author, this further demonstrates a willingness to unlearn, learn, and rectify mistakes, so as to make the country a better place. Although not everyone accepts the NDP, the open contestations of this policy symbolise the benefits of an open society.

Apart from unemployment, there are two obstacles that stand in the way of South Africa's drive to modernity: namely inequality and the lack of social capital. These are discussed in the sections that follow.

Inequality

Inequality is what prevents South Africa from building a country with a shared sense of purpose. According to the author, an egalitarian society drives modernity, because of the mobility, confidence and right to account that it gives its citizens. Inequality, on the other hand, is an impediment to development, as it is a source of discomfort and prevents people from realising their true potential and contributing to society. South Africa has a 0.7 Gini coefficient, which is said to be the worst of the BRICS countries (Brazil, Russia, India, China and South Africa). Some argue that rising inequality is a sign of progress and that it does not matter. This is countered by Dr Anton Rupert, who argues that inequality undermines the safety, stability, growth, development and the potential of society. Political development is also undermined by inequality, as it restricts people from holding politicians accountable. Government redistribution plays a

role, however, in bringing down the country's Gini coefficient. According to Landman, race and gender discrimination; the rural-urban divide; technology as well as our history, are all contributors to the inequality experienced in South Africa. Labour-intensive growth, economic growth and the implementation of policies that reach the poor are needed in order to reduce, and perhaps curb, inequality.

Social Capital

The section on social capital, or rather the lack thereof, addresses the issue of efficiency on the part of policy-implementing institutions. Social capital is defined as the relationships and networks that connect people through shared values and commonly accepted rules of behaviour, which form an unspoken bond. It is the glue that binds society. In instances where the level of social capital is low, society experiences inefficient institutions, corruption and a poor work ethic.

Reciprocity is a very important factor in a society with a strong social capital base. Because South Africa is a heterogeneous society, social capital needs to be built, since there are significant differences in the values and norms to which people adhere. "Stokvels"[15] are a successful example of visible social capital in South Africa.

Landman also highlights the fact that there is a direct correlation between the strength of a society's social capital and its economic development. High social capital results in high-performing institutions and consequently, in higher economic growth. The author also suggests that South Africa has more social capital than is generally assumed. Although the headlines have tended to paint a picture of a non-cohesive society, Landman reminds us that the media does not always paint the full picture. For instance, South Africa ranks far better on corruption in comparison to other BRICS countries. What remains a problem, however, is the high level of crime, which is often attributed to an inefficient police service or blamed on the politicians. Landman stresses that crime is often a result of people not wanting to change their values and behaviour. In the midst of all of this, however, he suggests that South Africa ought to be applauded for its general level of tolerance, which builds the foundation of social capital. It is important to recognise that as individuals, we have a role to play in building social capital. There is no "superglue" waiting to bring us together: individuals and communities need to take the initiative to build a better country.

The book concludes with three sections examining South Africa's progress towards becoming a modern and successful society. The author urges us to look back and to recognise and appreciate what has been achieved in terms of growth. He points out that if we want to experience a higher growth rate, however, we need to look more seriously at the extent to which we are implementing the NDP. The author also makes an important argument that although South Africa is categorised as a country with a low growth rate, there has been a decline in poverty; and services have been delivered to millions. This counters the notion that one cannot progress in a situation of low growth.

Landman suggests that South Africa is also seen as a country living with ambiguity, because while there are brilliant developments on the one hand, the state of affairs in some parts of the country leaves a lot to be desired. While we are modernising constitutionally, politically and economically, there are also instances of regressive behaviour caused by poor service delivery in some parts

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15 A 'stokvel' is a society formed for savings and investment purposes. Members contribute an agreed amount at regular intervals and receive a lump sum payment.

of the country. What keeps us hopeful, however, is seeing how the country has built its growth strategy on massive infrastructure development, the industrial policy action plan and other proposals under the NDP, on the basis that in order to attain higher growth, the country needs more investment, more demand, more exports and more productivity.

To conclude: the purpose of Landman's book is to challenge the notion that South Africa is on the verge of collapse and implosion and to build in its citizenry a hope for a better tomorrow. To some readers, the author may appear as overly hopeful, while others may choose to agree with the positive perspective he presents. As a reviewer, I felt that the book succeeded in making me more receptive to the reality that media reporting can occasionally be one-sided. For those who work in the field of development, it is easy to become engrossed in the drama and the frustration. We tend to become lost in constant attempts to save those less privileged than we are, to mend and remedy the state of affairs and our collapsing service levels. The book brought me back to being a practitioner, with an objective approach to practice. Yes, we are a troubled nation, but looking at how far we have come rekindles the hope we tend to lose every now and then.

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