

## Briefing Note

# Fostering innovation-driven local economic development in Bushbuckridge Local Municipality

J Francis, R Mudimeli, B Fakudze and S Sinyolo

September 2018

### Introduction

Bushbuckridge Local Municipality, one of the four local municipalities in Ehlanzeni District, Mpumalanga, approximates to more than 1 000 000 ha in geographical area. The municipality is home to about 554 420 people, with about 94% of them residing in rural areas. Furthermore, women constitute 55% of the population. The municipality is characterised by high illiteracy, poverty and unemployment rates, which are estimated at 18%, 45% and 52%, respectively. The municipality has potential to reduce poverty by leveraging on its agriculture and tourism potential. How can an innovation spur local economic growth and competitiveness in the municipality?

This briefing note's aim is to share findings of the Rural Innovation Assessment Toolbox (RIAT) initiative on how innovation can be harnessed to stimulate local economic development in Bushbuckridge. A set of three complementary tools in the toolbox were used to assess innovation potential in Bushbuckridge, and how this potential can be best exploited. The next sections presents results from the innovation value chain (IVC) mapping; the participatory evaluation, reflection and self-horizon exploratory (PERL/SHE); and the potential high impact local innovation catalysts (P-HILICS) tools.

### The local innovation landscape in Bushbuckridge: Evidence from the Innovation Value Chain (IVC) mapping tool

Understanding the current innovations taking place, the potential and gaps, is a key step in fostering innovation-driven development. Therefore, the IVC mapping instrument was used to identify and profile 104 innovative enterprises in Bushbuckridge. This mapping process occurred between September and October 2016, and was co-led by the Human Sciences Research Council (HSRC) and the University of Venda (UNIVEN). A fifth of the identified enterprises operated as informal establishments, operating mainly in the agriculture, construction, tourism and retail sectors. Approximately 27% were not registered with SARS for tax purposes. The survey results showed huge potential for innovation among these enterprises, especially in terms of adoption and adaptations. Adaption (96%), adoption (91%) and diffusion (75%) were the most evident types of innovation, which were predominantly in product (69%), process (68%) and organisational (63%) innovations. Very few (10%) of the enterprises engaged in original inventions.

The IVC mapping results indicate that there is currently innovation happening in Bushbuckridge. While the local enterprises are not producing ground breaking original inventions, they are making efforts to adopt technologies from elsewhere, and making incremental changes to these technologies so that they are suited

## Briefing Note

to their local needs. Increasing innovation in the municipality will therefore require that enterprises be exposed to new techniques, and that they continue to be encouraged to make adaptations so that the innovations effectively address local challenges. Additionally, the education and skills levels of the locals should be increased, especially in science, technology and mathematics (STEM) subjects, to build the capacity to invent.

### Platforms to foster local visions for innovation and inclusive development

Changing the local innovation landscape requires that all local actors work together in crafting a vision, while collectively sharing ideas and learning for harnessing innovation for inclusive outcomes. For that to happen, platforms that encourage networking should be created. Participatory, Evaluation, Reflection Learning/Self-reflection Horizon Exploration (PERL/ SHE) workshops, are one such potential platform.

### Approach/method

A participatory evaluation, reflection learning / self-reflection and horizon exploration (PERL/ SHE) workshop was held in April 2017 in Bushbuckridge. This workshop aimed to provide local actors with a platform to collectively produce a vision for innovation-driven local economic development for the municipality and share ideas on how this vision can be accomplished. A total of 28 local actors participated in the workshop, representing local and district municipal offices, research institutions, local offices of government departments and parastatals, private sector (business and banking sectors), NGOs and various local enterprises. The workshop, co-facilitated by UNIVEN and HSRC, involved the use of participatory techniques such as brainstorming, matrix scoring and pairwise ranking, games, stories, and group-based reflections on issues coupled with plenary discussions.

While discussing the vision for an innovation-driven local economy, many factors were perceived to be

hindering innovation. For example, it was felt that the municipality and government departments are not prioritising or promoting innovation. As such, the participants were of the view that these institutions have not created an enabling environment for innovators to thrive or be nurtured. Innovation is very risky, and innovative enterprises require adequate support, especially during the early periods. The support from government institutions, in those few instances it has come, has not been adequately coordinated. The problem is that there is poor coordination among different government departments and agencies. Other impediments to innovation included: (a) entrepreneurs' fear of taking risks; (b) laziness coupled with lack of resources; (c) dependency syndrome coupled with widespread corrupt practices; (d) inability to compete effectively; (e) lack of relevant infrastructure; (f) weak entrepreneurial culture; and (g) fear of jealous people.

The discussions led to a selection of 10 innovative enterprises in the municipality that the participants felt had the most potential to catalyse local economic development. Since the aim was to select two initiatives for further exploration, a weighted set of criteria (evidence of innovation, impact & sustainability of the initiative), developed as part of the RIAT suite of tools, was used to rank these initiatives. The ranking process resulted in the Thulamahashe pottery and Bvunza Mutupo nursery initiatives being selected for in-depth exploration using the P-HILICS framework.

### Key insights on self-reflection and innovation-driven social & economic development

The participants' deep knowledge of their local realities enabled lively and robust debates on issues relating to innovation and development in Bushbuckridge. In addition, the participation of members of the LED forum and a member of the Mayoral Committee on LED demonstrated a high level commitment of the municipality to infuse innovation in its work. This spurred workshop participants to engage more deeply when they discussed issues and ideas on how to find answers to them.

## Briefing Note

be appropriately exposed and oriented on the initiatives that were promoting innovation.

Specific lessons drawn from this workshop were:

- a) A better understanding of the shared meaning of innovation from a local multi-stakeholder perspective was uncovered. This ensures that the innovation agency of the local actors are not neglected;
- b) The in-depth interactions among different players to co-produce local visions for innovation and economic development in the local sphere was an eye opener for many. Most participants highlighted that this was the first time that business people, relevant government departments, the local municipality and research institutions had come together to deliberate, on an equal footing, on the meaning and role of innovation in LED;
- c) The power of stakeholder co-operation in fostering a culture of innovation in business practice was laid bare. However, some questions still remained unanswered. For example, how could the engagement culture experienced during the workshop spread and be sustained in broader municipal business? Were the 10 enterprises really the most innovative? If not, how can a more complete set of innovative enterprises be identified and evaluated? How can the identified enterprises be supported such that they become more innovative and also enhance their potential to achieve greater impact to the benefit of the local population?
- d) The workshop deliberations helped the participants discover that locals knew the appropriate solutions to the issues militating against effective LED and infusion of innovation into it. Creating platforms where participatory techniques would be applied can unlock this latent potential;
- e) The value of embracing and infusing innovation into integrated development planning was recognised and emphasised. Thus, it was recommended that decision making structures of the municipality should

### Catalysing LED through innovative initiatives

#### *Approach/method*

The two initiatives, Thulamahashe pottery and Bvunza Mutupo nursery, were explored further by a team selected during the PERL/ SHE workshop. This local RIAT networking committee/ consortium comprised of researchers, LED practitioners and other local actors. A focus group discussion was conducted involving members of management and the owners of the two initiatives. An interview guide, comprising open-ended questions was used to elicit responses about the innovative status of each enterprise. In addition, a guided tour of the business premises helped the consortium to gain more insights into the enterprises.

#### *Catalytic potential of the two selected initiatives*

**Thulamahashe Pottery** is a privately-owned enterprise operating from Thulamahashe, which produces an extensive range of ceramic from clay expressing local culture and painting through ceramic products (cups, plates, vases, decorations, ceramic floor tiles, etc). Youths constitute the majority of the 22 people employed in this initiative. Thulamahashe pottery has a programme that involves staff visiting local schools to transfer knowledge of pottery, in particular painting. The clay used to make ceramic products is locally available. The art rather than just ceramic in the pottery brings the essence of innovation and preserves local cultural practices. Furthermore, some of the machinery used in the factory, for example the pottery wheel, is designed in a unique way that helps meet this goal and is not available in any shop.

**Bvunza Mutupo nursery** is a privately-owned enterprise operating in Mathule village. It employs six

## Briefing Note

youths. The Bvunza Mutupo business revolves around propagating and protecting medicinal plants. Most of the plants are known, used and processed in accordance with the provisions of local cultures and traditions. The plant materials can boost the immune system and cure various diseases, such as malaria, diabetes, cancer and hypertension. In addition to this, the enterprise is involved in small-scale processing of food, medicines and the manufacturing of soap or detergents using the plants. The products are processed and packaged, taking into account local cultural preferences. Local lodges and guest houses constitute the major market for the organically produced foods and other products. Apart from it being a business concern, Bvunza Mutupo serves as a learning site for botanists and school children at no cost. Local people buy plants and plant products for various purposes, including decoration, food and repelling insects and snakes.

### Lessons to promote local innovation dynamism

The RIAT activities implemented in Bushbuckridge since inception of the initiative in 2015 underlined the importance of creating local platforms for locals to understate their potential and build visions for their local development. Central to this is the need for creating awareness within relevant key decision making structures of the municipality. Such structures should then demonstrate their commitment to embrace innovation as a key driver of LED.

It was revealed that a silo mentality among key players made it difficult to precipitate collegial relationships, which are a fundamental ingredient for sound and strong intergovernmental relations. The latter is needed to ensure that infusion of innovation into the public, private and non-profit sectors is accomplished. Most stakeholders lamented the lack of visionary leadership and administrative personnel with adequate acumen to deliver on the public service mandate. The policy of cadre development was cited as the major source of this problem. Often highlighted was the fact that pre-1994, there were many well-performing

agro-industries in Bushbuckridge. However, most of these industries have collapsed, with the dilapidated infrastructure reminding the local actors of what used to be a thriving and innovative local economy.

Although a wide range of stakeholders recognised and appreciated the need for innovation in enhancing the quality of their work, there were many impediments to achieving this. It was evident and widely accepted that innovation could only be successfully infused into municipal business through integrated development planning. Local economic development, being an unfunded mandate of the Municipality, invariably received inadequate attention and support. This makes it not advisable to use it to anchor innovation promotion activities.

Repeatedly, various stakeholders echoed the need for harnessing tertiary institutions and strengthening relationships for championing innovation activities and knowledge generation. The numerous invitations extended to the Institute for Rural Development at UNIVEN to participate in LED-related workshops, summits, contributing to the preparation of the Bushbuckridge Local Municipality LED strategy and serve in the now resuscitated LED Forum confirmed this.

Innovation within the local municipality is impeded by limited resources such as finance and equipment, inadequate capacity of the LED Office to drive innovation activities, shortage and difficulty of penetrating lucrative markets, lack of up to date and reliable information, silo mentality of government departments and limited access to opportunities due to weak networks. Poverty and outdated municipal by-laws and other regulations were cited as the major factors that made it impossible to embrace innovation.

### Conclusion

The path to successful innovation-driven local development in Bushbuckridge demands attention on promoting an innovation-oriented mind-set among all local actors. On one hand, the local municipality

## Briefing Note

government departments should innovatively create enabling conditions for innovators to thrive, with government departments and agencies working in tandem with the municipality to support and nurture innovators. On the other hand, an innovative and entrepreneurial spirit should be inculcated among the locals, and a dependency syndrome be discouraged. Indigenous knowledge has a role to play in the local innovation system, as shown by the two initiatives that were explored. There is thus a need to understand and build on local capacities, while strengthening local institutions. Creating local innovation interaction platforms is key in promoting a culture of idea sharing, knowledge co-production and co-learning.

### *Acknowledgements*

This briefing note draws from evidence obtained during the Rural Innovation Assessment Toolbox (RIAT) initiative funded by the Department of Science and Technology and implemented by the Economic Performance and Development unit of the Human Sciences Research Council as well as the Institute for Rural Development of the University of Venda. The views expressed are those of the authors and do not necessarily reflect those of any other party.

#### Authors


**Joseph Francis**, Director, Institute for Rural Development, University of Venda

**Ronald Mudimeli**, PhD Candidate, Institute for Rural Development, University of Venda

**Bhekiwe Fakudze**, Researcher, Economic Performance and Development (EPD) Research Programme, HSRC

**Sikhulumile Sinyolo**, Research Specialist, Economic Performance and Development (EPD) Research Programme, HSRC

#### **Submitted by**



Dr Sikhulumile Sinyolo  
Date: 7 September 2018