PARTNERING FOR GROWTH

EXPERIMENTING WITH WORKING TOGETHER TO UNLOCK CITY COMPETITIVENESS IN NELSON MANDELA BAY, ETHEKWINI AND TSHWANE

In many cases in South African cities, stakeholders work at cross purposes with parallel strategies, duplicated functions and even competing mandates. Within the public sector such inefficiencies are usually symptoms of complex administrative procedures and lack of coordination. Between public and private sectors, they are usually a symptom of a lack of trust and divergent interests. New ways of working together are needed to enable greater economic growth. This knowledge note outlines a programme designed and implemented in South Africa which puts the spotlight on learning-by-doing, creating environments that can nurture trust and common purpose, and gradually change mindsets. The aim is to build technical capacity, start to shift the quality of relationships, and motivate local change agents to act collaboratively on projects and initiatives that can build the competitiveness of their city.

MAKING CITIES COMPETITIVE

A team at the World Bank Group conducted a series of analyses that looked at two central questions: What makes a city competitive? And how can more cities become competitive? The resulting report, *Competitive Cities for Jobs and Growth: What, Who, and How*[i], shows that improving the competitiveness of cities can help eliminate extreme poverty and promote prosperity for all citizens.

A competitive city is defined as a city that successfully facilitates its firms and industries to create jobs, raise productivity, and increase the incomes of citizens over time. Of the largest 750 cities in the world, three-quarters have grown faster than their national economies since the early 2000s. However, several million additional jobs could be created every year if more cities performed at the level of the world's best. The primary source of job creation has been the growth of private sector firms, which have typically accounted for around 75 percent of job creation. Thus, city leaders need to be familiar with the factors that help to attract, to retain, and to expand the private sector.

The report is a practical guide for city leaders that are interested in how cities became competitive.

One particular finding caught the attention of the project team in South Africa, namely that **growth coalitions between public and private stakeholders in economic development were present in each of the successful cases studied.** In addition to collaboration with the private sector, the report also found collaborations by local governments to leverage resources from neighbouring and/or other spheres of government when faced with scarcity.

National Treasury's Cities Support Programme had identified the need for a targeted initiative in the economic development space to explore the possibilities and appetite for a collaborative approach within city administration and with external stakeholders.

Using the World Bank's Competitive Cities Executive Development programme as a foundation, a project was designed and launched in 2017 to work with a small and select group of individuals around specific economic themes in three metros (Nelson Mandela Bay, Tshwane and eThekwini). The programme aimed to incorporate technical support, team work and trust-building aspects.

THE DILEMMA OF COLLABORATION

The conventional wisdom is that we should collaborate to get things done. But the reality is that collaboration is not always the appropriate or workable solution. Knowing when to collaborate is a key skill, as shown in the diagram on the next page adapted from Adam Kahane's Collaborating with the Enemy.

Collaborating with people you already know and trust can be relatively simple. However, some situations can only be resolved

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working where: trust is lacking; relationships are fragile, conflicted or non-existent; and it is very unlikely that key players will be able to agree on a shared vision or what has caused the problem. In these contexts, collaboration is both more necessary and more difficult. In Adam Kahane's *Collaborating with the Enemy*[iii] this is referred to as stretch collaboration.

This type of collaboration creates both opportunity and discomfort. In order to work, parties need to abandon the illusion of control[iv].
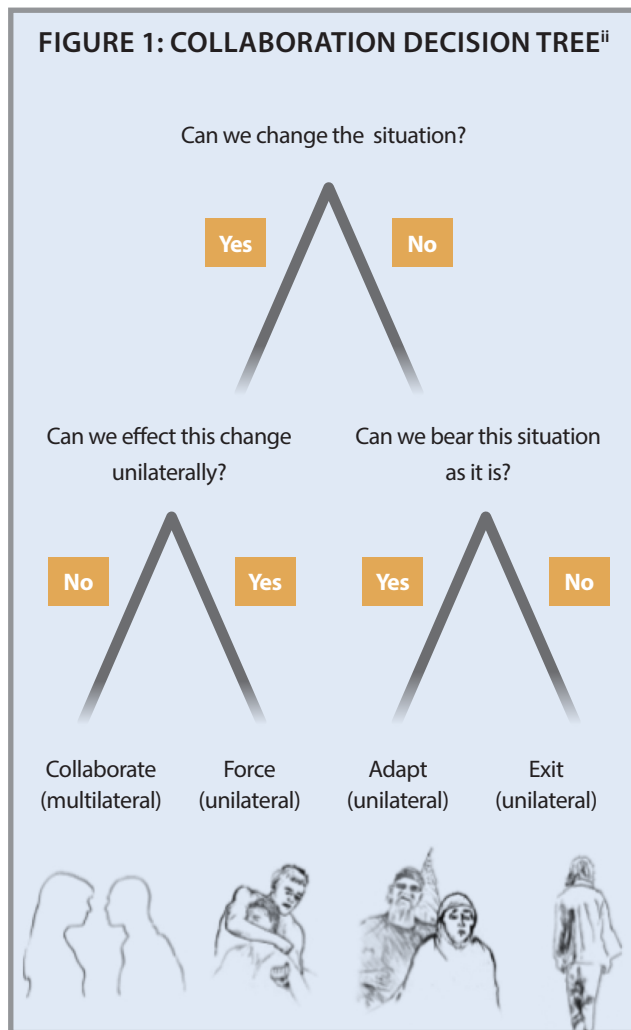
Effective stretch collaboration requires:

- *Embracing both conflict and connection* - even when one's personal tendency is more towards one or the other
- *Experimenting a way forward* – starting to do things differently without necessarily knowing the outcome, failing fast and failing forward
- *Stepping into the game* – recognising our own role as part of both the problem and the solution.

"One of the reasons why stretch collaboration is so daunting is that it requires us to undertake this kind of patient and relaxed experimentation and iteration—and to do so not only privately, like a painter or poet, but together with our opponents and enemies, on issues that really matter to us, risking having our mistakes exposed publicly."[v]

This requires a departure from the typical economic development consultative processes aimed at obtaining inputs and consensus building. It also needs to take into account the multiple interests that people bring to the table – in their institutional role, as residents of the city, as parents with hopes for their children's futures etc.

To add to the dilemma, collaboration can also have a darker meaning – the collaborator as the sell-out - and the negative collaboration found in collusion and corruption. Stakeholders may hold back from collaborating to avoid these negatives.
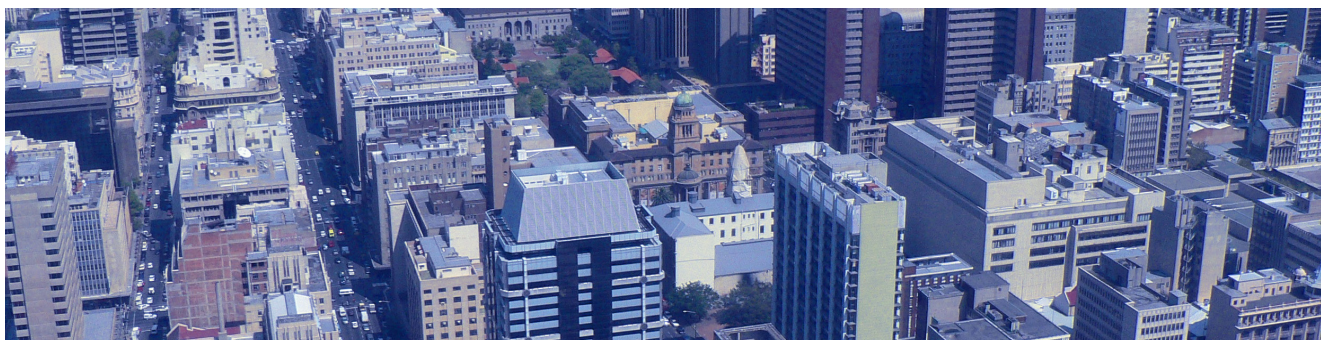

FIGURE 1: COLLABORATION DECISION TREE[ii]

Can we change the situation?

Yes   No

Can we effect this change unilaterally?   Can we bear this situation as it is?

No   Yes   Yes   No

Collaborate (multilateral)   Force (unilateral)   Adapt (unilateral)   Exit (unilateral)

collaborate
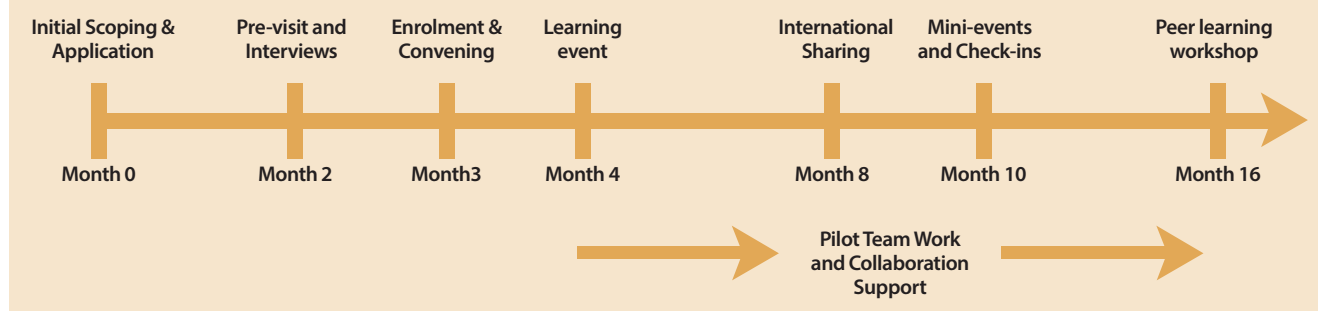/kəˈlabəreɪt/ 🔊

verb

1. work jointly on an activity or project.
   "he **collaborated with** him on numerous hotel projects"
   synonyms: cooperate, join (up), join forces, team up, get together, come together, band together, work together, work jointly, participate, unite, combine, merge, link, ally, associate, amalgamate, integrate, form an alliance, pool resources, club together
   "India has collaborated with several nations on space projects"
2. cooperate traitorously with an enemy.
   "during the last war they **collaborated with** the Nazis"
   synonyms: fraternize, conspire, collude, cooperate, consort, sympathize
   "they were suspected of having collaborated with the enemy"

This stretch collaboration framework has informed the approach to Partnering for Growth Programme.

STRUCTURE OF THE PROGRAMME

FIGURE 2: ELEMENTS AND TIMELINE OF THE PROGRAMME

Initial Scoping & Application	Pre-visit and Interviews	Enrolment & Convening	Learning event	International Sharing	Mini-events and Check-ins	Peer learning workshop
Month 0	Month 2	Month3	Month 4	Month 8	Month 10	Month 16

Pilot Team Work and Collaboration Support

SCOPING AND APPLICATION

In the application for participation, metros were asked to identify and motivate two potential partnering projects or programmes, in which joint action by public and private sector role-players would likely have a measurable impact in the competitiveness, value-added and job creation in the city.

The initial focus set out in the applications was:
- Nelson Mandela Bay: Baakens Valley and waterfront development
- eThekwini: Innovation support or industrial regeneration
- Tshwane: Tshwane Automotive City (TAC), Pyramid Freight Hub or Tshwane East Capital

PRE-VISITS AND INTERVIEWS

A team consisting of World Bank specialists, international and local staff members and a South African consultant team conducted a scoping mission in each of the cities around two months before the event. An active attempt was made to also understand elements of each city's economy and economic delivery system beyond just the narrow geographical areas identified for support in the city applications.

Through the pre-visits these focus areas were tested and ultimately refined into what was deemed appropriate for a programme of this nature, and within the available resources. The missions conducted extensive meetings with city officials, private sector role players, academia and other influential role players.

In some cases, this started with an inception meeting to brief various stakeholders and get referrals, which allowed an effective snowballing approach to obtain further references. The scoping team split into smaller groups roaming around the city and taking as many meetings as possible in the one-week period.

Based on these interactions various themes around collaboration emerged, such as trust deficits, spatial and cultural fragmentation, and lack of a shared vision for the cities.

The visits were further used as a specific opportunity to identify potential participants for the 2.5 day learning event. The selection process was not necessarily about people's formal positions or as a representative but rather identifying individuals who were recognised as change agents with strong leadership qualities, and who were passionate about contributing to their city.
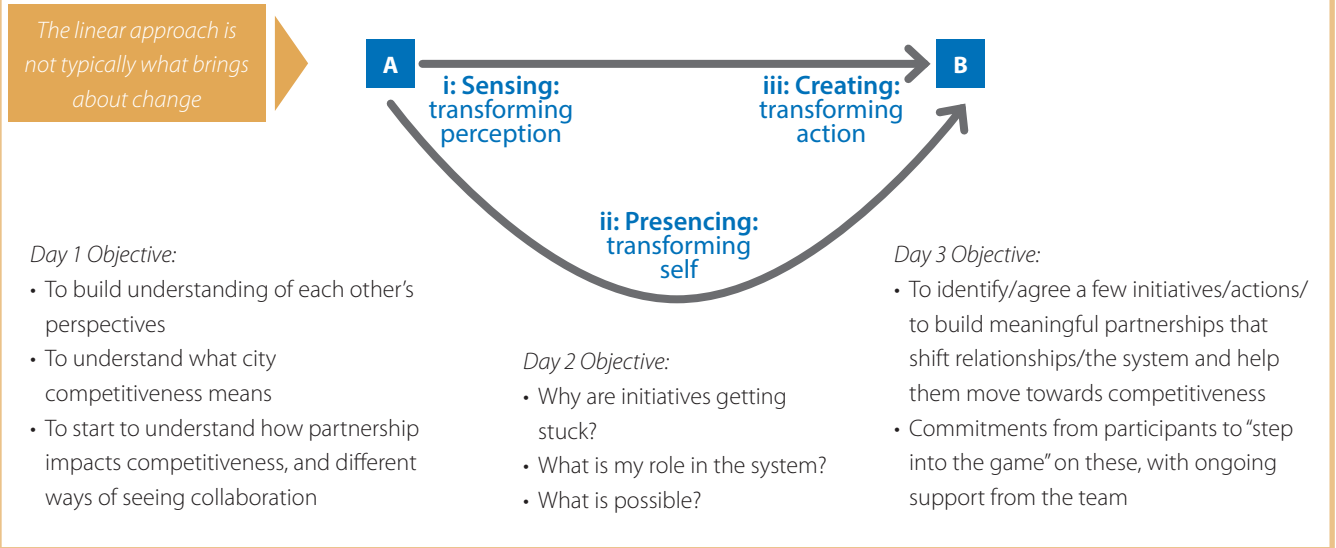
LEARNING EVENTS

The events were designed as an immersive learning experience, sharing international best practice and stimulating bottom-up action on small initiatives that will contribute to the city's[vi] competitiveness. It was also an intentional approach to break from "business as usual" and agitate the economic delivery system towards action and tangible results.

The design of the events applied the principles of Otto Scharmer's Theory U process[vii] which underlines the process of "presencing" whereby participants are encouraged to rethink their own role and potential to change and impact decisions.

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FIGURE 3: WORKSHOP DESIGN PRINCIPLES: APPLYING THEORY U

The linear approach is not typically what brings about change

A → **B**

i: Sensing: transforming perception

iii: Creating: transforming action

ii: Presencing: transforming self

Day 1 Objective:
- To build understanding of each other's perspectives
- To understand what city competitiveness means
- To start to understand how partnership impacts competitiveness, and different ways of seeing collaboration

Day 2 Objective:
- Why are initiatives getting stuck?
- What is my role in the system?
- What is possible?

Day 3 Objective:
- To identify/agree a few initiatives/actions/ to build meaningful partnerships that shift relationships/the system and help them move towards competitiveness
- Commitments from participants to "step into the game" on these, with ongoing support from the team

The learning events incorporated highly participative exercises, including role-playing, case studies, simulations, games, and active debates. The programmes were intensive from a content perspective, but also tried to create a space that allowed time to think and connect compared to the daily pressures these leaders are experiencing.

Resulting from the extensive engagements before the session, customised modules focusing on city specific issues were included.

Because of the format and purpose of the learning events, **specific conditions** needed to be in place:
- Leadership buy-in to the process
- Specialist facilitators and diversity in the contributors to enable relationship building and maintain interest
- A conducive venue (preferably residential) to allow for small group work, creative exercises, and ideally opportunities to walk outdoors
- Resources for ongoing follow-up

TYPES OF SESSIONS IN THE LEARNING EVENTS

Sensing:
- **Getting to know each other:** Starting to build relationship and break down barriers
- **Contracting:** Agreeing how to work together
- **"Cynics and believers":** Demonstrating it is fine to be sceptical or have different opinions
- **Global trends in modern city competitiveness:** Sharing insights from the City Competitiveness Report
- **Do you think your city is competitive?** Surfacing participants reasons for living, working, or starting a business in a city vs. their perceptions of why investors might choose their city
- **Who are the rivals of your city?** Building comfort in working with real economic data, analysis, and evidence-based strategy
- **Ways of talking and listening:** Providing tools on how to go from reinforcing existing positions to "generative" dialogue
- **Start-up business simulation:** Building a shared understanding of the challenges of running a business

- **Sector analysis using Business Canvas format:** Providing a tool for analysis and decision-making
- **What are the sources of innovation?** Knowledge sharing and dialogue
- **"Soft shoe shuffle":** Physically moving towards or away from a statement to acknowledge differences and build an understanding of the different perspective about the city

Presencing:
- **Reflection:** An opportunity to process and digest the content, as individuals and in pairs
- **Success stories in the city:** Helping to inspire and sense possibilities ("fishbowl" or guest speaker format)
- **System constellations:** Physical visualisation of a stuck issue with a specialist facilitator helps participants see the whole system and what might help shift it
- **City in 3D Lego building exercise:** Visualising the current

and future city surfaces divergent visions for the city, makes assumptions and blind spots visible

- **Learning journeys and shared experiences:** Taking journeys by foot or bus help participants to see their city with fresh eyes and have deep conversations with each other
- **City case studies:** Sharing the experiences of other cities around municipal economic strategy, tools and challenges (traditional written case, interview format or speaker from the city)
- **String network:** Making visible existing and desired connections, showing key nodes and institutions or individuals that need to be more included

Creating:

- **Stretch collaboration principles and coalition building for real solutions**: Sharing tools for partnership
- "**Open space**": Identifying areas of energy and groupings that have can work together
- **Back to business:** Preparing for going back into organisations / daily pressures

Photos from above:

- *Imaging the City together in Tshwane*
- *The Constellation representing the IPTS project in NMB unfolding*
- *Visualising networks in Ethekwini*

PILOT TEAM WORK AND COLLABORATION SUPPORT

On the final day of the learning event, participants had an opportunity to form groups to address issues where close collaboration was critical to unlock success. Each person chose which group to join based on where they had energy to take action. The groups were also a way to test out different ways of working together.

In each city, four to six teams were formed. Many of the teams have continued to work on their identified areas, refining the approach and team composition as they have proceeded. Others have shifted focus or wound down.
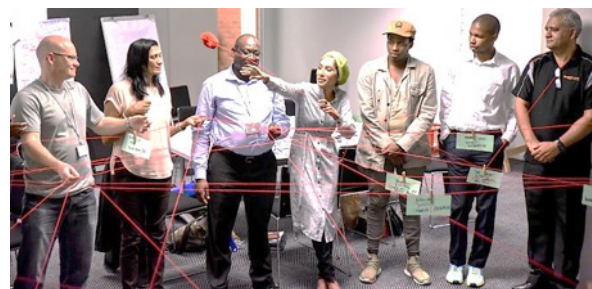
Examples of teams that formed:

- **Innovation Capital:** creating a website to brand Tshwane as a place of innovation, bringing together individuals from mLab and CSIR
- **Real Baakens Valley:** bringing together a mix of social activists, business people, municipal officials, and spatial development experts, in order to make on-the-ground progress in development of the valley
- **Kickstart Youth:** a team in eThekwini including black entrepreneurs and creatives, civil society activists, a councillor, and Innovate Durban, with technology, gaming and innovation expertise. They aim to create an integrated approach to career and entrepreneurship paths and innovation for township youth

Some common themes emerged across the cities in terms of some of the team's focus areas: data for evidence-based decision-making, integrated economic initiatives related to urban water systems, Enterprise Development and integrated township youth career/enterprise guidance (including links to design thinking and innovation).

The World Bank in-country consultant team was contracted to provide support to this programme to each city for a period of 12 months following the initial workshop. The exact format of this support would be shaped by the progress, challenges and needs of the various working groups.

Regular check-ins with the groups took place and a dedicated World Bank team member (based on individual skills matching with the topic at hand) was assigned to act as key focal point for each work group, who could also share technical resources where needed. However, the emphasis was on the teams being

self-directed. WhatsApp groups were also established in each city for the full group of participants, allowing for frequent sharing of interesting reading, local news and as means to communicate further meetings and events.

INTERNATIONAL KNOWLEDGE EXCHANGE IN JAPAN

The South African programme had a unique opportunity to participate in a global event, probably not available in the replication of the programme in future. The World Bank hosted a week-long Competitive Cities Technical Deep in Tokyo, Yokohama and Kobe, Japan. The event was hosted by the Tokyo Development and Learning Center (TDLC) and the South African programme was awarded two delegate city slots – these were filled by Nelson Mandela Bay and eThekwini. The event provided a powerful opportunity to further experience global best practice and network with city delegations from around the world, including Argentina, Chile, Romania, Croatia and Ethiopia.

MINI EVENTS

Some groups have identified key individuals in their work streams who did not attend the first event and would benefit from a shared experience and some technical information. In providing follow-up support a series of mini-events were conceived to support original participants, mobilise additional stakeholders and provide feedback of small group progress into the larger group (especially in the case of eThekwini). These mini-events are planned in a similarly exciting format as the original workshop, possibly allow for new ideas and groups to emerge and giving some space to the existing and new groups to convene.

PEER LEARNING EVENT

A key feature of the city level work in South Africa has been a strong focus on peer learning. This is informed by other research that indicated in e.g. the business regulatory environment, if cities could learn from best practice in other South African cities, they may move towards global best practice more quickly.

This peer learning event will bring private and public-sector participants from three participant cities for a further learning experience. The aim will be to share within the group practical lessons, harvest these for future programmes and possibly the global World Bank knowledge platform, and finally also feed into a possible second phase of the programme from July 2018.

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OBSERVED CHANGES AND INITIAL IMPACTS

For change to take place, shifts are needed at various levels:
a.   Knowledge/understanding
b.   Relationships
c.   Actions or behaviour

The changes at these three levels, as well as early signs of the impacts for the city are set out below. The nature of this approach has been to shift deeply entrenched cultures, often supported by bureaucratic systems.

a.   Changes in understanding

Some examples of the feedback on changes in knowledge and understanding (both immediately after the workshop and in later interactions) include:

> *I now know that we don't know where we want to go as a city*

> *I can't forget the basic question of "what is the problem you are trying to solve"?*

> *We need to think about which cities we are comparing ourselves with, and what data we use to compare*

> *Stretching feels vulnerable - get over it - it helps*

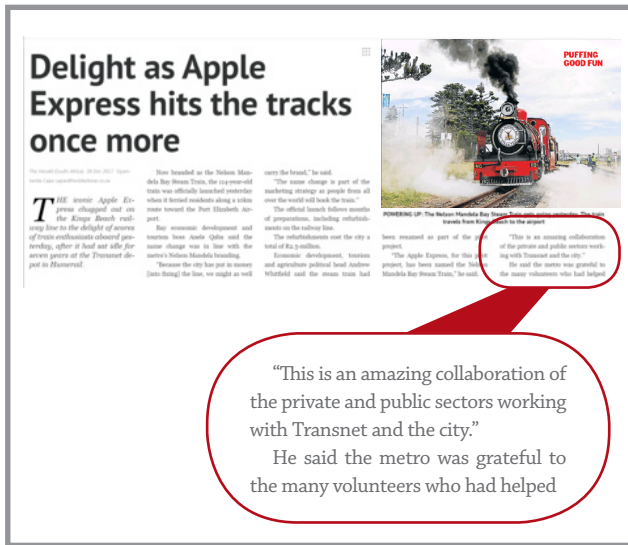b.   Changes in relationships

New cross-stakeholder relationships have started to form beyond previous networks, and trust has deepened. However, for many there is still a tendency to work with those where there was established trust and cultural understanding, demonstrating that it takes time to shift relationships and shift old patterns.

c.   Changes in behaviour

Participants have started to share information and tools, and include other stakeholders in their processes, which is helping to unlock opportunities and improve the effectiveness of initiatives.

INITIAL IMPACTS IN THE PILOT CITIES

In Nelson Mandela Bay, the impacts started at a small scale but are now rippling through the city. For example the "Real Baakens Valley" team has made on-the-ground impacts around storm water drainage, and the concerted effort to work together around the Apple Express re-launch included numerous participants from the learning event[viii]:

Delight as Apple Express hits the tracks once more

THE iconic Apple Express chugged out on the Kings Beach railway line to the delight of scores of train enthusiasts aboard yesterday, after it had sat idle for seven years at the Transnet depot in Humerail.

Now branded as the Nelson Mandela Bay Steam Train, the 114-year-old train was officially launched yesterday when it ferried residents along a 10km route toward the Port Elizabeth Airport.

Bay economic development and tourism boss Anele Qaba said the name change was in line with the metro's Nelson Mandela branding.

"Because the city has put in money [into fixing] the line, we might as well carry the brand," he said.

"The name change is part of the marketing strategy as people from all over the world will book the train."

The official launch follows months of preparations, including refurbishments on the railway line.

The refurbishments cost the city a total of R2.5-million.

Economic development, tourism and agriculture political head Andrew Whitfield said the steam train had been renamed as part of the pi project.

"The Apple Express, for this p project, has been named the Nel Mandela Bay Steam Train," he said.

"This is an amazing collaboration of the private and public sectors working with Transnet and the city."

He said the metro was grateful to the many volunteers who had helped

POWERING UP: The Nelson Mandela Bay Steam Train gets going yesterday. The train travels from Kings each to the airport

PUFFING GOOD FUN

"This is an amazing collaboration of the private and public sectors working with Transnet and the city."

He said the metro was grateful to the many volunteers who had helped

One of the teams has also created **a network to share information and lessons amongst black entrepreneurs and township youth**, and start exposing individuals from within this group to international business environment, and approaches to business development support, through participation in trade shows and international trips.

In eThekwini, one team has **initiated a cross-silo problem-solving methodology within the metro**, starting with traffic signal vandalism; demonstrating an approach that can bring results with no additional cost. The Kickstart team is **coordinating a range of initiatives by its members**, including gaming for young women, participation in the innovation festival, and a **programme for township youth to engage with city decision-making, entrepreneurship and different career paths.**

In Tshwane, one of the groups has been active around **promoting data sharing in the city**, which as a spin-off has also begun to look at **how national institutions based in Tshwane engage with the city**. The Capital Collective Initiative, in existence before this programme, aims to bring together a diverse group of city stakeholders to collaborate on events that enable people to experience the sights and sounds of the city in fun and interactive ways. The network of civil society organisations and individuals is diverse. Using social media, markets the initiative **#LoveMyHood** is aimed at **building pride, connection and collective ownership for the city.**

DILEMMAS THAT NEED TO BE MANAGED

Because this programme aims to shift the dominant culture of collaboration, it has surfaced a range of dilemmas that will always exist, and therefore need to be managed:

- Working within formal institutional mandates and processes vs. personal passion and voluntary time commitments as a "friend of the city"
- Self-interest vs. collective interest
- Individual vs. institutionalised change
- Service provider vs. partner relationships, and how these fit with good supply chain management practices
- New project ideas emerging from the process (which may require additional effort to build support for) vs. supporting ongoing and existing projects (which might not be innovative enough to shift behaviour)
- Collaboration as cross-sector and involving private sector vs. cross-silo internal coordination within bureaucracies
- Building relationships in the existing group that have shared a transformative experience vs. openness to a wider circle
- Managing communication of results through collective vs. individual channels

REFLECTIONS

The programme has played out very differently in each of the cities, with different levels of shift in behaviour in relationships and longer-term energy to try to shift wider partnership behaviour/ practices in the city. As the approach adopted was counter to the prevailing dominant collaboration culture in cities, this is to be expected. Even if some of the observed shifts appear small, the key learning is that it is possible to do things differently. Supporting a different way of being and relating is an immense task, and requires the requisite resources, skills and capacities.

The project team and participants have reflected on contributing factors.

NATURE OF THE CITY

- Smaller cities seemed to benefit more, perhaps as the role players were more able to build relationships after the event, effect change amongst their networks that influence the city, and there were fewer parallel initiatives/diffused efforts
- A greater sense of crisis in the city may help stakeholders shift from "business as usual"

INITIATION AND CONVENING PROCESS

- The seniority of the initial buy-in to the process matters – where the proposal without this convening power, the process did not seem as effective
- A kick-off meeting with wide stakeholder participation helped ensure broader referrals
- Having a larger group, and widening the pool of participants beyond "the usual suspects" who already knew each other seemed to increase the energy; convening through multiple networks rather than one source assisted with this

- Investing time in actively targeting key people to make sure they attended yielded benefits
- Participation by the city manager, councillors within the economic develoment portfolio, and key university and business leadership has supported diffusion of the changes into the city
- In some cases, individual participants had the skills, experience and networks to apply the learning and navigate the system, which resulted in their shift in mind-set having a far more substantial impact on the system
- Securing the venue early is ideal, and should preferably be residential to enable deeper relationship building

LEARNING EVENT FORMAT AND CONTENT
- Quality of an intervention is closely linked to the capability and internal state of the facilitators
- People started with very different levels of economic knowledge; it is therefore important to design the programme for a variety of levels, as well as different learning styles (individual vs. group, visual, auditory and written, intellectual, emotional, relational, systemic)
- Similarly, having a variety of contributors was useful as people might connect with some but not others

- The sessions that enabled participants to observe and reflect on the city together with fresh eyes (learning journeys) seemed to be especially powerful

PILOT TEAM WORK AND ONGOING SUPPORT
- The responsive approach to support was useful for some, but others found it difficult to maintain energy with the self-directed team approach given other commitments

CONCLUSION

This experimental programme has demonstrated the potential impact of shifting the approach to collaboration in cities through providing individuals with tools and knowledge, building relationships, and finding new ways to get things done together. It is time-intensive in the initial phases, and requires a range of skillsets in terms of facilitation, technical scoping, and bringing the right people to the table. However, it can have a high impact with a relatively low-cost for implementation, as small changes can spread into institutional cultures and city systems over time. It has already started to reframe city economic development as a shared responsibility.

i.   Kilroy, Austin Francis Louis; Mukim, Megha; Negri, Stefano. 2015. Competitive cities for jobs and growth: what, who, and how (English). Competitive cities for jobs and growth. Washington, D.C. : World Bank Group. http://documents.worldbank.org/curated/en/902411467990995484/Competitive-cities-for-jobs-and-growth-what-who-and-how
ii. Adam Kahane (2017) Collaborating with the Enemy How to Work with People You Don't Agree with or Like or Trust, p.47
iii. Ibid
iv. Ibid
v.   Ibid, p. 82
vi. In this programme the term "city" is used in its broadest definition encompassing the geographical area and all stakeholders (private, public, civic society, etc.). This is not to be confused with the common practice of referring to the local government as "the city".
vii. Scharmer, O. 2016. Theory U: Leading from the Future as it Emerges, Berrett-Koehler Publishers; 2 edition
viii. https://www.pressreader.com/south-africa/the-herald-south-africa/20171228/281517931493809