



# LOCATI- Newsletter

No. 5, February 2003



Between February 17<sup>th</sup> and 28<sup>th</sup>, 2003, we will conduct the next round of LED-related workshops in a number of locations in Mpumalanga. The following table gives you an overview of our planned activities.

Place	LOCATI activities in February 2003
Highveld East (Govan Mbeki)	<ul style="list-style-type: none"> <li>• Start of new sequence of Youth Workshops</li> <li>• Training of Youth Facilitators</li> </ul>
Middelburg	<ul style="list-style-type: none"> <li>• Workshops with entrepreneurs of the Stainless Incubator and Something out of Nothing collaborators</li> </ul>
Barberton	<ul style="list-style-type: none"> <li>• Meeting with the municipal LED team</li> <li>• Youth Workshop at EIBC</li> </ul>
LOCATI Network	<ul style="list-style-type: none"> <li>• Meeting in Barberton on 26 February.</li> <li>➔ Main topic: What is a good LED project?</li> </ul>

## Would you pay to attend a Local Economic Development Forum?

At the last LOCATI Network Meeting in November 2002 we started with a provocative question: How would you **justify an entrance fee** to meetings of your Local Economic Development Forum (LEDF)? The reasoning was simple: Participating in an LEDF involves a cost – not in terms of a fee, but definitely in terms of time. You don't want to limit participation in the LEDF to persons with little time constraints. Rather, you want to have a strong participation of key stakeholders, and particularly these tend to suffer from severe time constraints. Therefore, it is essential to make the LEDF's deliberations relevant and exciting, since otherwise people will vote

with their feet, i.e. only appear at LEDF meetings if they have nothing more pressing to do.

At the Network Meeting in November the participants identified three types of benefits of an LEDF: tangible benefits, facilitating factors and a vision. **Tangible benefits** include practical results, networking, mobilisation of resources, and learning & capacity building. **Facilitating factors** include the benefits of a bottom-up approach to a topic, as is usually done with LED by the LEDF. Apart from this positive "ownership effect" for the topic and issues at hand, a further facilitating factor is the organisation of sectors within the LEDF. "**Vision**" means

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formulating a shared goal for the LED process.

Do these benefits automatically emerge from an LEDF? Not quite. A lot depends on the structure of the LEDF and the way it operates. Some of the most important issues in this respect are the following:

- Is the LEDF driven by government or by the private sector?
- What is the level of participation of the private sector (and different groups within the private sector)?
- What is the scope of stakeholders involved in the LEDF; in particular: to what extent are stakeholders with other than primarily economic objectives represented and active in the LEDF?
- What is the operational structure of the LEDF: are there sectoral or thematic working groups?

While the decisive issues are easily identified, unfortunately, there are no straightforward messages regarding these:

- If the LEDF is driven by government, it may become a vehicle for political interests – to the detriment of economic criteria. If the LEDF is driven by the private sector there is a risk that the interests of existing businesses are dominant – possibly to the detriment of other legitimate objectives such as black

empowerment and promotion of entrepreneurship.

- If the LEDF consists mostly of business representatives, it may pursue too narrow an agenda. But if a huge variety of stakeholders are involved, this is likely to lead to a confusion between economic, social and political goals, which at the end will hinder and stall any decision-making process in the LEDF.
- It is undoubtedly crucial to have working groups within the LEDF. But what is the appropriate structure of these working groups? Should they be organised according to sectors, themes, or concrete project ideas? Each pattern involves trade-offs.

The only clear-cut message from the workshop was this: It is very useful for local LED practitioners to have an opportunity to discuss these issues with practitioners from other places. The LOCATI Network Meetings are a rare opportunity in this respect – and, given that the issues and trade-offs involved in LED are difficult and challenging, we can expect an important value-added from these meetings.

*Good-bye, Richard,  
and all the best  
for your start in  
New Zealand!  
We'll miss you!*



## Topic of the Month: LED Management

### Why management?

Why should actors of a municipality engage themselves in management issues when they start a project? At the beginning when everybody is very willing to participate things seem easy and without problems. However, processes – especially in the case of LED – become complex very quickly and, in a way, “nasty”:

- **Content:** A project involves a wide range of issues, tasks, resource questions etc. So there are topics to be clarified and decided upon.
- **People** in networks: A variety of individuals and groups are involved in any given project. There is not only the question of how to coordinate them and their different tasks and how to define clear responsibilities etc., but also how to motivate these actors – or at least not to de-motivate them. This is often the most important task for a project-manager – including the management and resolution of conflicts which will (and in fact must) arise, in a cooperation between committed people.

So the answer is straightforward: Process and network management makes work much more efficient and successful. The time and resources one invests at the beginning of and during a process to consider basic management

questions will certainly be worth it to save resources.

### How to think of LED-management?

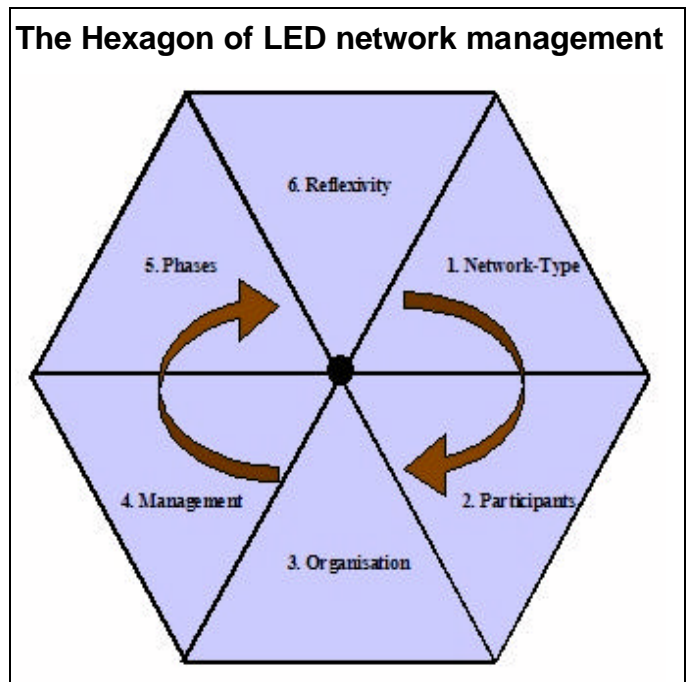
LED and its management seem utterly complex. There are 6 guiding questions in order to approach LED-management systematically – it’s another “Hexagon”, now regarding LED-network-management:

1. **Type of network:** What is the purpose of the network? What are the social and economic relationships? How are people interacting?
2. **Participants:** What kind of personalities are involved? What are their interests and their resources?
3. **Organisation:** What is the governance structure of the network? How do you steer, communicate and decide within the network?
4. **Management:** How do you facilitate? What about mediation of conflicts? What about monitoring and process management? How do you work towards milestones and goals?
5. **Phases:** Every process has a timeline; in which phase is the LED-network? And where is it heading?
6. **Reflexivity?** How do you as a network learn and improve your work? Do you reflect the typical dilemmas of network processes?

The core aspects of management in the sense described above are these:

- Think of an *LED initiative as a process*. Such an initiative does not follow a defined sequence of steps in a set chronology. Processes are iterative, i.e. they go through a series of steps and repeat and review, alter and push ahead these steps and issues.
- Think of *process-management as knowledge-building* that comes up with innovations through joint learning processes. That is why you pull together a range of stakeholders in order to get a better understanding of issues and be able to formulate a sound strategy.
- *Monitor and analyse the setting* in which you run a project. Who are important stakeholders, what are the power relations among these like? What interests are involved?
- Work in a *participatory manner* with the people involved: develop a common understanding of the project-goals and agreed-upon milestones.
- *Share information* in regular steering committee sessions and project-meetings
- Set up *review-teams* to monitor and continuously fine-tune both the project and its management structure.

As described, process management is closely linked to essential issues of networking and the participation of stakeholders. But one can push this even further and look the specific management of network themselves:



A “network” should always be seen and managed as a project in its own right: Unless a “network” is conceptualised as a project, understood as a process with clear goals, defined tasks and responsibilities, it will not function fully and successfully.

*We appreciate any feedback, questions or ideas you may have:*

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