

# Conclusions

Erika Kraemer-Mbula  
Institute for Economic Research on  
Innovation (IERI), Tshwane, South Africa

## Outline of the presentation

- 1. Exchanging experiences:** similarities and differences between Brazil and South Africa
- 2. Important lessons from the LIPS**
  - 2.1. Methodological lessons
  - 2.2. Policy lessons
- 3. Ongoing questions**

# 1. Exchanging experiences

- **Brazil and South Africa share many realities but there are differences too**

- **Similarities**

- Socio-economic challenges
- Policy sphere
- Production system

- **Differences**

- Socio-economic challenges
- Policy sphere
- Production system

## (a) Shared socio-economic challenges

- Largely **unequal societies** (social, regional inequalities) – Economic activity is highly localised in a few dynamic regions
- Structural **diversity**
- Fast GDP growth based on the performance of a few industries – high **concentration** of production
- Persistent **poverty** and extreme poverty
- The needs of large segments of the population remain **“invisible”** and unattended
- Large degree of **informality** in economic and social activities
- Some segments of the population have limited access to **education, health and social services**

## (b) Shared political context

- Broad policy focus is on **investment, innovation and exports**
- Recent policy **explicit interest** on innovation systems **and local economic development**
- Growing **public social expenditure**
- Gap between policy formulation and policy **implementation**
- Shared political history of “**emulation**” of policy prescriptions from more mature capitalist economies – neoliberal trend? Focus on global competitiveness sometimes at the expense of national social goals.

## (c) Shared productive systems

- Similar **sectoral composition**
- Trend of **de-industrialisation** – growing imports of manufactured goods and the implications in the local productive activities
- Historical dependence on **extractive industries** exports and natural resources (commodities)
- **Remaining infrastructure** challenges
- **Subsistence activities** still play a large role in national economic landscape

## (d) Shared global context

- Current context of **global financial crisis**
- Face the same **global challenges**: climate change adaptation, environmental and energy
- Emerging of **new production regimes** as the result of global forces (crises and globalisation)
- Part of the **fast growing “South”** emerging economies – rising contribution to the global economy
- **Increasing mobility** of people, financial, information, good and services

## (e) Different socio-economic challenges

- **Achievement in unemployment have been different.** In South Africa remains a endemic – job creation is a major challenge. Brazil has managed to reduce unemployment as a fast rate over the last decade.
- **Achievements in income distribution** at different rates – Brazil has made sizeable advances in income distribution (minimum wage differentials, etc)
- **Different degrees of civil society participation** – In Brazil we saw an increasing level of civil society participation

## (f) Differences in the policy context

- Brazil has made substantial changes in moving away from **neoclassical policy prescriptions**. Further efforts seem to be needed in south Africa
- Brazil has **social inclusion** at the centre of government policy
- In Brazil **regional integration** is also a main policy concern
- South Africa history of democracy is shorter – Apartheid **legacies** on spatial structure, skills development and government coordination
- In South Africa: lacking a **shared analytical framework** to formulate policies issues around LED and innovation systems – ideology-based and evidence-based policy?
- In South Africa there is a **disconnection** between local, regional and national policy levels
- In South Africa: **Contestation rather than coordination** of policies (industrial, economic, social, etc)

## (g) Differences in the productive systems

- The informal economy is not only invisible but penalised in South Africa

## 2. Lessons from the LIPS approach

### *Methodological lessons*

- **Social inclusion** is not a consequence but a pre-requisite for sustainable and inclusive development
- Innovation and production activities involve **multiple actors** – not only companies but also governments, universities, NGOs, farmers, civil society, etc
  - Some actors and activities in developing countries are largely “invisible” to policy
- Importance of **gathering data** and mapping activities at the local level in order to dynamise local productive and innovation systems in multiple regions in Brazil
- Important to **contextualize analytical and policy frameworks**

- Complex and **dynamic interactions** amongst multiple actors must be seen at the local level
- Importance of **building up from where you are** – identify what activities are going on in the local environment and find out best ways of supporting them (search for complementarities).
- **All sort of knowledge are important** – formal, informal, traditional, etc
- Important to associate **economic and social development**

### *Lessons for policy research*

- Important to **find new ways to look**, think and implement policies for production and innovation development, -- capturing the importance of different types of knowledge (technical , non-technical, traditional), and inclusive of multiple actors and sectors.
- **One size does not fit all** -- Need to contextualize analytical and policy frameworks
- Policy making must be **a participatory and multidimensional** process – difficult but not impossible!!
- Policy can be a main force to **enroot sustainable local development**
- The **territorial dimension** is CRITICAL – the differences across regions in terms of the technologies and productive structures call for new orientation of policies
- Social and economic policy must be defined as development policy

- Importance to **explore and synthesise theoretical perspectives** towards developing an analytical frameworks that are relevant for the context of South Africa – accounting for the diversity and inequality
- Policy must **address territorial imbalances** and foster integration – address the distinct challenges of each region
- Policy must be **dynamic** and respond to changing social and economic needs over time
- Importance **of policy coordination** – local, regional and national levels

### 3. Ongoing questions

- How do we create the capacities to gather and consolidate data?
- How do we create the capacities at the government level to assess data and develop evidence-based policies?
- How do we create incentives that reflect the local needs?
- How can we develop appropriate indicators?
- How do we convince policy-makers that it is important to start this process?
- Importance of sharing experiences amongst BRICS countries