

GOOD PRACTICE

Reggio Emilia South Africa - From solidarity to economic development

ORGANISATION: Municipality of Reggio Emilia

TOPIC: International Partnership

TOPIC OF THE GOOD PRACTICE

Reggio Emilia established institutional relationships at the political, social, educational, cultural and historical level with South Africa, by creating a stable relationship of collaboration and trust that enabled them to extend their relationship to the economic level. This partnership supports also the internationalization of local enterprises without overlooking the needs of development and growth of the African country.

DETAILED DESCRIPTION OF THE GOOD PRACTICE

The relationship with South Africa dates back to the 70's and it is linked to the support that Reggio Emilia provided to the struggle against apartheid (in 1977 the city signed the Pact of Solidarity with the African National Congress). The main areas of action are the city of Johannesburg, the Gauteng Province in general and the Eastern Cape Province.

In the last 40 years Reggio has implemented agreements, partnerships, initiatives in different sectors with the African partners.

In order to underline the depth of Reggio Emilia and South Africa relationships, since 2011 the Municipality of Reggio Emilia has been developing initiatives aimed at gathering the documentation on the relationships between Reggio and Africa (Reggio-Africa Archive) and creating a place for discussion and debate between the local realities actually collaborating with African countries (Reggio-Africa Table). The Table is a network open to all stakeholders interested in Africa, with the aim of coordinating actions, developing synergies and implementing initiatives. The Archive represents, in our experience, a competitive advantage in terms of institutional relations, visibility and confidence. The importance of the relationships with the African country is witnessed mainly by the multi-sectoral and multi-level character of the exchanges.

There are numerous areas of collaboration in which the city is engaged along with other local stakeholders, including the E35 Foundation (agency for European and international promotion, participated by the Municipality and other local stakeholders), the Chamber of Commerce, CRPA (Research Center on Animal production), Legacoop Emilia Ovest (association of cooperatives) and the University of Modena and Reggio Emilia and with South African partners such as municipalities, local and national authorities, development agencies, research centers and cultural and social institutions.

The cooperation and solidarity projects developed by the city of Reggio Emilia over the years have touched several areas, notably: Art and culture, with exhibitions and exchanges in Reggio Emilia and South Africa; Education and training based on thematic networks and bilateral relations (Reggio Children, the Education Department in South Africa, Municipality of Ekurhuleni, High Schools and Universities in Reggio Emilia and South Africa); Sport, with the exchange of young athletes, agreements between Rugby Reggio and Lions Club Johannesburg teams, the involvement of enterprises in Valorugby project; Exchanges and relations between Reggio Emilia's and Gauteng Province's cooperative sectors and with the Ministry of Cooperation Governance and Traditional Affairs of South Africa; Cooperation in the fields of food processing and agriculture, also through the exchange of chefs and schools.

These institutional, political, social, cultural relationships gave birth to new contact in the economic sectors and to initiatives aimed at promoting the culture of internationalization:

- The promotion of Reggio Emilia's values, expertise, products and services through the definition of internationalization processes.
- Support to enterprises in creating partnerships in new markets and/or strengthening the existing ones.
- Opening of new internationalization routes based on pilot projects envisaging new perspectives for the South African Black Economy in the fields of automotive, agro-industry, energy and environment.
- The formalization of initiatives, relations, past interventions for the realization of economic actions.

Nowadays, this approach has culminated in the preparation and implementation of the following 2016/2017 initiatives: Growing Together: towards South Africa. The city of Reggio Emilia (in particular the E35 Foundation and the Municipality), in collaboration with the Emilia Romagna Region, has implemented a project for the internationalization of the local and regional SMEs aimed at creating a stable and innovative economic partnership. Moreover, the project formalizes the actions taken in previous years in the fields of agricultural mechanics, mechanics in the agro-industrial sector, agriculture and agri-food, energy, environment, water resources.

The economic actors and the local companies involved in the project were followed in the definition of targeted "package" proposals and services for the South African demand, also through training activities, consultation on site, coaching to businesses.

In particular, five preparation meetings were organized to understand the needs and the interests of the local partners in South Africa; several b2b meetings between fifteen Reggio Emilia enterprises and advisors (belonging to Grown Consulting - south African development consultancy - and the Gauteng Growth and Development Agency) to analyze the enterprises' competitive positions in the target areas; meeting in Reggio Emilia and in the Emilia Romagna Region with six high representatives from South Africa.

In 2016 the Municipality of Reggio Emilia, in collaboration with the E35 Foundation and the Emilia Romagna Region, promoted and organized a mission to South Africa aimed at developing economic and cultural relations in the fields of education and territorial promotion. Other local actors involved in the mission were the University of Modena and Reggio Emilia, Municipal Institution for Infant-toddler Centers and Preschools of Reggio Emilia, Istoreco (research center on history and contemporary society), economic organizations such as Unindustria and Legacoop. Moreover, the mission saw the participation of enterprises operating in the Agribusiness, Mechanical-Mechatronics, Waste Management and Renewable Energy fields. During the mission, the delegation visited Johannesburg, Ekurhuleni and Pretoria.

The economic part of the mission concerned the participation in the Italy-South Africa Summit promoted by The European House - Ambrosetti, with the aim of strengthening the strategic partnership and business with South Africa and favoring a closer interaction between senior decision makers. The Summit also promoted the creation of an exclusive community of business leaders to stimulate business through sessions, meetings, business and logistics hub visits aimed at creating partnerships between institutions, companies and research centers in several areas such as: the competitiveness and sustainability in agribusiness; the cooperation in the energy sector (in particular renewable energy and natural resources); the definition of strategic projects related to the value chain; the automotive sector in South Africa; the great international brand system.

Reggio Emilia's enterprises were involved in several b2b meetings with potential South African partners which enabled them to present the major economic potentialities of the territory. The meetings between economic operators dealt with agricultural engineering, food and wine, automotive, management of water and waste cycles. Enterprises sought privileged channels for their 'Made in Reggio Emilia': distributors, importers, partner for business development projects. Moreover, Reggio Emilia's entrepreneurs and export managers participated in several study visits (for example to the Technology Parks in the Gauteng province

and to the innovative hub created for automotive industry suppliers) and took part in seminars on the cooperative model and the trajectory for its future development.

The delegation also met with Andries Nel, the Deputy Minister for Cooperative Governance and Traditional Affairs, who consolidated the relationship already initiated during Expo 2015 in order to reach an agreement of stable and continuous cooperation.

A distinctive feature of the mission was the combination of economic activities and initiatives in the more traditional areas of collaboration:

Culture and education: opening of the exhibition “Reggio-South Africa. Story of a friendship”; new contacts for the realization of important artistic exhibitions in Reggio Emilia in 2017/2018; forum dedicated to the “Reggio Emilia Approach” educational model addressed to educators, technicians and managers.

Territorial promotion: the publication “ABC of a friendship – A round trip from Reggio Emilia to South Africa”, which presents Reggio Emilia’s territory and its relations with South Africa, was distributed during the Summit to the political and economic top players; promotion and presentation of the excellence of our agri-food and agribusiness sectors during the “Emilia way of Life” taste event; training activity led by a Reggio Emilia’s Starred Chef addressed to young and disadvantaged local chefs; Solidarity Dinner with more than 60 representative from South African institutions.

The Institutional Delegation signed three economic and institutional Memoranda with different South African actors: Collaboration Agreement between the Emilia Romagna Region and the Gauteng Province, indicating the central role of Reggio Emilia in the trade relationships with South Africa; Memorandum of Understanding between Reggio Emilia and the city of Ekurhuleni; Memorandum for Cooperation between the E35 Foundation and the Gauteng Growth and Development Agency. Other activities concerned meetings for cooperation in sport, art e culture, such as sports exchanges between football and rugby teams; organization of an artistic exposition in Reggio Emilia about the city of Ekurhuleni; realization of the library dedicated to Giuseppe e Bruna Soncini, from Reggio Emilia, promoters of Reggio-South Africa friendship; drafting of an agreement between Reggio Emilia and the Gauteng province on the construction of a revolving fund, fed by the commercial exchanges between the two territories, which reinvests on vocational training and on the development of underlying skills to facilitate the contacts between Reggio Emilia, Emilia Romagna and South Africa enterprises; contacts between Reggio Emilia institutions and the spokesmen for the Gauteng infrastructural development to evaluate collaborations on development and environmental sustainability; cooperation agreements for the promotion of the cooperative system in South Africa.

ROLE OF ACTORS

Reggio Emilia: the city developed a very strong relationship with the Southern Africa region, starting from the political support and, at the same time, with the development of a bond of understanding and friendship based on social and cultural relations; the cooperation in the political, strategic, administrative fields and the sharing of methods, approaches and policies led to a solid and structured understanding over the years.

Emilia-Romagna Region: its role was to carry out an action of regional system on southern Africa, where the privileged institutional relations of Reggio Emilia have been a solid foundation for the partnership and the development of projects.

Other territorial actors, such as the University of Modena and Reggio Emilia, Legacoop, Unindustria, Reggio Children, and cultural and sporting actors support the relationship between Reggio Emilia and South Africa by sharing know-how and skills and by creating opportunities for interaction and development of both Reggio Emilia and South Africa economies and societies. In particular, the organization of conferences, workshops, trainings, networking by Reggio Children, Legacoop and Unindustria on issues such as education, training and transfer of skills strengthened the bonds with and supported the strategic choices of the South African government and of the Gauteng Province.

African Partners: Gauteng Province, Gauteng Growth and Development Agency, City of Ekurhuleni, Johannesburg Development Agency, South African Embassy in Italy, South African Consulate in Italy, HIP Alliance, Italian Embassy in South Africa, South African Government. The South African partners involved range from the highest-level political institutions, to municipalities and territories, and finally to economic entities: the first contacts with the diplomatic delegations led to the identification of specific regional and local reference realities; political relations enabled a mediation aimed at supporting the development of political, economic and social strategies by South African authorities. South African partners expressed particular interest in further developing new models of economic development, linked in particular to the cooperative enterprise form, and working with higher education and training institutions in this regard.

For example, South Africa is developing a long-term strategic and political project for the requalification of the townships and, at the same time, it is investing in the automotive industry, one of the leading sectors of Reggio Emilia economy: in a win-win perspective, the South African government looks at Reggio Emilia's development policies to acquire know-how and expertise and, at the same time, Reggio Emilia local and economic institutions implement development projects and support the penetration into the African territory based on the needs and interests of South African economy.

BENEFICIARIES

The direct beneficiaries of the mission were the companies and consortia involved in it; as far as the creation of relationships and partnerships is concerned, the whole territory of Reggio Emilia benefited, and still benefits, both directly and indirectly from the impact generated by the creation and development of strategic partnerships.

The following actors participated and still participates, through follow-up activities, in the economic projects:

- AUTOMOTIVE INDUSTRIAL PROJECT – consortium for enterprises internationalization (11 enterprises);
- AGRO EQUIPMENT GROUP CONSORTIUM (16 enterprises);
- IRRILAND - agribusiness;
- FLEXBIMEC - automotive;
- GENMAC - energy;
- GAMMA MECCANICA - mechanics;
- RIUNITE- food and beverage;
- LATTEMILIA - food and beverage;
- LANDI RENZO - automotive;
- SMEG - home appliance;
- SOLUZIONE ECOLOGIA AMBIENTE - waste/water treatment.

CULTURAL ASPECTS: POSSIBLE KEY LEVERAGES FOR INTERNATIONALISATION PROCESSES

South African partners at the highest government levels acknowledge the role that the city of Reggio Emilia had in the contemporary history of South Africa and also in the creation of the relationship with the Emilia Romagna Region. They agree on the desirability of growth and development stemming from the extension of this cooperation, built on solid cultural, sport, educational foundations so far, to the economic world as well.

The deep knowledge of the South African society and culture and the respect for its local realities are based on strong bonds of friendship and facilitate the approach of Reggio Emilia economic and business subjects to the country.

This relationship of friendship and trust not only led to the emergence of economic relations, but it continuously feeds the other forms of social, political and cultural collaboration.

The cultural dimension of the relationships had a leverage effect on economic relations, by creating additional partnerships. All in all, the political, economic, social, cultural levels of the relationship are integrated and each contributes to the development and consolidation of the others.

The close political and social relations with South Africa enable also the parties involved, including Reggio Emilia enterprises, to learn from direct and privileged sources what are the basic requirements for doing business in South Africa and the rules concerning the Black Economy Empowerment.

INNOVATION OF THE GOOD PRACTICE, POTENTIAL FOR IMPROVEMENT AND REPLICABILITY

The distinctive and innovative elements of the GP concern mainly the integration of cultural, social and economic relations and the support to enterprises' competitiveness through territorial competitiveness. The concepts of solidarity, trust and friendship developed through multi-sectorial and multi-level relationships gave the city of Reggio Emilia a competitive advantage widely recognized by African partners. Social, institutional and cultural relations constitute a lever for the implementation of economic relations not only at local and regional level, but also at business level. This privileged relationship becomes a territory brand. The territory as a whole, through the involvement of territorial actors in the context of Reggio Emilia and South Africa relationships, supports and promotes the internationalization of enterprises. Another innovative element is also the opportunity for enterprises to rely on stable and continuous relationships between economic and political components in both countries, which therefore do not run out at the end of a consultancy or when a commercial assistance contract expires, but rather remain a certain frame of reference for enterprises.

A distinctive feature of the GP is also the involvement of enterprises not only commercially, but also for projects that support economic development in partner countries (win-win approach). This is due to the multi-actor and multi-level nature of the partnerships and the social and cultural component of the relationship.

The relationships created over time by the City have thus allowed the involvement of institutional African partners alongside the economic actors, consultants and entities included in the value chain (direct relationship with decision makers): the result is a direct connection with the social and political dimensions, in support of economic processes, based on mutual respect.

It is necessary to continue the collaboration in the field of internationalization by stabilizing and formalizing the results reached so far (initiatives foreseen in 2017: an incoming delegation from South Africa, the continuation of the follow-up activities with the Reggio enterprises, a new economic and institutional mission in Africa); it is possible to improve the follow-up activities addressed to enterprises by relying on the relationship of trust between the stable structures on the two fronts (Municipality of Reggio Emilia and African institutions) which enables the enterprises to establish a continuous and secure relationship with the interlocutors. It is also necessary to improve the prescreening phase: on the Italian side, a good job was done in terms of selection of businesses (companies participating in meetings and B2B were chosen on the basis of their potential in terms of relations with African countries, the suitability with the local context and their relevance to the areas of interest for African partners, in accordance with a win-win approach to internationalization); on the African front, the identification process of possible local stakeholders should be

improved. The respect of the African partners' development needs is an added value of the Reggio Emilia's approach which should become the cornerstone of the cooperation.

On the planning front, it is possible to develop pilot projects for new economic relations and intervention projects in the African country, also through the initiatives that Reggio Emilia is pursuing in the area of Corporate Social Responsibility focused on issues related to internationalization.

After the post-mission follow-up meetings with local business and economic actors and through skype call with partners and South African consultants, it became evident that the working methods proposed by the Growing Together project, in terms of the meetings held in Italy, South African actors involved, the nature of the mission (institutional mission alongside an economic one) and moments of cultural and social enrichment, proved to be a right strategic choice able to bring added value to individual enterprises and to local economic actors.

However, it is possible to work on two crucial issues: the increase in the number of local partners and their role as reference points, and the increase in the awareness of the participating SMEs concerning local and cultural contexts. In this sense, the areas of interest emerged from the follow up meetings are: the interest in developing in-depth meetings on some peculiarities of the South African market (development of the township, how do business in South Africa, Black economy empowerment); interest in analyzing tender and races opportunities promoted by South African public institutions; promoting the reception in Reggio Emilia of South African companies and institutional actors active in the economic sphere to strengthen the knowledge of enterprises, encouraging corporate visits and continue the cooperation; proposing initiatives, meetings and actions for the 40th anniversary of friendship between Reggio Emilia and South Africa in 2017 which could provide Reggio Emilia's and South African enterprises with new opportunities for meeting and discussion; developing pilot projects on some area of particular interest. In this regard, Reggio Emilia's economic entities are particularly interested in an incoming mission to South Africa in order to better understand its needs and requirements and identify actors to develop chain tied to the post-production maintenance, also linked to 'Automotive Supplier Park' project in South Africa Moreover, they support the idea of developing a pilot project in a township concerning the development of a post-creation automotive supply chain, characterized by cars maintenance and plants and equipment assembly, through training, technical assistance, equipment sales and the creation of stable partnerships with South African companies and craftsmen and workshops. In the Waste, Water Management, Energy fields, enterprises are interested in developing a pilot project in a municipal area of interest where to introduce some equipment and waste management systems (pilot project with technical assistance and know-how sale). In the Agricultural Mechanics and Food fields, the idea it to develop a production chain project linking the agricultural production with mechanization, processing and distribution processes by relying also on the South African interest towards the Reggio Emilia's cooperative system.

As in the case of Reggio Emilia, there are other realities engaged in institutional relations (agreements, twinning projects, etc.) with various cities and regions in the world that may constitute, as in the case of this GP, the starting point for building tools, policies, activities and partnerships able to create solid and stable economic relationships and support the internationalization attempts of local companies.

Reggio Emilia itself is pursuing similar initiatives with other countries, such as Mozambique, trying to adapt the GP to a less advanced territory and economy. Over the years, the cooperation and solidarity projects developed by the city have touched several areas including maternal and child health, HIV prevention, youth participation, entrepreneurship development, wells upgrading, primary education, culture and sports (in particular: Educa for all project addressed to primary and secondary education institutions with the aim of

facilitating integrated school projects and vocational training courses with the collaboration of local associations; supporting project for the creation of agricultural production chains and cooperatives together with the Foundation for the Development of the Community; architecture and urban planning projects; promotion of memory, history and culture). The Growing Together project concerned also Mozambique, in particular its agricultural and agri-food sectors, and the 2016 Mission in South Africa ended in Mozambique with the organization of institutional meetings to analyze the potential of the country and open up new working routes.

EVIDENCE OF SUCCESS AND THE ASSESSMENT OF THE IMPACT AND RESULTS OF GOOD PRACTICE

The GP resulted in the recognition of Reggio Emilia as a particularly important international platform for Gauteng and for South Africa in starting trade and economic partnerships in the mechanics, agribusiness, agrifood processing, renewable energy fields; Moreover, it led to the improvement of internationalization services and routes for those enterprises interested in South Africa through the creation of stable partnerships and relationships with local actors, such as the Province of Gauteng, to support the exchanges between enterprises; finally, the culture of internationalization of Reggio enterprises to third countries has been boosted.

In particular, the mission saw the participation of 10 enterprises (7 SMEs and 3 big enterprises) and two consortia with 27 members in the mechanics, hydraulics, environmental sustainability fields.

During the preparatory activities, 22 corporate surveys were carried out to learn about the needs and opportunities of local enterprises towards Africa; scouting activities and research of opportunities in the Gauteng market; 2 meetings in Reggio Emilia with interlocutors from Gauteng on areas of interest.

During the mission, visits and meetings with South African companies were realized: economic representatives met with 60 economic enterprises and associations; 30 B2B meetings with companies and institutional actors were held; corporate visits were organized in the agricultural mechanics and automotive fields. Furthermore, the representatives of Legacoop Emilia Ovest promoted a training activity for 80 young entrepreneurs to promote the economy of the township; the mission saw also the organization of two meetings for the development of economic partnerships at cooperative level, in particular: Sustainable Cooperative Seminar as a driving force for Gauteng economic strategies promoted by the Gauteng Province; and the Meeting with the Ministry of Cooperative Governance and Traditional Affairs interested in developing projects and partnerships for development.

After the mission, 10 follow up meetings with trade associations and participating enterprises were organized with the aim of gathering feedback on the mission and deciding which South African actors and enterprises met during the mission may be invited to Reggio Emilia for follow-up actions, meetings and company visits.

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