



PERSONAL REFLECTIONS AND IMPRESSIONS ON EXCHANGE PROGRAM WITH VIRGINIA BEACH

International exchange programs are always measured by the quality of experience on specific areas that cities focus on during the set period. Within a very short space of time one has observed some interesting dimensions in this exchange program, mainly in three broad areas with City of Virginia Beach, namely; legal framework, leadership stability and economic development Initiatives.

Legal Framework

Enabling Legislation plays a catalyst role in ensuring that cities function more effectively with minimum interference of any form, whether it comes from federal / provincial or central government. The legal arrangement in place then determines how speedily the decision making processes take, particularly for matters that relate to economic and business development. Obviously for historical and political reasons our South African experience has called for a complete review of our economic arrangement in our country, which at times necessitates a very long protracted period before decisions are made. This approach will really be with us for quite sometime, until such time that the plain field has been leveled. On the other hand this could have a negative impact on our economic and business strategies as investors may not understand such processes and at times they may be discouraged by such long processes. At Virginia Beach, its really amazing how speedily the process of decision making can be undertaken to their economic advantage.

Leadership Stability

Leadership is everything and everything. South African local government system has been seriously affected by leadership changes from one term to another in most municipalities and cities. This happens both at political and administrative arms of local government. There is no doubt that this affect leadership stability, particularly at a strategic level of the organization, and besides local government system is still very young to be marked by so many changes, each time the new term of office kick-start.

The experience with Virginia Beach is that, at least for a period of more than ten years, leadership stability has played a very significant role in shaping their strategic economic engagement in the city. This has contributed positively to the



high levels of investor confidence which is very critical for the city' economic developmental goals as enshrined in their strategy. It is unfortunate that local entities are undergoing leadership changes now and again in most cities. Our city has experienced the same, unfortunately to the detriment of continuity to our long term goals.

Economic Development Initiatives

One of the key areas for successful cities in the world is the focus on strategic economic development initiatives. It is very interesting to note how the Virginia Beach has turned around its economy having identified strategic sectors such as tourism and industrial development. This has been an incredible experience as our city has been also focusing on the same. Whilst economic conditions are not necessarily the same between the two cities, the strategic thinking seems to have found a common ground, which is vital for our exchange program. Also to note is the fact that such initiatives are informed by the strategic development strategy in place in the Virginia Beach. This has really challenged our current situation at Msunduzi Municipality as such a strategy is its in infant stage, however a lot has been learnt from how our counterpart. As a matter of fact, the contribution made by Virginia Beach through Mark has been really great.

- **Structured projects**

It has been very interesting to get a sense of how various projects got structured from incentives' point of view. Of particular importance to note was how the city has strategically offloaded itself of unnecessary responsibility for any new economic project. In other words the manner in which projects for economic development are packaged becomes extremely important during the negotiation stage. I really found this very exciting, and somehow reduce a burden from the city to incur expenditure for no apparent reasons. Packaging of some projects is done through the usage of financial resources available via taxes collected in the city, mainly from the private sector.

- **Financial arrangement**

As indicated above the tax system at least allows cities to prepare their own sources of revenue, which then forms part of a broader strategic intervention for business development which is a critical pillar of any economic development strategy. It is very imperative that the cities should have sufficient sources of revenue to sustain their economic goals. It is my firm view that our tax system for local government in South Africa should be reviewed.