AN ASSESSMENT OF THE IMPLEMENTATION OF LOCAL ECONOMIC DEVELOPMENT: A CASE STUDY OF Nkonkobe LOCAL MUNICIPALITY IN THE EASTERN CAPE

BY

NTHEKELENG LINAKE

Submitted in fulfillment for the degree

Master of Administration (Public Administration by research)

SCHOOL OF PUBLIC MANAGEMENT AND DEVELOPMENT

DEPARTMENT OF PUBLIC ADMINISTRATION

In the Faculty of Management and Commerce

SUPERVISOR: Prof. E.O.C Ijeoma

COMPLETED: JUNE 2014
DECLARATION

I Nthekeleng Aria Linake hereby declare that:

- The work in this dissertation is my own original work,
- All sources used or referred to have been documented and recognized, and,
- This dissertation has not been previously submitted in full or in partial fulfillment of the requirements of an equivalent or higher qualification in any other recognized education institution.

Name: Nthekeleng Aria Linake
Signature:…………………………
Date:………………………………
ACKNOWLEDGEMENTS

Grateful thanks are extended to all those individuals and institutions who contributed to the successful completion of this study. Completing this thesis has been the biggest challenge in my life so far. Sincere gratitude is particularly expressed to the following:

- The almighty God for his presence and kindness in me. He made it possible for me to pursue my studies by strengthening me throughout my academic years at the University of Fort Hare.
- Professor Edwin Ijeoma my study leader and supervisor for his support, patience, constructive advice and encouragement. He always believed in me.
- Professor Harry Nengwenkulu for his guidance, encouragement and moral support which gave me the willpower to work harder.
- My family and friends who were involved and behind me throughout my studies, they contributed a lot. Especially Thabelo Nkesi, Manthekeleng Linake, Thabo Linake, Thabo Skeemza Thakung, Samuel Linake, Thando Rulashe, Amanda Alime Selani, Phumza Foko, Maxwel Haurovi, Sikelelwa Ncence, Zikhona Mandela, Vuyelwa Nqweniso and Nthabiseng Valentina Dinyelo, for their support and encouragement through stressful moments.
- Thandolwethu Putuma my partner and friend for his love, commitment and support at all times.
- Candyce Dawes and the Dawes family for accepting me for who I am and showing me love at all times.
- Nkonkobe Local Municipality for granting me the permission to conduct this study, all participants from Nkonkobe Local Municipality who allowed me their valuable time as respondents to the questionnaires. Without them this research would have been impossible.
- Last but not least all the stuff members at the Department of Public Administration, at the University of Fort Hare Bisho Campus for being the best and the most productive people I have ever met!
DEDICATION

THIS THESIS IS DEDICATED TO MY SON KHAZIMLA, LESEDI, LINAKE, PUTUMA! I HOPE IT WILL INSPIRE YOU TO BE THE BEST YOU CAN BE…….
ABSTRACT

In efforts to alleviate poverty in South Africa, the democratic Government has since 1994 implemented various programs and policies that aim to alleviate income poverty through stimulating employment, developing skills and improving service delivery. One of these policies is Local Economic Development (LED). LED has been adopted by the South African government as a shift from the purely service oriented to developmental local government. The Constitution of the Republic of South Africa, 1996 commits local government to the promotion of social and economic development. Section 152 (1) (b) of the Constitution 1996 further states that local government should ensure that services are delivered in a sustainable manner. The Local Economic Development as a strategy that is aimed at stimulating economic activities at the local sphere has been hailed for its participative nature with communities. Local communities cease to be mere recipients of services; rather they become actively involved in their own economic development.

The main objectives of the study were to investigate the effectiveness of the implementation of LED strategies in Nkonkobe Municipality, to find out how Nkonkobe Municipality communities perceive municipal LED efforts and initiatives for poverty alleviation, to determine the challenges which are faced by Nkonkobe Municipality in terms of implementing its LED strategies and to make recommendations on how LED can be strengthened, supported and or improved in Nkonkobe Municipality. Qualitative and quantitative methods of data collection and analysis were used in this study. The study findings suggest that there is still alot to be done in order to implement LED in Nkonkobe Municipality. There are a number of recommendations made by the researcher to assist the municipality.
CHAPTER ONE

INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 INTRODUCTION AND BACKGROUND.................................................................1
1.2 PROBLEMSTATEMENT....................................................................................7
1.3 OBJECTIVES THE STUDY................................................................................8
1.4 SIGNIFICANCE OF THE STUDY......................................................................8
1.5 DELIMITATIONS AND LIMITATIONS OF THE STUDY.................................9
1.6 DEFINITION OF KEY TERMS.........................................................................10
1.6.1 Local Economic Development.................................................................10
1.6.2 Local government....................................................................................11
1.6.3 Municipality..............................................................................................11
1.6.4 Developmental local government.............................................................12
1.6.5 Integrated Development Planning (IDP)....................................................12
1.7 OUTLINE OF THE STUDY.............................................................................13
1.8 CONCLUDING REMARKS.............................................................................14
CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 INTRODUCTION .............................................................................................................. 15

2.2 THE CONCEPT LOCAL ECONOMIC DEVELOPMENT (LED) ............................. 15

2.3 THE EMERGENCE OF LOCAL ECONOMIC DEVELOPMENT: A GLOBAL OVERVIEW .............................................................. 18

2.4 LOCAL ECONOMIC DEVELOPMENT IN SOUTH AFRICA ............................ 24

2.5 PLACE OF LOCAL ECONOMIC DEVELOPMENT PUBLIC ADMINISTRATION .. 30

2.6 THE ROLE AND DUTIES OF LOCAL GOVERNMENT IN LED ...................... 38

2.6.1 Facilitation .............................................................................................................. 39

2.6.2 Guiding or enabling .............................................................................................. 39

2.6.3 Linking and coordinating ....................................................................................... 39

2.6.4 Intelligence ............................................................................................................ 39

2.6.5 Promoting ............................................................................................................. 39

2.6.6 Marketing .............................................................................................................. 40

2.6.7 Supporting ............................................................................................................ 40

2.6.8 Funding ................................................................................................................ 40

2.6.9 Monitoring ............................................................................................................ 40

2.7 LED APPROACHES IN SOUTH AFRICA – PRO-GROWTH AND PRO-POOR INITIATIVES ................................................................. 41

2.8 ROLE PLAYERS IN LED ............................................................................................ 44

2.9 LED AND COMMUNITY PROJECTS ....................................................................... 47

2.9.1 Projects for community development and empowerment ................................ 47

2.9.2 The need for management skills in community development projects ........ 48
2.9.3 The Failure and Success of Projects.................................................................49
2.9.4 The Role of Government in Community Development Projects.................54
2.10. THEORATICAL FRAMEWORK OF LED..........................................................55
2.10.1 Empowerment as Participation.................................................................59
2.10.2: Empowerment as Capacity Building......................................................60
2.10.3: Empowerment through Economic Improvement.................................61
2.11. PRINCIPLES THAT CAN PROMOTE THE IMPLEMENTATION OF LOCAL ECONOMIC DEVELOPMENT........................................................62
2.11.1 Finding.........................................................................................................63
2.11.2 Facilitating................................................................................................63
2.11.3 Fostering.....................................................................................................63
2.12 POLICY AND LEGISLATIVE FRAMEWORK FOR LOCAL ECONOMIC DEVELOPMENT IN SOUTH AFRICA........................................................64
2.12.1 The Constitution of the Republic of South Africa (Act 108 of 1996)..........64
2.12.2 The Reconstruction and Development Programme (1994)......................65
2.12.3 The Development Facilitation Act (1995)..................................................67
2.12.4 Local Government Transition Act (1996)..................................................67
2.12.5 The Municipal Demarcation Act (1998).....................................................67
2.12.6 The Municipal Structures Act (1998).........................................................68
2.12.7 White Paper on Local Government (1998)..............................................70
2.12.8 The Municipal Systems Act (2000)..........................................................71
2.12.9 The LED draft Policy (2002).....................................................................73
2.12.10 Policy guidelines for implementing LED in South Africa, 2005..............75
2.13 Concluding Remarks.....................................................................................76
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 INTRODUCTION.............................................................................................................77
3.2 PERMISSION TO CONDUCT RESEARCH......................................................................78
3.3 SCOPE OF THE STUDY.................................................................................................79
3.3.1 Study Area...............................................................................................................79
3.4 RESEARCH DESIGN.....................................................................................................81
3.4.1 Quantitative Research Design..................................................................................82
3.4.2 Qualitative Research Design....................................................................................83
3.5 POPULATION...............................................................................................................84
3.5.1 Sampling..................................................................................................................85
3.5.2 Sampling selection procedure/methods.................................................................87
3.6 DATA COLLECTION INSTRUMENTS............................................................................89
3.6.1 Types of quantitative data collection instruments..................................................90
3.6.2 Questionnaire..........................................................................................................90
3.6.3 Documentation.........................................................................................................93
3.7 Concluding Remarks...................................................................................................94
CHAPTER FIVE

FINDINGS RECOMMENDATIONS AND CONCLUSIONS

5.1 INTRODUCTION ................................................................................................................. 115

5.2 FINDINGS OF THE STUDY .............................................................................................. 115

5.2.1 Community involvement in municipal affairs such as LED .................................. 115

5.2.3 Understanding of LED by community members ...................................................... 116

5.2.5 Development initiatives required by the community .............................................. 117

5.2.6 Understanding of LED and the roles of employees in the LED department ........ 118

5.2.7 Challenges to Development through LED .............................................................. 119

5.3 RECOMMENDATIONS ..................................................................................................... 120

5.3.1 Design of LED policy implementation strategies .................................................. 120

5.3.2 Strengthening LED units/agencies/forums ............................................................. 121

5.3.3 Community LED projects as businesses ............................................................... 121

5.4 CONCLUSIONS OF THE STUDY ................................................................................... 122

REFERENCES ...................................................................................................................... 124

ANNEXURE A: PERMISSION TO CONDUCT RESEARCH .................................................. 133

ANNEXURE B: RESEARCH QUESTIONNAIRES ................................................................. 134
CHAPTER ONE

INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 INTRODUCTION AND BACKGROUND

Many governments in developing countries are currently faced with social and economic problems created by globalisation and economic restructuring. Unemployment resulting from global economic change and de-industrialisation has led to rising poverty levels, especially in most African countries. Poverty is the key problem not only in developing countries but globally and is still one of the major developmental challenges South Africa is battling with years after transition to Democracy. South Africa became a democratic country in 1994. It was under apartheid which promoted separate socioeconomic development on racial grounds. The new government is trying to bring economic development to all areas in order to alleviate poverty, especially in rural areas which were left out in the previous apartheid regime.

In efforts to alleviate poverty in South Africa, the democratic Government has since 1994 implemented various programmes and policies that aim to alleviate income poverty through stimulating employment, developing skills and improving service delivery. One of these policies is Local Economic Development (LED). LED has been adopted by the South African government as a shift from the purely service oriented to developmental local government. The Constitution of the Republic of South Africa, 1996 commits local government to the promotion of social and economic development. Section 152 (1) (b) of the Constitution 1996 further states that local government should
ensure that services are delivered in a sustainable manner. The Local Economic Development as a strategy that is aimed at stimulating economic activities at the local sphere has been hailed for its participative nature with communities. Local communities cease to be mere recipients of services; rather they become actively involved in their own economic development.

In recent years the concept and development strategy of Local Economic Development, (LED) has gained wide spread acceptance around the world as a locality-based response to the challenges posed by globalization, devolution, and local-level opportunities. LED refers to the process of creating wealth through the organized mobilization of human, physical, financial, capital and natural resources in a locality (Rogerson, 2010:56). The aim of LED ultimately is to enhance the resilience of macro-economic growth through increased local economic growth, to produce higher standards of living, improve the quality of life, alleviate poverty, create more and better jobs, advance skills and build capacity for sustained development in the future. LED can be a community-empowering process within which the benefits for the community are far reaching and it advocates for the inclusion of marginalized groups in processes, to create their own prosperity will have a greater positive impact on development in the area, promoting self-reliance and alleviating poverty.

LED support is now firmly on the agenda of many national governments and key international agencies, such as the World Bank (2000). LED is currently attracting considerable attention in South Africa as the government policies and strategies such
as the National LED framework, the Local Government White Paper (1998), the Reconstruction and Development Programme (1994). The Constitution recognizes local government as a separate sphere of government entitled to an equitable share of nationally raised revenue and responsible for local social and economic development (Republic of South Africa, 1996).

In the process, focus will be on shifting the burden of responsibility for economic development from national to local government sphere, and the promotion of local economic development planning process across post-apartheid South Africa. This initiative is propelled by the fact that as the pace of globalization accelerates; the rise of LED activity emerges as an integral part of a new wider emphasis upon local responsibility and power on the democratization of daily life, hence the exploration of developmental local government. The crucial role of local municipalities under the developmental local government is to ensure that municipalities play a crucial role in maximizing social, development and economic growth. The White Paper (1998), advocates that LED activity should not be separate or distinct from local government activity, instead, all the activities of local government should be oriented towards achieving the LED objectives of promoting growth and addressing poverty and inequality, hence developmental local government. In the process, it is meant to promote economic development and alleviate the condition of poverty amongst the local population.
Each province and local government in South Africa has its own unique development plan which suits the needs of its community. In the Eastern Cape, The Provincial Growth and Development Plan (Eastern Cape 2004-2014) were adopted in 2004 with the main aim of providing collaborative framework to drive growth and development in the province. In this plan the Eastern Cape Government promises to halve poverty by 2014. This plan also informs all departmental programmes with the support of Integrated Development Plans (IDPs) and Local Economic Development Strategies (LEDS) of municipalities. The National Framework of Local Economic Development in South Africa (2006 – 2011) aims to support the development of sustainable local economies through integrated government action. Municipalities as custodians of Integrated Development Programmes work in conjunction with different stakeholders such as private industry, other government departments, Non-Government Organizations (NGO’s) and relevant community sectors towards achieving intended developmental goals; thus are avoiding wasteful use of effort and resources. This is a developmental government action with enterprises operating in local municipal areas stimulating heart of the economy.

Chapter 7 of the Constitution of South Africa stipulates that the South African government has now put in place local municipalities in each province under district municipalities to ensure the provision of services to communities in a sustainable manner. Kemp (2004: 5) indicates, however that the problem with many projects is that they do not succeed. Some projects fail altogether, costing time and money and delivering very little. He further states that other projects solve the wrong problems,
delivering a lot less value than expected. This study will focus on the implementation of Local Economic Development strategies in one of the municipalities in the Eastern Cape. Nkonkobe Local Municipality is located in the Eastern Cape Province of South Africa, which is located on the south east of South Africa. It is the second largest province with a population of more than 6 million inhabitants which is about 15.5 percent of South Africa’s total population. It occupies 169 580 square kilometres which is about 13.9 percent of the South Africa’s total area. The province is further divided into two regions, the Western and the Eastern region.

The Eastern region of the Eastern Cape Province is less developed based on the degree of urbanization and socioeconomic development. The province has a high unemployment rate. Approximately 1 890 000 people, which constitutes 30 percent of the total Eastern Cape Province population, are unemployed. Nkonkobe Local Municipality falls under the former Ciskei homeland and is named after the Winterberg mountain range. The Municipality comprises of 141 suburbs, which are divided into 21 wards. Nkonkobe Local municipality is mainly rural, incorporating the now disestablished Alice TLC, Fort Beaufort TLC, Middledrift TLC, Hogsback LC, Seymour TLC, Victoria East TRC, Fort Beaufort TRC, Mpofu TRC and Middledrift TRC (IDP, 2007). Fort Beaufort is the capital for Nkonkobe Municipality. It covers an area of 3 725 square kilometres and constituting 16 percent of the surface area of the Amatole’s District Municipality. The municipality has 128 660 inhabitants, which represents 8.7% of the total population of Amatole’s District Municipality (IDP, 2012).
The municipality has an average population density of 43 persons per square kilometre. Children and the elderly constitutes 52% of the total municipality’s population, this means that a greater percentage of the population depends on the economically active group. It has a largely rural population and has a total of twenty-one wards. Only about 20% of the population of Nkonkobe reside in urban areas, mostly in Alice and Fort Beaufort towns. The municipality prides itself as it is home to three educational institutions Fort Hare University, Lovedale College and Healdtown College. It has the vision of efficiently implementing social and economic development (www.easterncapebusiness.co.za).

Even though this municipality prides itself in these three educational institutions it still is very rural and has a high level of poverty, low levels of education and very low economic levels caused by the apartheid imbalances of the past. As a result there are low incomes and a huge income gap between the rich and the poor. Some individuals are not employed due to their lack of skills and qualifications. Most of its poverty alleviation projects are not sustainable. The question remains whether the local municipalities have in place the plans to revive some defunct infrastructure projects or to make sure that the newly constructed projects are used to the maximum benefit of the local communities. It is also the task of the local municipalities to make sure that projects are used to the benefit of communities in a sustainable way, as part of poverty alleviation through job creation and skills development.
1.2 PROBLEM STATEMENT

Municipalities play an important role in service delivery as stipulated in Chapter 7, Section 152(i) and Schedule 4 Part B of The Constitution of the Republic of South Africa of 1996. The Nkonkobe Municipality has a high level of poverty resulting from high unemployment rate, low incomes, low agricultural productivity, lack of adequate institutional capacity, high dependency on government grants and lack of basic skills or income generating strategies to improve the economic base of the municipality. There are prospects for the municipalities to deliver services against an environment of capacity constraints. Due to these and several other challenges facing local government, LED comes in useful as a means of bringing about solutions to these problems by turning to the endogenous resources and the creativity of local role players, such as public-private sector partners, local civil societies, amongst others.

LED strategies have been put forward in Nkonkobe Local Municipality to reduce poverty by creating employment and economic empowerment to ensure sustainable development. Although a lot of work has been done in relation to the implementation of the LED and other related policies, most communities in this area are still poor and or living below the poverty line. It is against this background that this study seeks to evaluate the implementation of the LED strategies in Nkonkobe Local Municipality and its potential to alleviate poverty, create jobs and promote sustainable economic development.
1.3 OBJECTIVES OF THE STUDY

- To investigate the effectiveness of the implementation of LED strategies in Nkonkobe Local Municipality.
- To find out how Nkonkobe Local Municipality communities perceive municipal LED efforts and initiatives for poverty alleviation.
- To determine the challenges which are faced by Nkonkobe Local Municipality in terms of implementing its LED strategies.
- To make recommendations on how LED can be strengthened, supported and or improved in Nkonkobe Local Municipality.

1.4 SIGNIFICANCE OF THE STUDY

There is significant South African national interest in the concept of LED that stretches from government, business, non-governmental organizations, and community groups. Municipalities are obliged to be developmental and thus promote LED in order to alleviate poverty. The significance of the study is that, it will go a long way into broadening the knowledge of LED one of the municipalities in the Eastern Cape, help in formulating measures to promote economic development and alleviating poverty.

The study also aims to show how the LED strategies are implemented and put into effect in order to reach the developmental goal of the Nkonkobe Local Municipality.
which is to alleviate poverty. LED has emerged as an important tool to achieve the national objectives of balanced regional development. The main focus of LED policies is to improve the productivity of urban poor communities and ensure regional development. It aims on providing assistance to local government and determining the most effective strategies which could be followed in order to increase jobs and improve the country’s economy in general. It is anticipated that the findings of the research will assist Nkonkobe Local Municipality in promoting LED and in its implementation of developmental policies.

1.5 DELIMITATIONS AND LIMITATIONS OF THE STUDY

Delimitations means defining the limits of drawing the boundaries around a study and showing clearly what is and is not included. This is sometimes useful in avoiding misunderstanding by the reader (Punch, 2006:69). The delimitation of this study is on the implementation of Local Economic Development strategies in Nkonkobe Local municipality. Assessment will be made based on whether the Nkonkobe Local municipality’s Local Economic Development Strategies (LEDS), does have a significant impact in improving the standard of living for its people. The limitations of the study were that financial and time constraints prevented the researcher to have access to all public officials and community members at Nkonkobe Local Municipality hence the research was only confined to some but not all public officials and community members in the municipality. Due to shortage of time the research was only focused on a certain number of officials and community members were selected in by the sampling
procedure. The research could have covered more communities but with the time frame and unavailability of funds this could not be achieved.

1.6 DEFINITION OF KEY TERMS

Below are the definitions of key terms which will be used in the study:

1.6.1 Local Economic Development

According to the Department of Provincial and Local Government (DPLG) (1998:2) Local Economic Development is an outcome based local initiative driven by local stakeholders. It involves identifying and using primarily local resources, ideas and skills to stimulate economic growth and development. Kanyane (2008:698) asserts that LED is an international tool which is also tried and tested in South Africa with the broad aim to promote employment creation, poverty alleviation and redistribution of resources and opportunities to benefit all communities. Kanyane further argues that LED is about local people working together to achieve sustainable economic growth that bring economic benefits and quality of life improvements for all in the community. It is thus a local driven outcome encompassing all stakeholders.
1.6.2 Local government

According to the Ijeoma, (2013:389) Local government is the grassroots government because of its proximity to the people; local government is in reality, the closest government to the people. Local government is a constitutional institution duly established by the constitution of the Republic of South Africa. It is created with the aim of promoting socio-economic development throughout the length and breadth of South Africa.

1.6.3 Municipality

The Constitution of the Republic of South Africa (South Africa, 1996:84) states that the local sphere of government consists of municipalities which must be established for the whole of the territory of the Republic of South Africa. A municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislations as provided for in the Constitution.

1.6.4 Developmental local government

White Paper on Local Government, 1998 defines Developmental Local Government as
local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives. For it to be meaningful, it should target especially those members and groups within communities that are most often marginalised or excluded, such as women, disabled people and very poor people.

1.6.5 Integrated Development Planning (IDP)

Integrated Development Planning is defined as an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development. It is a super plan for the area that gives the overall framework for development. It aims to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in an area. It should take into account the existing conditions and problems and resources available for development. The plan should look at economic and social development of the area as a whole (www.etu.org.za).

1.6.6 Poverty Alleviation

Poverty alleviation is any process which seeks to reduce the level of poverty in a community, or amongst a group of people or countries (UNDP, 2002).
1.6.7 Economic Development

Economic development refers to the enhancing of a community’s growth and economic well-being (www.worldbank.org). Local authorities typically undertake a range of activities in pursuit of economic development, with the objective of creating jobs and wealth, and (consequently) improving citizen’s quality of life. A wide range of local authorities such as land use planning, tourism support, infrastructure development, and regulatory activity have economic development impacts.

1.7 OUTLINE OF THE STUDY

- **Chapter one**: This chapter introduced the study, stating the background, the problem statement, objectives, significance, delimitations and key terminology that were used in the study.

- **Chapter two**: This chapter will provide the conceptual and theoretical frameworks for local economic development within the context of local government. The relevant local economic development legislative framework will also be discussed.

- **Chapter three**: This chapter will outline the research design, methodology, methods and research procedures that will be followed in the study.
Chapter four: This chapter will provide a systematic presentation and analysis of findings from the sample population, in line with the research objectives.

Chapter five: This will be the last chapter; it will provide a summary of the research, conclusions and recommendations.

1.8 CONCLUDING REMARKS

This chapter has briefly outlined the introduction, the background of the study and has presented the significance of this study. The objectives, purpose, problem statement, the delimitations and the important key terms of the study have been described. The following chapter provides a detailed discussion and review of the literature related to this study. It seeks to explore the debates around this area of study. It also provides a conceptual, theoretical and legal framework for Local Economic Development.
CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 INTRODUCTION

This chapter explores the emergence of Local Economic Development globally, the general conceptions of Local Economic Development (LED) in South Africa, the nature, dimensions, and extent of LED, and how the post-apartheid government has positioned itself in terms of approaching the challenges in implementing LED at a broad policy level. The literature review in this study will look at the concept of Local Economic development from other authors as well as the legislative framework which is linked with the study.

2.2 THE CONCEPT LOCAL ECONOMIC DEVELOPMENT (LED)

There is a worldwide assumption that LED in every country will increase employment opportunities, as well as the local tax, by making the city business climate more attractive to mobile capital. Unemployment is the main contributor to individual and household poverty. The concept Local Economic Development (LED) is defined by Sebola and Fourie (2007: 34) as the process that aims at redistributing resources and opening up opportunities to benefit local residents. LED encompasses a range of disciplines including physical planning, economics and marketing. It also incorporates
many local government and private sector functions including environmental planning, business development, infrastructure provision, real estate development and finance.

LED is defined as a participatory process encouraging and facilitating partnership amongst the local stakeholders, while enabling joint design and implementation of strategies, mainly based on the competitive use of the local resources, with the final aim of creating decent jobs and sustainable economic activities (Canzanelli, 2001:9). Similarly Nel (2001:1005) has defined LED as the processes in which local governments or community-based organizations engage to stimulate or maintain business activity and or employment. The principal goal of LED is to stimulate local employment opportunities in sectors that improve the community by using existing human, natural and institutional resources.

Rogerson (2003:58) asserts that good governance is one element for the success of local economic development. It is imperative for local government to form partnerships with other stakeholders, such as the private sector, community-based organizations, non-governmental organizations and local communities. Participation and partnerships are the keys to the success of LED. The relationship of partnership is creating unequal distribution of powers among stakeholders. Therefore, the community structures need to be well organized, so that they challenge the decisions taken by the local government. One of the requirements for the success of LED is economic environmental and social renewal. It is argued that municipalities are strategically well-placed to undertake local long-term planning in the area of poverty alleviation, particularly in association with the
private sector, NGOs and CBOs. Moreover, it is a function of local governments to generate and manage local projects, whose aims are to address the inequalities between citizens, as well as mediating the public good through good governance (Rogerson, 2003:58).

Abrahams (2006:187) states that local economic development refers to the process of creating wealth through the organized mobilization of human, physical, financial, capital and natural resources in a locality. The aim of local economic development ultimately, is to produce higher standards of living, to improve the quality of life, to alleviate poverty, to create more and better jobs, to advance skills, and to build capacity for sustained development in the future. The International Labor Organization (ILO) describes LED as a process that is centered on development that includes the local population and arranges coalitions between the private and public sector stakeholders of a specific territory to plan and put into practice a development strategy that has been agreed upon by all stakeholders. The development strategy should be centered on the creation of sustainable economic activity through the utilization of local resources and competitive advantage in the global context (ILO, 2002).

LED can be instituted through the implementation of LED programs that may be offered by the national government in the form of national LED policy, guidelines and programs (DPLG, 2006). In this case LED is concerned with the development of the skills of the local population to enable it to own and take part in local economic activities taking place within their jurisdiction. Behind this backdrop, the local population is empowered
to utilize existing local resources and local solutions to develop their standard of living (DPLG, 2006). Tapela (2008:45) suggests that these LED initiatives can be characterized as efforts centered on the importance of implementing workable strategies that compel the direct involvement of the local population in local economic development and investment promotion by establishing urban growth coalitions and public-private partnerships (PPP). Nel (2001:1004) traces the origins of LED, arguing that this mechanism developed in the developed countries (North), where it has been practised for several decades. By contrast in the developing countries (South), it is a recent phenomenon which needs to be evaluated in terms of its potential to help address challenges of poverty and unemployment and simultaneously economic growth.

### 2.3 THE EMERGENCE OF LOCAL ECONOMIC DEVELOPMENT: A GLOBAL OVERVIEW

Local economic development, which is a relatively new development strategy in South Africa, has been practiced for a while in wealthy countries around the world for such as the United States of America and the United Kingdom. Nel (2001:1004) traces this move to the so-called development impasse. More specifically, this came about as a direct result of the slump in the economic growth of industrialized countries after World War II. The downward spiral of the economies of these industrialized countries placed a lot of pressure on governments, especially local government, to become more innovative in trying to attract investment. According to the Municipal Services Project
(2001), the decline in economic growth in the global economy, which started in the 1970's, necessitated local authorities to become more entrepreneurial. This resulted in a phenomenon that is referred to as place marketing. Place marketing generally encourages local government structures to compete with one another in order to attract investment from outside by promoting their respective economic advantages.

The Municipal Services Project (2001) further argues that, since the traditional top down planning policies and initiatives of government have failed to achieve meaningful national development objectives, a shift in policy has changed the focus to target disadvantaged, underdeveloped areas. The intention of the policy shift was to create favorable conditions such as subsidies and grants, aimed at luring investors to areas that were once deprived of direct investment and subsequent economic growth and development. This approach was commonly known as smoke-stack chasing. However, this approach failed to achieve its intended objectives.

Instead, according Nel (2001:1005), it left behind cathedrals in the desert. The private investors remained reluctant to invest in poor areas, resulting in a situation where these local governments had to make a further policy shift. This shift focused on local leaders and members of the communities playing a more pro-active role in determining the form and content of local economic development initiatives. In countries such as Britain, the notion of community-based bottom-up LED became more prominent and widely acceptable in the early 1980’s.
According to Geddes (2004:153), local economic development in the United Kingdom and the European Union emerged in the 1980’s as a response to the growing problems of unemployment caused by economic restructuring and industrial decline in old areas. This took the form of closer interaction and co-operation between local government, community-based groups, and trade unions. This interaction was premised on the notion that greater government and social interaction would promote sustainable job creation. As a result, co-operatives and community businesses were established. A number of enterprise zones, urban development corporations and enterprise councils were established. These initiatives were all underpinned by comprehensive training for community members in various disciplines of business and skills development. In the early 1990’s these LED initiatives were further entrenched by the establishment of government funds such as the Single Regeneration Budget and the City Challenge.

Geddes (2004:155) continues to argue that the European LED approach focused on three key principles. Firstly, it emphasized the stimulation of community-based enterprises. Secondly, it envisaged government having a particular role of providing resources for these local initiatives. Thirdly, extensive training underpinned most of these community-based initiatives. The experiences in North America were not very different from those of Europe. According to Dewar (1998:54) LED emerged and became fashionable in the USA in the early 1970’s as a response to a decline in economic growth, and also as a tool to stimulate economic growth. These initiatives were especially directed at areas situated outside large cities. Intervention programs initiated by government took the form of loans, grants and tax breaks. Many important
lessons can be learnt from the USA experience. While LED in African countries has very much taken the same evolutionary route as in the wealthy countries (Nel, 2001:1008) where the lack of external investment and declining economy necessitated an inward looking approach, the African experience of LED is premised on the strategy of self-reliance. The importance of local control and empowerment, together with a reliance on local initiative and resourcefulness, are some of the key characteristics of LED initiatives in African countries. While LED between the two worlds (rich and poor) appears to be very similar, there are differences in so far as the scale and focus are concerned. In the wealthy countries, for example, LED focuses on investment, big business support and large project development undertaken by relatively well resourced local agencies.

On the other hand, LED initiatives in many Third World countries often take the form of community-based initiatives, utilizing indigenous skills and seeking primarily to ensure survival, rather than participation in the global economy (Nel, 2001:1010). They further argue that the reasons why the self-reliance approach adopted by many African countries proliferated as a means to stimulate local economic growth, was a basic response to the structural adjustment; debt crisis; drought; war; civil strife; and the failure of top-down development schemes as experienced in these countries. These issues have forced many African countries to look at their own resources and skills to cope with the harsh realities of poverty and underdevelopment. This notwithstanding, developing countries in Africa are further challenged by the impact of globalization and decentralization on the LED policies that they adopt. Ballard and Schwella (2000: 737)
argue that while globalization could facilitate economic and social upliftment in the communities served by local government, their study of seven metropoles in South Africa showed that local government in South Africa has been isolated from international relations for a long period. Their findings reveal that many of these metropoles have not developed specific strategies on globalization. Additionally, some metropolitan municipalities were still debating as to whether to proceed with an international relations policy as it was felt that the focus should be placed on local economic and social development.

If this is true for large municipalities that have relatively better skilled staff, more resources and less developmental backlogs, it would be unrealistic to expect small rural local municipalities to develop policies and strategies on globalization and how they intend to harness the opportunities it presents. As it is shown later in this thesis, rural municipalities are struggling to develop coherent policies on dealing with foreign investors who are constantly looking for opportunities within specific municipal areas. Consequently, these municipalities are not benefiting from the potential economic gains that are generally associated with globalisation. The Urban Foundation, which is a policy think-tank for the private sector, suggests that LED in South Africa should follow a similar route as wealthier countries. It calls for local authorities to abandon their traditional managerial stance, but instead to become more entrepreneurial in the manner they approach their developmental mandate. According to Geddes (2004:156) while not in a position to directly influence policy on LED, the Urban Foundation
suggests the following policies, which are based on European and North American experience:

• The establishment of Enterprise Boards to develop sector specific policies for sub-regional areas;

• The establishment of Urban Development Corporations to focus on the development of single major or ‘flagship’ projects;

• Privatization of local government activities to create local jobs, to promote empowerment and to promote the improved use of resources;

• Public-private sector partnerships as formalized mechanisms designed to initiate development;

• Export processing zones;

• The creation of science and technology parks which promote the clustering of sophisticated activities; and

• The development of small firm industrial districts.
2.4 LOCAL ECONOMIC DEVELOPMENT IN SOUTH AFRICA

Like most countries worldwide, South Africa has also adopted LED as a tool to enhance development and alleviate poverty in communities. Efforts aimed at developing a formalized LED policy framework for South Africa emerged in the early 1990’s. This initiative was influenced by LED initiatives that had already started taking shape in the global north. Most importantly it was given impetus by the demise of the apartheid regime and the need to meet the service delivery requirements of various localities which never received adequate attention during the apartheid regime (DPLG, 2006).

During the apartheid era, LED was confined to smaller decentralized initiatives with emphasis placed upon place marketing as a strategy to attract inward investment. In post-apartheid South Africa, LED has taken a development planning role expressed as a variety of initiatives which include the advancement of cities as centers of production, consumption, knowledge, information processing and the provision of government surplus. In the post-apartheid South African context LED can be described as a partnership between the public sector, communities, local actors and the private sector. This partnership is usually developed with the aim of enhancing the livelihoods of the local population or increasing economic activity in a particular area. The government’s anti-poverty strategy was first articulated in the White Paper on the Reconstruction and Development Program (RDP) in 1994. It proposed several areas to be addressed in order to achieve notable transformation of the South African society. This development strategy was premised on the principle of community-based development. It stressed
the importance of empowering local communities in all areas of the country, in order to undo the skewed development created by years of Apartheid development strategies (Government of South Africa, 1994).

The Constitution of the Republic of South Africa (1996) gives municipalities across the country the legislative and executive powers to govern and run their own affairs without interference by any other spheres. The Municipal Demarcation Act (1998) states that the demarcation of the municipalities is in every corner of the Republic to render an effective and efficient service delivery, and this is in line with the statutory requirements of the South African Constitution (1996). The Municipal Structures Act (1998) provides the types of the municipalities to be established and reflects on their interface with the traditional leaders and democratically elected representatives (councilors within this new dispensation. Municipal Demarcation Act (1998) delivers the categories the municipalities must be classified into and the areas that are not allowed or legible to be demarcated.

There is participatory local government in South Africa after the dawn of democracy in 1994 driven by Integrated Development Plan (IDP). The development of IDP is the legislative requirement of all municipalities. Local Economic Development (LED) and Spatial Development Framework (SDF) are the integral part of the whole system of developmental and participatory platform that characterizes the new system of local government.
The National Framework for Local Economic Development (NFLED) in South Africa for the 2006 – 2011 period has been created to promote a collective approach for LED in South Africa. It also contextualizes the role of local economies in the national economy and advocates the development of strategies to reduce poverty (DPLG, 2006). The Framework aims to achieve the latter by obligating local authorities to integrate local communities into economic activity and programs, to distribute information and to adequately co-ordinate economic development planning and implementation across government and between key role players (DPLG, 2006). In practice, it intends to mobilize local communities and local resources within the framework of Provincial Growth and Development Strategies (PGDS) and the National Spatial Development Perspective (NSDP) to achieve greater competitiveness within domestic and global markets (DPLG, 2006).

The basis for the latter is that developing areas competitiveness will increase its investment opportunities. Employment opportunities will emanate from the growth of investment that occurs in a particular locality (DPLG, 2006). The national and provincial government provides support for municipalities in developing local economic strategies while the DPLG has identified the following as the key principles underlying LED in South Africa:

- Poverty and unemployment are the main challenges facing South Africa. LED strategies must prioritize job creation and poverty alleviation.
- LED must target previously disadvantaged people, marginalized communities and geographical regions, black economic empowerment
enterprises and SMME to allow them to participate fully in the economic life of the country.

- There is no single approach to LED. Each locality may develop an approach that is best suited to its local context.
- LED promotes local ownership, community involvement, local leadership and joint decision making.
- LED involves local, national, and international partnerships between communities, businesses and government to solve problems, create joint business ventures and build local areas.
- LED uses local resources and skills and maximizes opportunities for development.
- LED involves the integration of diverse economic initiatives in an all-inclusive approach to local development.
- LED relies on flexible approaches to respond to changing circumstances at local, national and international level (DPLG, 2006).

In South Africa LED initiatives have emerged from the need to meet the economic existence of several localities. The Growth, Employment and Redistribution Program (GEAR) has influenced the direction of LED. The most common approaches utilized in South Africa to realize LED has been the establishment of local structures for LED. The activities of these structures have been confined to creating the appropriate environment for LED to occur which has been expressed in the promotion of a partnership between the public, private sector and communities. In most cases the
implementation of LED has been expressed in the form of proposal writing, fund raising, and employing staff, strategic planning as opposed to the actual realization of actual LED delivery processes (Rogerson, 2003:59).

Blair and Carrol (2009:134) state that communities with loose labour markets are characterised by high unemployment, low wages, discouraged workers and underemployment. Cashdan (2002:168) writes that municipal LED in South Africa does not rely exclusively on competition for investment. Many retrenched workers have resorted to informal sector survival strategies; and some LED initiatives aim to support these individuals, and to assist the establishment of small and micro-enterprises. Support for the informal sector may be a more promising pro-poor approach to LED than investment incentives for large firm.

According to the above definitions, it can be deducted that the main purpose of Local Economic Development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation. It is further indicated that local economic development offers local government, the private and the not for profit sectors, and local communities the opportunity to work together to improve the local economy. It focuses on competitiveness, increasing sustainable growth and ensuring that growth is inclusive. However, South Africa’s small business support programmes have made little progress (partly due to reliance on conservative private lenders); and
doubts have been raised internationally about the impact of small business support on unemployment; and hence, poverty. In terms of the Urban Development Framework (1997:37) Local economic development contributes to the creation of employment and to an environment conducive to investment. LED approaches are associated with attempts to promote the satisfaction of basic needs to bring about empowerment and to allow for greater local level self-determination. For LED to be successful, the process must include the participation of local, political, community and business actors in the economic and social development of their urban area or region. It must also be built on a common vision for the short, medium and long term; and it must identify and emphasize local comparative advantages.

Most economists regard job creation as the primary purpose of local economic development strategies. Job creation is closely associated with improvements in real incomes. Many municipalities encourage economic development in the expectation that new businesses will contribute more in tax revenues compared with the extra cost of municipal services. Planning of LED projects plays a crucial role as De Beer and Swanepoel (2000:139) point out that the aim of every plan is to reach a goal or to achieve objectives. Planning aims at determining the future actions of an institution and individual, and to identify guidelines that are necessary to achieve objectives. One of the manifestations of planning involves forecasting or making predictions about what is likely to happen in future or even predicting alternative outcomes. Planning must also schedule future activities (De Beer and Swanepoel, 2000: 141).
The most common set of themes of discussion by LED leading scholars are: the debate over pro-business growth LED initiatives versus pro-poor poverty eradication approaches; the existence of inefficient capacity and resources required to manage LED projects; the challenges of co-coordinating and integrating LED projects within public institutions; the differences between big competitively driven projects versus bottom-up smaller development initiatives; the challenges and potentialities presented by the difference in large cities compared to smaller cities; and the problem of promoting sector or specific area targeting LED initiatives. The current focus is on the need to provide LED initiatives that have the ability to achieve both global competitiveness and poverty reduction (Rogerson, 2003:60). A variety of scholars identify the fundamental flaw pertaining to the implementation of LED in South Africa as being national government’s focus on the promotion of the values of a developmental local government system without adequate guidance on the institutionalization of the appropriate set of structures, processes and leadership capacities.

2.5 PLACE OF LOCAL ECONOMIC DEVELOPMENT PUBLIC ADMINISTRATION

Ijeoma, (2013:1) simply describes Public Administration as the management of government affairs to achieve the common good of the society or rather the systematic implementation of government policies. Similarly Du Toit & Van der Waldt (1997:61) state that Public Administration refers to the study of various processes and specifically functional activities of government institutions that must operate within a particular environment in order to improve the general well-being of the people by providing them
with basic goods and services. In terms of its focus, the traditional approach in South Africa posits that the body of knowledge on Public administration comprises of public institutions and their functions.

Local government in South Africa is the most critical institution that can be a leading force in terms of facilitation, coordination and monitoring. Hence it must play a developmental role. The White Paper on Local Government (1998) defines "developmental local government" as local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives. For developmental local government to be implemented, strategies such as Integrated Development Planning (IDP) and Local Economic Development (LED) should be practiced. Therefore local government must put local economic development at the centre of development and make a favourable environment for local economies to grow if it is to succeed in achieving what is described in the White Paper.

Local government in South Africa will be explained in order to give a better understanding of the place of Local Economic Development in Public Administration. Van der Waldt et al (2007:4) as cited in Ijeoma (2013:394) define local government as a term generally used to refer to a centralized, representative institution with general and specific powers, devolved upon it and delegated to it by the central or provincial government, in respect of a restricted geographical area within a national or state, and in the exercise of which it is locally responsible and may to a certain degree act
autonomously. A local government has got authority to exercise legislative and executive powers in an area demarcated by law by a higher authority, and is an autonomous body within the limits of the Constitution and national legislation. Local government has got powers and functions to provide services and social amenities to the residents in its municipal area to promote and maintain their well-being.

Since the new democratic government, local government in South Africa is going through a transformation process. Local government deals with municipalities and is the closest sphere of government to people. Chapter 7 of the Constitution of the Republic of South African (1996) the South African Constitution (1996) provides the status of the municipalities in South Africa. Municipalities in South Africa are classified into three categories, namely, Category A which consists of 6 metropolitan and they are 6, Category B which is local municipalities and, finally, Category C which is constituted by all district municipalities.

The legislative and executive authority of a municipality is vested in each and every individual Municipal Council. According to the White Paper on Local Government, (1998), apartheid has left its imprint on South Africa’s human settlements and municipal institutions. Transformation requires an understanding of the historical role of local government in creating and perpetuating local separation and inequity, and the impact of apartheid on municipal institutions. After the 1994 election there was a change in government and the way local government functioned. The new era of government ushered the new constitution. The new South African Constitution (1996) urges local
government to focus on realising developmental outcomes, such as the provision of household infrastructure and services; the creation of livable, integrated cities, towns and rural areas; and the promotion of Local Economic Development and community empowerment and redistribution. This change in the role of Local Government meant that Local Economic Development(LED) became a central key to the development planning in South Africa Central government implemented a strategy to co-ordinate and structure the planning process for LED in local municipalities.

It also provides three approaches which can assist municipalities to become more developmental, namely Integrated Development Planning and budgeting; performance management; and working together with local citizens and partners. It emphasises the potential of Integrated Development Planning as a mechanism to enable prioritisation and integration in municipal planning processes, and strengthen links between the development and institutional planning processes. It proposes a process for the development of a performance management system for local government; and suggests ways in which municipalities can engage citizens and community groups in the affairs of the municipality in their capacities as voters, citizens affected by municipal policy, consumers and end-users of municipal services, and partners in resource mobilisation for the development of the municipal area (White Paper on Local Government, 1998).

Having been given this historical background, the Constitution of the Republic of South Africa (1996) further gives the right to the municipality to govern using its own initiative and run the local government affairs of its community without any interference, subject
to national and provincial legislation. This suggests that these two spheres of government cannot impede the municipality to run its show as the legislative and executive powers have been enshrined/envisaged in the Constitution of the Republic of South African (1996).

According to United Nations Development Programme (2005), local government and communities face major challenges in dealing with decentralization and participatory governance, especially in rural areas where local government structures and systems are still evolving. The views of the United Nations Development Programme are supported by the Reconstruction and Development Programme (1994) in its key programme, proposals, strategies and policy programme. These can be grouped into five major policy programmes that are linked to one another. The five key programmes are, namely:

- Meeting basic needs;
- Developing human resources;
- Building the economy;
- Democratizing the state and society; and
- Implementing the RDP.

The Constitution of the Republic of South African (1996) the South African Constitution, (1996), requires an Act of Parliament to provide for the following: (a) the equitable division of revenue raised nationally among the three spheres of government; and (b) the determination of each province's equitable share of the provincial share of that
The Division of Revenue Act (2008) addresses the issue of how revenue raised nationally in respect of the financial year must be divided among the other spheres of government for their equitable share allocations. A municipality cannot operate in isolation and outside the parameters of the national and provincial legislation. Other important pieces of legislation governing municipalities include Municipal Finance Management Act (MFMA), (2003) and Municipal Property Rates Act, (2004), Rationalization of Local Government Affairs Act (1998). LED is thus about community continually improving their investment climate and business enabling environment to enhance their competitiveness, retain jobs and improve incomes. Local communities respond to their LED needs in many ways, and a variety of approaches can be taken that include the following:

- Ensuring that the local investment climate is functional for local businesses;
- Supporting small and medium sized enterprises (SMMEs);
- Encouraging the formation of new enterprises;
- Attracting external investment (nationally and internationally);
- Investing in physical (hard) infrastructure;
- Investing in soft infrastructure (educational and workforce development, institutional support systems and regulatory issues);
- Supporting the growth of particular clusters of businesses;
- Targeting particular parts of the city for regeneration or growth (area based initiatives);
- Supporting informal and newly emerging businesses; and
- Targeting certain disadvantaged groups and improving the grey areas.
The municipalities unlike the national departments which operate within the ambit of Public Finance Management Act and provinces within the Provincial Proclamation, they operate within its Municipal By-Laws developed and approved by the council. In this respect, council is the Municipal Legislature or/and/or the highest decision making body responsible for approval of any policy and budget that is in the best interest of the mandate given to the municipalities in the Constitution of the Republic of South African (1996) the South African Constitution (1996). The municipality is responsible for approving its budget that is consistent with the needs of its communities identified in the Municipal’s Integrated Development Plan. The municipal Council, in terms of Municipal Systems Act (2000), must adopt/approve the IDP as the basis for the operationalisation of the concept of a developmental local government and the provision of the basic services. In terms of Municipal Systems Act (2000), the following were identified as key strategic priorities for the municipality. They are meant to inform the operations of the whole organization.

- Development of institutional capacity geared towards efficient delivery of services;
- Development of an effective and efficient financial management system that ensures financial sustainability;
- Facilitation of access to land to ensure development;
- Development of a framework for sustainable land use management for the entire municipality;
• Maximisation of economic growth and development through developing local economic opportunities and facilitating community empowerment;
• Development of integrated infrastructure that support social and economic development;
• Development of effective communications framework to inform internal and external clients;
• Fostering of community participation and ownership of municipal programmes; and
• Development of a framework of co-coordinating governance structures and facilitation of sound intergovernmental relations.

Local Economic Development, The Transitional Local Government Act (1993) and the White Paper on Local Government of (1998) redefined the objectives of local government as the ones focusing on development, including its social and economic dimensions. Local Economic Development is mandatory for any municipality and this implies that the primary role of municipalities is to create an economically vibrant and conducive environment to attract investment. The main aim of this mandate is to involve local government in economic development to address poverty, unemployment and redistribution in their areas. According to the South African Yearbook, (2001/2002), the recognition of local government in the South African Constitution as a sphere of government has enhanced the status of local government as a whole and of municipalities in particular, and has given them a new dynamic role as instrument of service delivery.
Bond, (2003:1005) argues that LED activities should be rooted in the developmental and pro-poor responsibilities that have been given to South African municipalities. His work potentially represents a call for a ‘new era’ of LED planning which would allow municipalities finally to embrace their own capacities, nurture and sustain a more genuinely developmental approach to their local economies, and reverse worsening patterns of uneven development that have followed from decades of pursuing non-developmental approaches. It might be argued that generally LED appears to pro-poor. It is against this background that LED plays a huge role in developmental local government by building up the economic capacity of local authorities to improve their economic future and the quality of life for all.

2.6 THE ROLE AND DUTIES OF LOCAL GOVERNMENT IN LED

According to the White Paper on Local Government Section B, citizens and communities are concerned about access to services and economic opportunities, mobility, safety, absence of pollution and congestion, proximity to social and recreational facilities. The local government can impact on all these facets of the lives of citizens and communities. Local government can play an important role in promoting job creation and boosting the local economy as per the White Paper on local government, Section B. The key starting point is investing in the basics by providing good cost effective services and by making the local area a pleasant place to live in and work. The White Paper further indicates that local government is responsible for promoting the social and economic development of communities. This provides municipalities with a
mandate to provide special economic services or to assist other agencies with the provision of such services, where appropriate.

The role of the local government concerning local economic development entails amongst others:

2.6.1 Facilitation:
The local government, through the district municipalities must facilitate and, where relevant, lead the implementation of local economic development through ensuring that appropriate institutional capacity is created on the district level.

2.6.2 Guiding or enabling:
It is the responsibility of the local government to provide guidance in terms of the direction that local economic development should take.

2.6.3 Linking and coordinating:
The local government must ensure that the activities within the various local municipalities and the activities of the external stakeholders are linked and coordinated.

2.6.4 Intelligence:
It is the responsibility of the local government, through the district municipalities to provide intelligence i.e. appropriate information in support of local economic development initiatives.

2.6.5 Promoting:
The local government must continue to promote local economic development as a core strategy of the district and local municipalities.
2.6.6 Marketing:
It is the duty of the local government, through district municipalities to develop and implement competent marketing or public relations programmes for the districts.

2.6.7 Supporting:
The local government has the responsibility to provide support to local municipalities in the implementation of local economic development.

2.6.8 Funding:
It is also the responsibility of the local government to provide funding for strategic infrastructure projects which will open up opportunities for local economic development.

2.6.9 Monitoring:
The local government establishes and maintains a system for monitoring the successful implementation of local economic development.

The aim of Act No 32 on Local Government: Municipal Systems Act 2000 is that the local government must provide for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities. It further provides for the manner in which municipal powers and functions are exercised and performed to provide for community participation and to provide basic services to all our people and specifically the poor and the disadvantaged. These roles and duties are further enshrined in the constitutional principles and values of The Public Service Commission (South Africa: 2006:13).
Nine constitutional principles and values were given, and one of the principles calls for efficiency, economy and effectiveness in the use of resources. This principle requires the public service to have the capacity for sound financial management. Furthermore, departments need to have the ability to understand the policies and programmes of government and to have the ability to determine success and failures in the course of implementing these. The inability to do all these very often costs service delivery dearly. Essential for achieving this is the capacity to manage performance in the public service and to monitor and evaluate it. Another principle of the state of the Public Service Report (2006:13) is on developmental orientation and requires government departments to have the ability to design and implement effective poverty reduction interventions to create a better life for its primary stakeholders, the citizenry. The capacity to do this must also include the ability to integrate development needs and poverty reduction into all the work of the public service.

2.7 LED APPROACHES IN SOUTH AFRICA – PRO-GROWTH AND PRO-POOR INITIATIVES.

The majority of LED initiatives in South Africa have been following the pro-growth LED strategy. This has been given support by the country’s macro-economic policy framework. This LED trajectory has been expressed in urban areas establishing LED activities aimed at the promotion of local competitiveness by establishing city improvement programs; provision of mechanisms to support the growth potential of the small, medium and micro enterprises (SMME); and promoting localities for competitive
spaces for production, consumption and knowledge based activity (Rogerson, 2006:38). Rogerson (2006:38) asserts that pro-poor initiatives are followed as a need to steer the LED trajectory towards the eradication of unemployment and poverty in several localities in South Africa. Rogerson (2000:405) observes, in terms of the mandate of developmental local government the establishment of pro poor local development strategies is therefore critical and central for sustainable urban development as a whole, particularly in dealing with the apartheid legacy of widespread poverty.

This approach is expressed in the 2002 LED policy document entitled ‘Refocusing Development on the poor’ (DPLG, 2002; Rogerson, 2006:38). In essence the focus of the 2002 LED policy document is to provide the correct mechanisms that will target low-income communities and the marginalized. He goes on to state that pro-poor LED strategic interventions can be explained as being the following: community-based economic development projects, development of linkages, human capital development, the development of infrastructure and municipal services and several formal and informal activities aimed at retaining and increasing local economic activity (Rogerson, 2006:39). Nel (2001:1002) write that LED in South Africa has taken a new dimension of being pro-poor. The case in point is the recent manifesto of the African National Congress’s focus, as part of its election mandate, on rural development. Therefore, LED is used as a strategic tool to mobilize resources, build capacities and skills, guided by legislative provisions such as:
The Constitution of the Republic of South Africa, Act 108 of 1996, Chapter 7 (c), which mandates local government to pursue and promote social and economic development.

The Reconstruction and Development Programme (RDP) which makes reference to LED in support of community based development and locality based initiatives (ANC, 1994).

The Local Government White Paper (RSA, 1998) introduced the concept of “developmental local government” and reflected on local government commitment need to work with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs.

LED as contextualised from the South African perspective stipulates that it has to be pro-poor in orientation, enjoying the national state endorsement of local-level action and requires a combination of private and public partnerships to address particular socio-economic problems as a local government mandate. Kanyane (2008:698) views LED as referring to local people working together to achieve sustainable economic growth that bring about economic benefits and quality of life improvements for all in the community.

Generally this means that LED is a locally driven initiative encompassing all stakeholders; hence the public and private investors have to participate in any LED mechanisms. LED can be regarded as sub-national, sub-state and sub-regional, taking place in the context of a local labour market. The special features of LED that are common in all its definitions are that LED has to be at a local level and there may be
strong partnerships with the private sector or any development agencies interested in the economic empowerment of local communities mainly focusing on job creation and poverty alleviation.

2.8 ROLE PLAYERS IN LED

According to the Toolkit on Local Economic Development, the national government, in particular the Department of Provincial and Local government acknowledged the need for all actors at all levels of South African society to shape their environment and economic destiny (www.thedplg.gov.za/subwebsites/led/docs/toolkit.pdf). The nature of the challenges facing the country suggests that creativity and innovation are needed at all levels and from all groups in the country, which means that LED calls for cooperation. The Toolkit further recommends that in adopting LED as a strategy, the South African government is encouraging people at all levels of society to participate in economic decision making, an act which will explore creativity and build entrepreneurship. Given the challenges that are faced by government in job creation and poverty eradication, LED builds a platform for bringing people together to work towards solutions. LED is therefore the result of joint planning by a municipality, its community and business sectors, that is, all economic forces in the local situation have to be brought on board to identify resources, understand needs and work out plans to find the best ways of making the local economy fully functional, investor friendly and competitively productive. LED is usually strategically planned by local government along
with its public (other levels and agencies of government), private sector and the community.

Kharidzha (2003:18) is of the opinion that while it is true that the promotion of social and economic development and by implication LED, is a constitutional objective of local government, the latter alone may not be able to do everything on its own. The obligation for local governments, especially in rural areas where an adequate tax base is lacking, is overwhelming and therefore the need for partnerships is necessary. The partnership is to be between the local governments, the local people and the business sector.

According to the RDP (1994: 22), local authorities can only perform their functions if they work with Community Based Organisations (CBOs) and Non-Governmental Organisations (NGO) to establish the minimum conditions of good governance and to implement effective development projects. The role of the South African National Civics Organisation (SANCO) cannot be wished away by local governments in their endeavors to promote local economic development in the rural communities. Traditional leaders are also important stakeholders in the promotion of local and economic development. The institution of traditional leaders has in the past been a form of local government in the tribal villages of the rural communities. The councilors and civic leaders should be involved in the planning of community development projects. That is likely to promote the notion of cooperative governance espoused in various government legislations in South Africa.
The Toolkit for LED also emphasises the need for inclusivity in LED processes. The document categorically states that it is often interpreted in such a way as to place the sole responsibility for LED for local government which could risk exclusion of some role players, such as the business and civil society organisations. The document supports the notion that sustainable LED requires clear economic thinking and performance, based on economic dynamics and business principles.

The local government is not well-equipped nor does it have the necessary capacity to solely drive it. The role of local government is to facilitate or integrate participation across civil society and the business sector. Local government is both a role-player and an integrating force in LED. Its role is to manage the creation of a favourable business climate on the one hand, and on the other to construct and maintain infrastructure towards business growth and healthy lifestyles for the communities in its area. A further role of the local government as a leader in LED processes is to form partnerships with business and civil society and to mobilise support and participation. By its nature, LED is a partnership between the business sector, community interests and municipal government. Each partner in the LED process brings resources and has needs to be fulfilled.
2.9 LED AND COMMUNITY PROJECTS

One of the aims of LED is to try to solve the problem of poverty and unemployment in the communities especially the poor and the disadvantaged groups. As part of the LED strategies, community development projects were identified as means towards the, empowerment, capacity building and skills transfer for such communities. The main problem remains lack of management skills in planning and implementing such projects.

2.9.1 Projects for community development and empowerment

It is essential that social development takes place in both urban and rural areas. Various policy and other documents urge citizens, as well as the responsible authorities to take decisive action to uplift the people of South Africa (Van der Waldt & Knipe, 2001:106). Many African countries have been exposed over the past decade have obliged many of them to implement far reaching socio-economic and administrative reforms, in an effort to correct internal imbalances and inequalities and re-establish growth. Social development projects assist some communities and individuals to withstand the challenges that come with structural adjustments and strategic changes.

Communities in South Africa need to be uplifted socially and economically. At the moment, poverty is one of the major issues hampering development and development projects in various parts of the country. Poverty is also responsible for the emergence of informal settlements and the general pattern of urban settlement. These structures and
living conditions are more often the result of the imbalances and inequalities and the desperate lack of effective social development programmes in the country. Poverty in South Africa is linked to large-scale unemployment, hunger and malnutrition, an inability to pay for or no access to medical care and basic services, the break-up of families, homelessness and sheer helplessness. The burden of poverty also weighs much more heavily on women and children than on men.

The characteristics of the extent of poverty in South Africa involves among others, a relationship between poverty and race where 95% of poor people are black; between poverty and rural communities where 75% of South Africa’s poor people live in rural areas; the fact that very few of the poor people who can work have jobs; forty-five percent of the poor people in South Africa are children below the age of 16 and finally poverty in South Africa can be linked to gender. In this case, households that are headed by women are generally much poorer than those headed by men (Van der Waldt et al., 2001:107).

2.9.2 The need for management skills in community development projects

Thornhill (2009:411) asserts that the three spheres of government are faced with obstacles and the fact that the administrative structures have deteriorated to such an extent that those services cannot be delivered at an acceptable level. It is further indicated that corruption has increased and proof of officials guilty of unethical conduct and which centre on inefficiency appears to be rampant. The ideals of Batho Pele
(People First) are simply flaunted by officials. It is also indicated that it is important for the government in all spheres to focus their attention on the administrative and managerial capacities of officials so that the desired results are produced.

Much of service delivery could be blamed on lack of resources; however, about 70% of the success of any job depends on the incumbent of that position. Provision of services could improve if there could be an improvement in managerial quality of the senior officials of the political office. It could therefore be concluded that lack of service delivery can largely be attributed to lack of management or management skills. Luthuli (2009:463) points out that public service manager need to be motivated towards being innovative and able to take risks if service delivery is to move beyond experimentation.

2.9.3 The Failure and Success of Projects

More often than not, projects fail to achieve their intended objectives, while others succeed to achieve the intended objectives. Kerzner (2006:7) defines project success to include among others the completion within the allocated time period, within the budgeted cost, at the proper performance or specification level and with acceptance by the customer or the user. Kerzner (2006:61) states that project failure is when the final results are not what we expected, and further defines failure as unmet expectation which is called a planning failure and is the difference between what was planned and what was in fact achieved.
Knipe, Van der Waldt, Niekerk, Burger and Nell (2002:17) define projects, facilities and products as follows: projects are undertaken by organisations in order to deliver, construct, maintain or renew facilities. Projects are the vehicles consisting of a scope of work and project organisation required to deliver facilities. Facilities are then required to produce the products. Facilities may be factories and equipment, product design, management process or organised group of people. A facility is the product that a project delivers; it is defined by the qualitative and quantitative objectives of the project. Products are what the organisation is in business to make, deliver or sell as stated in its mission. Products generate revenue and therefore deliver the purpose or benefit of the project.

Theron (2008:41) categorically states that one of the most obvious reasons behind project failure relates to poor management. Van Der Waldt and Knipe (2001:66-68) recommend that during the preparation phase of a project, the need for a project is determined and arrangements are made to implement the project. They also indicate that several methods can be used to identify needs in an institution or a community. The steps can be divided broadly into formal and informal methods. Formal methods will include questionnaires, scientific surveys and opinion polls. Informal methods include debates, discussions and mere observations. Information must be based on corroborative facts and not merely on personal opinion. It should be established whether the project will be accepted and supported by the institution or community that will be affected by it. Once the needs have been identified, the next step will be to choose the project team. The project team represents the institution or community and,
as such, must place the client’s interests above personal interests. The project needs to be defined so that all members of the team know exactly what they are letting themselves in for so that they can clarify all uncertainties about the project. The definition of the project is particularly important if funds have to be raised. Developers want to know exactly what the project is all about and a clearly written document is needed which include amongst other things, destination of the project, that is, who will benefit from it, objectives and milestone, scope of the project, factual information and community approval as well as other responsible people.

Mantel, Meredith, Shafer and Sutton (2001:55) state that if the problem arises during the life of a project, the first hunch would be that the project was not properly planned. Inadequate planning is more the case than the exception. A number of studies conclude that careful planning is strongly associated with project success. The further conclude that the final stage of any project, the project must be evaluated. Evaluating the project means setting the value or appraising the project. A project evaluation appraises the progress and performance relative to the project’s initial or revised plan. Evaluation also appraises the project against the goals and objectives set for it during the selection process. Sometimes evaluations are made relative to other similar projects.

Secondly, South African Civics Organization (SANCO) also commissioned research and made its own policy recommendations regarding the implementation of LED. This policy position places community leadership in the forefront of all local development related matters. According to SANCO, all stakeholders must be brought together to develop a
common vision for the municipality around the development priorities. Community empowerment, local procurement and support for public works programs are strongly advocated. What SANCO argues is that there is no one universally-accepted strategy, but that local circumstances as well as needs and realities will influence the nature of the strategy adopted (Geddes, 2004:157).

Thirdly, the national government has its LED policy contained in three separate documents. These are the Urban Development Strategy (Government of South Africa, 1995a), Rural Development Strategy (Government of South Africa, 1995b) and the Draft National Policy for LED (Department of Provincial and Local Government, 2003). These documents are vague on how government intends to achieve and implement LED. More specifically, they are not clear on the role that this policy should play and the degree to which it is prepared to contribute to the process of development. Nevertheless, government assumes the role of facilitator in creating an enabling environment for LED. To illustrate this, the National Policy Framework on LED describes the role of government as that of providing funds for local projects that have the greatest commitment to the three national policy thrusts, which are the establishment of a job-creating economic growth path; sustainable rural development and urban renewal; and bringing the poor and the disadvantaged to the centre of development. The Department of Provincial and Local Government aims to give additional support to those LED activities that are more strongly focused on developmental local government. This shows that apart from the promised funding, national government is not very explicit with regard to the support that is given to municipalities.
Local municipalities are encouraged to develop their own policies and initiatives regarding their LED interventions. The difference in emphasis of these three important role players in LED is perhaps one of the main reasons why there is no coherent implementation of LED initiatives in South Africa. Local municipalities are the implementing agents for LED and are therefore better placed to determine the pace, focus and scale of LED in the country. This, however, is a daunting task for many rural municipalities, who are struggling as a result of non-payment of services, high unemployment, poverty and migration of skilled labor to the cities. This situation is exacerbated by poor administration and limited opportunities for investment (Buso, 2003:87).

Despite this adverse situation, it remains the responsibility of local government “to promote social and economic development” (Section 152 (i) (a) of the Constitution Act 108 of 1996). Rogerson (1999:514) identifies five intervention areas for local government to achieve its constitutional obligations to promote economic development. These are to:

• Set a regulatory framework (i.e. laws, regulations, ordinances);

• Access to municipal services;

• Employment creation (e.g. local procurement);

• Security and Protection from natural disasters; and

• Coordination and integration
According to Rogerson (1999:515), few municipalities are conscious of how their LED strategies can be designed, structured and monitored, so as to ensure a systematic strengthening in the assets of the poor and the reduction in their vulnerability. He further points out that there is a lack of capacity within local government structures and even though there is policy support for LED and considerable interest being expressed, very few municipalities have established functional LED units. Results are limited, as rural areas in South Africa often do not appeal to external investors, financial assistance from national and provincial government is also lacking.

2.9.4 The Role of Government in Community Development Projects

Coetzee, Graaf, Hendricks and Wood (2001: 553) espouse that local government has to play a developmental role and that municipalities are given developmental duties which are defined as the basic needs of the community, and to promote the social and economic development of the community. Developmental Local Governments are defined by Coetzee et al (2001: 553) as Local Government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives. They further state that the Department of Public Works envisages a greater role for local government in the community based public works programme. With all these intentions, it is clear that many local authorities lack the capacity to initiate or implement developmental programmes.
Municipalities are experiencing financial stress and in some instances crises which result in service backlogs, collapsed or deteriorating infrastructure, deteriorating creditworthiness and borrowing capacity. However, the analysis suggests that the weakness of local authorities is deeper than financial management. Many councillors are totally inexperienced in local government, party-political conflict is much more pronounced in local government and other municipalities have become administratively bloated or key administrative staff has vacated their posts. This shows that the performance of Local Government needs to be improved, monitored and evaluated. Coetzee et al (2001: 555) maintain that the importance of performance management is an approach to management which emphasises output, results, delivery, training and productivity of both individual officials as well as the institution as a whole. It is further mentioned that projects have to be evaluated in terms of their ability to make a meaningful and lasting contribution to peoples’ lives.

2.10. THEORATICAL FRAMEWORK OF LED

There are various theories of LED, the one that is most relevant for this study is the Empowerment Theory. At its core lay the concept of power and the inevitable division of many societies into those with power and the powerless. In the 1970’s, forceful debates between the modernization and the dependency schools of thought emerged on the root causes of underdevelopment which focused attention on the relationship between power and poverty, while in the 1980’s a major analytical thrust began to collect evidence on which much of the contemporary empowerment energy is based.
Anthropologists have long argued that development is nothing new and societies are in the continual process of developing and power is central to the ability of different groups within the society promoting their own development. The refining of an alternative development paradigm of the 1980’s and 1990’s appeared to have unified in the early 1990’s around the notion of empowerment (Oakley, 2001:11 -12).

Therefore, empowerment had become a central concept in development discourse and practice by the 1990’s. As a consequence, empowerment as an operational objective is now widely noticeable within the policies or programmes of national and international NGO’s and as well as a major influence on the policies of bilateral and multilateral development agencies in the third world. In SA, the central principle in the Reconstruction and Development Programme (RDP) is the empowerment of the poor and marginalized communities. This was reiterated in the Growth, Employment and Redistribution (Gear) strategy which calls for redistribution of income and opportunities in favour of the poor. Thus the DPLG is uniquely placed to combine empowerment and the redistribution in a number of concrete programmes to favour the poor. These include service subsidies to the poor below cost, support to community organizations in the form of finance, and technical skills or training to enhance the ability of the poor to identify their needs in order to take control of the development process (DPLG, Section B, 1998).

Empowerment is not so easily defined and is open to a broad range of interpretations. It would be necessary to attempt a definition to this complex term. “Empowerment is
about collective community, and ultimate class conscientization, to critically understand reality in order to use the power which even the powerless do possess, so as to challenge the powerful and ultimately to transform that reality through conscious political struggles” (Oakley, 2001:15).

The above definition revolves around the notion of power analysis and on actions to empower groups or people that lack access to those resources and institutions that would enable them to compete more effectively in the struggle to sustain their livelihood development as transformation. Consequently, people’s empowerment can manifest itself in three broad areas (i) power through greater self-confidence in ones capability to effectively undertake some form of action (ii) power by increasing and effecting relations that powerless people establish with other organizations (iii) power as an upshot of increasing access to economic resources, such as credits and inputs.

Empowerment does not merely mean making people feel better about their poverty or encouraging local initiatives or making people to be politically aware. It equally does not assume that people are entirely powerless. On the contrary empowerment has to do with positive change in an individual, community and structural sense with regards to organizations and with negotiations. Thus empowerment is a motivational concept that evokes or calls to mind a wide range of different responses among different groups (Oakley, 2001: 169).
To avoid the nuance and ambiguity of a succinct definition of empowerment, it has forcefully entered the formal publications and discourse of development agencies as an operational concept used in a variety of ways with the intention to promote it. This is a positive sign that the empowerment theory is filtering into the field of development and international relations as a practical concept and not merely staying at the level of strategic intent for academic discursions (Oakley, 2001:170).

Therefore, the manifestation of the empowerment theory to LED initiative is obvious as it blends the practical reality and theoretical framework within which this concept operates; it encompasses all the facets of LED. This theory lays much attention on participation, capacity building, economic improvement, democracy and transparency, which are the grand words in LED programmes. Over the past years, words such as participation, empowerment, bottom up planning and indigenous knowledge have become increasingly common within development discourse or debate. Such is their popularity that it is difficult to find a LED project which does not claim to adopt a participatory approach involving bottom up planning, and/or to empower people within their communities (Stirrat, 1996: 67).

If the logic of the concept is taken to its full limits, then it can only mean “equalizing or near equalizing power, empowering those who do not have the power in the system” which is the fundamental goal of LED. This is clearly illustrated in SA in the White Paper on Local Government as intended by the functions in its developmental role. Therefore, to empower people at the grassroots (to break the monopoly of economic power by
encouraging small business enterprises and by making government more accountable to the people) you would have created enabling conditions for a more equitable distribution of wealth and productive assets (Tandon, 1995: 31-34). This is the thrust in LED in achieving poverty alleviation (and the essence of developmental local government which is spelt out in the local government white paper) in the Republic of South Africa (DPLG, Section B, 1998).

To better understand the empowerment theory as a central concept in development studies and practice it is necessary to examine the theory within a wide variety of interpretations such as empowerment as participation, empowerment as capacity building and empowerment through economic development. All these strands of empowerment are incorporated into the LED common sense and the intended vision of the developmental local government policies in SA (Stirrat, 1996: 71) and DPLG Section B, 1998). They will be discussed below:

2.10.1 Empowerment as Participation

Empowerment through participation is an approach which gives local or disadvantaged people rights and supports them in developing the capacity to analyze situations, find solutions and produce responses to key issues that affect them within their communities. Thus they do not only participate in the management process but take decisions and analyze situations (Stirrat, 1996: 71). The completion of the process of participation should result in the more active participation of previously excluded groups
in areas such as the design, management and evaluation of development processes (Oakley, 2001: 171). The logic in this form of empowerment is embedded in the LED agenda and it makes use of the bottom top management approach - reemphasized by the notion of people centered in development planning. This is clearly seen in White Paper on Local Government in SA which gives local communities or councils the power to promote LED at local level. Thus municipalities in SA are mandated to represent community’s interest by promoting the involvement of citizens and community groups in the design and delivery of municipal programmes. Emphasis was laid on the participation of youth organizations, marginalized and excluded groups (women) in community processes by removing the many obstacles that impede effective participation such as social values and norms, as well as practical issues as lack of transport and enormous household responsibilities. This mandates municipalities to adopt inclusive approach in fostering community participation (DPLG Section B, 1998).

2.10.2: Empowerment as Capacity Building

Here empowerment is seen as the process whereby partner organizations or people (stakeholders) are strengthened and as a result have more power in terms of the multiple challenges and tasks that they confront (Oakley, 2001:171). This aspect of empowerment enshrines in the people the ability or capabilities to conceive, design and implement their own development goals within the LED platform. It projects the tendency of a group of people or a community knowing what they want, how to achieve what they want and when best to achieve it. This approach to empowerment is
buttressed in SA through municipal responsibilities to assist the poor in improving on their technical skills or training to enhance their overall capacities and to take control of their own development process (DPLG Section B, 1998).

2.10.3: Empowerment through Economic Improvement

The link between power and resources is a major driving force behind many efforts of development agencies to promote the empowerment of the powerless through LED. These efforts have been greatly enhanced by the recent micro credit activities targeted at the poor. It is a major tool in strengthening the economically underpowered within the LED programmes. They will have access to loans even if they do not have tangible collateral security. The quantifiable activities of the micro credit and other infrastructure development to enhance the economic situation offer the prospect of tangible evidence of economic empowerment (Oakley, 2001: 171). In SA, the socio-economic development and community empowerment is directed towards economic activities that will eradicate poverty.

In the White Paper on Local Government, majority of the poor in SA are women and economic empowerment strategies aimed towards women are likely to prove the most effective. This is a major leap forward as women could be identified as vulnerable within the poverty circle in SA. Furthermore, the developmental local government aims at directly linking profitable growth or investment of businesses with redistribution or community development. This could be done by levying fast growing areas to subsidize
the poor or to make social responsibility investment in return for business permission within localities. This will in effect boost the economic situation of the poor in SA (DPLG, Section B, 1998).

While current practice is also influenced by empowerment through self-awareness, transparency and democratization, the above three areas represents it’s more tangible manifestation within localities. A contextual analysis also looks at differential use of empowerment in terms of gender relations. Empowerment may be an explicit objective of the development intervention and that the intervention is undertaken in a manner that promotes active local participation or the more disadvantaged within the community/beneficiary in question (Oakley, 2001:171 - 172). Accordingly, it becomes the main goal for LED to strengthen the economic capabilities of the community and especially the economically disadvantaged groups of the community thereby alleviating poverty. The rationale of the empowerment theory is that it upholds a “trickle up” notion by creating economic possibilities to the poor at the local level.

2.11. PRINCIPLES THAT CAN PROMOTE THE IMPLEMENTATION OF LOCAL ECONOMIC DEVELOPMENT

Craythorne (2006:144) suggests that there are three principles that should promote local economic development. These are finding, facilitating and fostering. These three will be elaborated below:
2.11.1 Finding

According to Craythorne (2006:144) finding implies that municipalities, having identified potential economic growth areas, should find the most suitable investors according to their needs. This can be done in a number of ways, including effective marketing strategies and continued interaction with potential investors.

2.11.2 Facilitating

Craythorne (2006:144) explains that facilitating involves making sure that having found investors; a suitable environment is created for ideal business practices. This involves *inter alia*, that by-laws pertaining to municipal zoning, for example, are upheld and abided by. It is necessary, in this regard, to recognise the role of the municipality.

2.11.3 Fostering

This third principle revolves around making sure that investors are retained. While it is obviously important to attract and facilitate the process of investment in the local economy, there should also be concerted efforts to ensure that investment relationships are fostered in order to minimise the risk of investors withdrawing from the area. From the above it is clear that promoting local economic development requires an in-depth analysis of current economic conditions and based on that, rational decision-making by municipalities. These decisions should be accompanied by effective consultation with
stakeholders such as potential investors and as was mentioned, possibly partner municipalities, locally or internationally. In line with this, the most important policy provision for promoting development in local government, namely Integrated Development Planning will now be discussed (Craythorne, 2006:14).

2.12 POLICY AND LEGISLATIVE FRAMEWORK FOR LOCAL ECONOMIC DEVELOPMENT IN SOUTH AFRICA

Below are the policy and legislative framework providing for LED in South Africa:

2.12.1 The Constitution of the Republic of South Africa

The Constitution of the Republic of South Africa is the supreme law of the country, prescribing and placing great responsibility on municipalities to facilitate LED. Furthermore, the Constitution based on the Bill of Rights states that the government is expected to implement initiatives to alleviate poverty, unemployment and rural development. The Constitution calls for the establishment of a pro-poor developmental government and entrusts the local government with the responsibilities of economic development. Section 152 of the Constitution provides for local government to promote social and economic development. Municipalities are obliged to make provision of services to communities in a sustainable manner, promote social and economic development, and encourage the involvement of communities and community organisations in matters of local government. Chapter 2 of the Constitution calls for the
establishment of the “socio-economic rights” of every citizen, which include a right to an environment that is not harmful to one’s health, access to adequate housing and a right to social security for people who are unable to support themselves and their dependents, an appropriate social assistance, a right to a basic income and access to a minimal level of economic resources, a right to non-discrimination in the distribution of income, productive output and economic resources, a right to non-exploitation in all work, in the labour market, in the household and in the informal economy and a right to a just share of the means of production of the economy. The Constitution (1996) further prescribes for the promotion of an intergovernmental relationship between all spheres of government on issues related to the development of the economy.

2.12.2 The Reconstruction and Development Programme (1994)

The Reconstruction and Development Programme (IDP) was launched as the main ANC policy document before the elections in April 1994, and then formalised in September 1994 as the new government’s ‘White Paper on Reconstruction and Development’. It was designed to provide a broad framework for South Africa’s new development vision, priorities and operational procedures and it aimed to both lay a basis for subsequent laws and actions to address the extreme social and spatial inequalities engendered by years of apartheid, and to promote overall development (ANC, 1994). In a radical break with the past, the RDP was promoted essentially as a ‘people-driven process’, focusing on the people’s most immediate needs, and in turn, on their energies to drive the process of meeting these needs.
The RDP was designed to tackle inequality and poverty through the need for ‘an integrated and sustainable programme, which was motivated by the recognition that the legacy of apartheid cannot be overcome with piecemeal and uncoordinated policies. The RDP brings together strategies to harness all resources in a coherent and purposeful effort that can be sustained into the future. These strategies will be implemented at national, provincial and local levels by government, parastatals and organisations within civil society working within the framework of the RDP.

It is argued that the broad goals of the RDP can be achieved by giving much more responsibility for development to local government, which is viewed as the primary level of democratic representation. As the RDP stresses, ‘the democratic government will reduce the burden of implementation which falls upon its shoulders through the appropriate allocation of powers and responsibilities to lower levels of government, and through the active involvement of organisations of civil society’. Therefore, the RDP laid a policy basis for enhancing participation through local government and provided principled support for grass-roots action.
2.12.3 The Development Facilitation Act (1995)

A key local government planning and development instrument is the Development Facilitation Act, 1995, which laid down the general principles governing land development throughout the country. Local governments were empowered to develop what were known as `Land Development Objectives' (LDOs). These are for the sub-division and development of land in the urban and rural areas to promote the accelerated provision and development of land for residential, small-scale farming, economic uses or other needs, and to improve the security of tenure. This Act was deemed necessary in the light of the complex apartheid geography of the country and the need to redress development imbalances and accelerate development through the efficient utilisation of land.

2.12.4 Local Government Transition Act (1996)

Although the more recent legal provisions pertaining to the developmental role of local government have been based on the 1998 White Paper on Local Government, pre-1998 Acts have also helped to lay a key basis for this new role. The Local Government Transition Act (1996) assigned various powers and duties to local governments relating to service provision and required metropolitan councils specifically to promote integrated economic development, the equitable distribution of municipal resources and the delivery of services, with a developmental focus in mind. Metropolitan councils are also required to formulate and implement a metropolitan Integrated Development Plan,
a provision subsequently extended to all local authorities incorporating land use, transport and infrastructure planning and the promotion of integrated economic development. Though the Act has a focus on metropolitan areas, non-metropolitan councils have their powers and duties assigned on an individual basis, in terms of the 1993 Constitution and the original Local Government Transition Act of 1993.

2.12.5 The Municipal Demarcation Act (1998)

Three Acts of Parliament pertaining to local government have developed from the 1996 Constitution and the 1998 White Paper on Local Government. The first, the Local Government Municipal Demarcation Act (1998), is concerned with determining new municipal boundaries throughout South Africa, a process undertaken between 1998 and 2000 which saw over 1000 local councils amalgamated into +/-284 municipalities, and also ensured wall-to-wall local government across the country. This Act sought to eliminate small and ineffective local councils through combining neighboring local authority areas under a single jurisdiction, and also assigned rural areas surrounding urban centers to the control of the latter.

This was undertaken to ensure economic and service efficiency, such that within municipal boundaries the municipality would be capable of fulfilling its constitutional obligations, including the promotion of social and economic development, integrated development, effective local governance and the incorporation of poorer communities under the jurisdiction of wealthier local authorities. Indirectly, this Act lays a basis for
local economic development through ensuring fairer spatial distribution of resources, and created more resourced, but also less accessible, local government structures.

2.12.6 The Municipal Structures Act (1998)

The *Municipal Structures Act* (1998) extends and develops the provisions of the *Local Government Transition Act* of 1996. The Act provides for the three categories of municipality noted above, to operate within the newly demarcated areas and assigns them specific powers and duties. The duties and powers are based on the *Constitution* (1996) and are generally of a service type nature, but include the following LED-type foci, namely: tourism, planning, public works, infrastructure development and markets. In undertaking such duties municipalities are expected to promote economic and social development in the area under their jurisdiction.

Importantly, the Act recognizes and allows for the participation of traditional leaders within local government administration in the areas in which they reside. It also mandates district councils to assist local municipalities falling under their jurisdiction through integrated development planning, bulk infrastructural development, capacity development and the equitable distribution of resources.

The White Paper on Local Government provides a framework for developmental local government. In essence, developmental local government is described as local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives (1998:17).

According to the White Paper (1998:18) the nature of a system of developmental local government comprises four specific and interrelated characteristics. These characteristics are: maximising social development and economic growth; integrating and co-coordinating activities; democratising development; and a process of leading and learning. The developmental outcomes of municipalities include local economic development.

The White Paper specifically provides that local government can play an important role in promoting job creation and boosting the local economy. Investing in the basics by providing good quality and cost-effective services and by making the local area a pleasant place to live in and work is the starting point. However, two other types of initiatives are important namely, reviewing existing policies and procedures to promote local economic development and the provision of special economic services such as investment support, small business support and research and technology. It is pertinent to state that the abovementioned legal and policy frameworks endeavor to provide the
basis, context and form for promotion of both social and economic development within the sphere of local government.

The White Paper also highlights the following challenges facing South African municipalities (White Paper on Local Government, 1998):

- Addressing skewed settlement patterns, which can be considered functionally inefficient and costly;
- Addressing redistribution between and within local areas as there is an extreme concentration of taxable economic resources in formerly white areas;
- Concentrating on creating viable municipal institutions for dense rural settlements close to the borders of the former homelands with minimal access to services and little or no economic base;
- Addressing the spatial separations and disparities between towns and townships and urban sprawl;
- Creating municipal institutions which recognise the linkages and dependencies between urban and rural settlements.


This Act specifies in more detail how local government is to work, including the principle of popular participation in local governance and local-level development. The Municipal Systems Act (2000) provides for ‘the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and
economic upliftment of communities, and ensure universal access to essential services that are affordable to all'. The Act goes on to state that it describes the `core processes or elements that are essential to realising a truly developmental local government system. These include participatory governance, integrated development planning, performance management and reporting, resource allocation and organisational change.

This particular Act has defined implications for LED in terms of the operational procedures, powers and management systems, which are mechanisms to promote pro-poor development. Municipalities are specifically required to involve communities in the affairs of the municipality, to provide services in a financially and sustainable manner and to `promote development in the municipality'. In terms of service provision, municipalities are required to prioritise the basic needs of the community and to ensure that all residents have access to a minimum level of basic services. LED may be promoted through the provision of special tariffs for commercial and industrial users. A further LED-related provision is that municipalities may establish service utilities or acquire ownership of a company which renders a municipal-type service.

The parallel White Paper on Municipal Service Partnerships details how municipalities can enter into partnership arrangements with the private, public, community and NGO sectors to improve service delivery in a specific area. According to Binza (2009:249) it is the responsibility of the municipality to ensure that the partnerships are structured so as to flourish through continuous training and development, and a coaching and mentoring
system. He further states that the aim is to improve the human capacity of the local sphere of government to manage LED initiatives and programmes effectively and efficiently, and to redistribute economic resources equitably.

A key facet of the Act is the detail provided on the Government’s commitment to the encouragement of participation. The Act spells out the same powers and duties as detailed in the *Structures Act* and obligates municipalities to undertake developmentally orientated planning, requiring municipalities to develop ‘Integrated Development Plans’. These plans should involve widespread consultation with communities and other stakeholders and should link and coordinate all municipal development plans, municipal resources, capacity and budgets and be compatible with national and provincial planning requirements. In terms of service provision, municipalities are required to prioritise the basic needs of the community and to ensure that all residents have access to a minimum level of basic services. The Act clearly provides the mandate for participatory governance in local government affairs and development matters. These principles clearly have critical pro-poor objectives.

**2.12.9 The LED draft Policy (2002)**

The title of the 2002 paper (Refocusing Development on the Poor) is an explicit and bold statement of pro-poor LED. The document adopts a defined ‘pro-poor’ stance and though not opposing more conventional business-focused activities, argues that in the light of the country’s economic and social situation that overtly ‘pro-poor’ development
interventions must be the priority for local governments to pursue. It is also important to note that ‘propoor’ LED is also referred to as ‘developmental LED’ (DPLG: 2006).

The challenge identified in the document is the need to develop pro-poor LED methods which can address both poverty and entrenched inequality. In pursuit of this ideal the document identifies the following goals/objectives for local governments:

- to establish a job-creating economic growth path;
- to embark on sustainable rural development and urban renewal; and
- to bring the poor and disadvantaged to the centre of development. In order to achieve this, it suggests that LED needs to be holistic, innovative, creative and redistributive.

The document argues for developmental LED. In terms of understanding what this involves, the document states that non-developmental LED takes place when equity is not addressed and social objectives are secondary. Key problems with traditional approaches are that the traditional ‘smoke-stack chasing’ approach often leads to a ‘race to the bottom’, and ‘placemarketing’ often skews the objectives and benefits of development, resulting in little or no benefit for those most in need. Instead, pro-poor options should entail a greater measure of redistribution, carefully designed to maximise local social and economic development objectives (DPLG: 2006) and new investment should be directed so as to maximize integrated development generate high quality jobs, and assure clean production processes. In order to promote Developmental LED, the following broad interventions are advocated:

- foster Community-Based Development;
• promote links wealthy and poor redistribution areas;
• human capital investment;
• delivery of infrastructure and services to those most in need;
• plug leaks in the local economy - i.e. buy-local and try and prevent money leaving the area;
• retain and expand local economic activity; and
• identify a ‘lead’ LED strategy for an area.

In order to achieve the above, the policy suggests that local government needs to focus on Capacity Improvement Instruments; Market Expansion Instruments; and Cost Reduction Instruments. From an institutional perspective, the document argues that municipalities should establish a LED Unit and that there are defined roles which a local government can play in terms of LED. The functions of an LED Unit are to co-ordinate municipal activities, to manage the LED strategy, to monitor projects, to coordinate all stakeholders, to manage the LED budget and to create an LED data base. The four identified roles for such a unit are to co-ordinate, facilitate and stimulate LED and to act as an entrepreneur/developer.

2.12.10 Policy guidelines for implementing LED in South Africa, 2005

In 2005, the Department of Provincial and Local Government (DPLG) released a new policy statement on the topic of LED. The document aligns LED with the RDP, GEAR, the Micro Economic Reform Strategy and a diverse range of current government
policies, including the Provincial Growth and Development Strategies and municipal Integrated Development Plans (IDPs). The Microeconomic Reform Strategy seeks to address the inequalities in the country and to build on the RDP, by focusing on issues of the geographical spread of activity, integration, black economic empowerment, knowledge-led growth, skills development and state responsiveness. Issues of both community development and growing the economy through appropriate mechanisms and investment feature in the document.

In contrast with the earlier LED policy document, investment promotion features more prominently, as does business retention and support for a range of enterprises and growth sectors, not just the smallest firms. In terms of alignment with current government thinking it argues the need to support ‘both’ the first and second economies and working in collaboration with a range of government programmes to achieve this goal. It also argues that LED is a key mechanism to close the gap between the ‘two economies (dplg, 2005).

2.13 Concluding Remarks

Local economic development is of great importance as a development tool and requires the creation of an environment that enables the stimulation of new opportunities in all localities. It is in this chapter that Local Economic Development was looked at from the global as well as the South African context. The next chapter looks at the research methodology used in the study.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

The background to the study and the aim and objectives of the study were discussed in Chapter One, while literature review was discussed more in Chapter Two. This chapter deals with research methodology. Hunter and Brewer (2003: 577) write that research methodology can be defined as a scientific process that seeks to provide answers to questions through a systematic approach with the support of credible data. The process assists with broadening the understanding of a problem and therefore leads to an appropriate solution.

Whilst, Kumar (2011:89), write that research methodology is way to systematically solve the research problem. Kumar further writes that research methods may be understood as all those designs or techniques that are used for conducting research. The aim of this chapter is to give an overview of the research methodology underpinning the study. The researcher discussed the major components of the study which include the research design, ethical considerations, sampling procedure, tools of data collection, analysis of data and limitations of the study.
3.2 PERMISSION TO CONDUCT RESEARCH

Before conducting any research study, permission to conduct research should be granted to the researcher in order to ensure that ethical issues are followed. De Vos, Strydom, Fouche and Delport, (2011: 115) state that the following ethical issues should be identified before conducting research: harm to experimental respondents, informed consent, deception of the respondents, violation of privacy, denial of treatment, compensation, debriefing of participants, actions and competence of researchers, cooperation with contributors and sponsors and release or publication of the findings.

The researcher took the ethical issues into consideration prior to the research, letters were written to the relevant authorities of Nkonkobe Municipality requesting permission to conduct research on LED in the municipality. Letters expressly stated that information obtained would only be used for the purpose of the study, and permission was granted. The authorities and respondents involved were fully informed about the study and how the intended data collection will be conducted for research and academic purposes. An explanation was provided on what the information was to be used for, and how it will be handled. The authorities and respondents were assured of the confidentiality in the treatment of information provided. The respondents were treated with dignity and afforded their privacy.
3.3 SCOPE OF THE STUDY

Welma, Kruger & Michell, (2005:193) assert that the term case study pertains to the fact that a limited number of units of analysis (often only one) is studied intensively. This is a case study research because the researcher will be looking at one Local municipality in the Eastern Cape Province, which is Nkonkobe Local Municipality. The study area will be elaborated below:

3.3.1 Study Area

The study area Nkonkobe Municipality is located in the Eastern Cape Province of South Africa, which is located on the south east of South Africa. It is the third largest province with a population of more than 6 million inhabitants which is about 15,5 percent of South Africa’s total population. It occupies 169 580 square kilometres which is about 13,9 percent of the South Africa’s total area. The province is further divided into two regions, the Western and the Eastern region. The Eastern region of the Eastern Cape Province is less developed based on the degree of urbanization and socioeconomic development (www.statssa.co.za).

The province has a high unemployment rate. Approximately 1 890 000 people, which constitutes 30 percent of the total Eastern Cape Province population, are unemployed. Nkonkobe Local Municipality falls under the former Ciskei homeland and is named after
the Winterberg mountain range. The Municipality comprises of 141 suburbs, which are divided into 21 wards. Nkonkobe Local Municipality is mainly rural, incorporating the now disestablished Alice TLC, Fort Beaufort TLC, Middledrift TLC, Hogsback LC, Seymour TLC, Victoria East TRC, Fort Beaufort TRC, Mpofu TRC and Middledrift TRC. Fort Beaufort is the capital for Nkonkobe Local Municipality. It covers an area of 3 725 square kilometres and constituting 16 percent of the surface area of the Amathole’s District Municipality. The municipality has 128 660 inhabitants, which represents 8.7% of the total population of Amathole’s District Municipality. The municipality has an average population density of 43 persons per square kilometre. Children and the elderly constitutes 52% of the total municipality’s population, this means that a greater percentage of the population depends on the economically active group (www.easterncapebusiness.co.za)

### 3.4 RESEARCH DESIGN

A research design can be defined as a strategic framework for action, to guide the arrangement of conditions for collection and analysis of data in such a way that there will be a combination of the research questions and the implementation of the research (Hofstee, 2006:120). Hunter and Brewer (2003:577) write that a research design is a blueprint on how you intend conducting the research. The research design provides a theoretical background to the methods to be used in the research.
Babbie (2007:112) in De Vos et al (2011: 142) offers a closely related definition of research design by stating that a research design involves a set of decisions regarding what topic is to be studied among what population with what research methods for what purpose, it focuses on your perspective for the purposes of a particular study. A research design therefore provides a plan that may specify how the research is going to be executed in a way that it answers the research questions. It may also involve multiple decisions about the way data will be collected and analyzed. It also ensures that the final report answers the initial research question.

In conducting this study, the researcher opted to employ a mixed methods design which is both quantitative & qualitative research methods. Morse (2003:19) explains mixed methods as strategies derived from qualitative and quantitative methods and are used within a single project. The major strength of mixed methods designs is that these allow research to develop as comprehensively and completely as possible and when compared with a single method the domain of inquiry is less likely to be constrained by the method itself. In this study a need exist to use both the quantitative and qualitative approaches in the study, to consider the differences between the approaches, and to decide upon the applicability of either one of the approaches, or a combination of the two. In this regard, De Vos et al, (2002: 81) wrote that there is general agreement amongst most authors that human science in reality employs both qualitative and quantitative methodology sometimes consciously, sometimes unconsciously.
3.4.1 Quantitative Research Design

According to Struwing and Stead (2001:4) quantitative research is a form of conclusive research involving a large representative samples and fairly structured data collection procedures. In other words, this approach is concerned with numbers which represent values of variables, and these values measure characteristics of respondents.

Quantitative research deals with numerical measurements (i.e. quantities). This is the preferred methodology of empirical, hypothetico-deductive and experimental researches (Polit and Hungler, 1993:18). Quantitative approaches usually identify numerical differences between groups. In conducting quantitative research, the researcher prepared and distributed questionnaires to the selected respondents in Nkonkobe Local Municipality. According to Jack (2007:61) in general, the quantitative method is supported by the positivist paradigm, which leads to regarding the world in terms of observable and measurable facts. Therefore, the questionnaire was structured in such a way that it allowed the researcher to quantify the opinions of the respondents.

The use of quantitative methods has always been favoured by organizational and management researchers, since these methods use: Standardized measures of variables (via experiments and surveys) allow the researcher to state with precision the strength and direction of relationships between variables (Currall & Towler, 2005:516). These procedures pave the way for the use of inferential statistics (e.g. correlations, regression coefficients) that can be compared across studies, and allows the researcher to make estimates concerning the probability.
3.4.2 Qualitative Research Design

Hesse-Biber and Leavy (2011: 3) state that the qualitative research approach to research is a unique grounding, the position from which to conduct a research that fosters particular ways of thinking through the problem. They further state that the questions asked in this kind of research usually begin with words like how, why, or what. According to Leedy and Ormrod (2005:94), generally the quantitative method is suitable for answering questions about relationships on measured variables with the aim of explaining, predicting and controlling phenomena.

Qualitative approaches deal with how people understand their experiences (i.e. qualities). Thus, qualitative research methods aim to explore meaning, and might as well be chosen for the investigation of issues which, for ethical, practical or epistemological reasons, are difficult to 'measure' (Polit and Hungler, 1993:18). Qualitative research involves collection of narrative data in a natural setting in order to gain insights into phenomena of interest. This research approach studies variables over an extensive period of time in order to find out the way events are, how and why it came to be that way, and what it all means (Polit and Hungler, 1993:18). Based on the above assertions, a qualitative research methodology was also used in this study, to apprehend human experience by understanding their view on the topic. The researcher used this method by issuing questionnaires to respondents in Nkonkobe Municipality with the aim of collecting their in depth knowledge of Local Economic Development in the municipality. The use of both qualitative and quantitative methods assisted the
researcher to collect and get relevant and concrete information on targeted participants. While these two approaches to research are often presented as if in binary opposition to one another, the approaches can also be used to complement one another. Investigators' methodological choices are informed by theoretical and philosophical positions (Polit and Hungler, 1993:18).

3.5 POPULATION

By population it is meant a group of potential participants or cases from which the researcher draws a sample and to which results from the sample are generalized. Newman (2006:224) is of the opinion that the population is the larger collection of all the subjects that one wishes to apply one's conclusion to. A population refers to a group of subjects from which a sample is drawn and generalizations made. A specific relationship thus exists between the population and a sample. The population is thus the entire set from which the individuals or units of the study are chosen. In a study the target population can be the municipal councillors, officials and citizens of Nkonkobe Local Municipality. Newman (2006:224) writes that a target population is required and that a target group is a specific pool of cases that are to be studied. However, the target population can be too big to make a meaningful and objective study for the purpose of a dissertation. Babbie, (2013: 134) comprehends that a study population is that aggregation of elements from which the sample is actually selected.
Neuman (2006: 224) writes in this regard that a target population is the population of interest in the intended investigation. The population of interest is frequently too large to be subjected to any form of research: hence a sample is used for the empirical study. It can be deduced that small sample sizes from the population should be used. These small samples that are a cross-section of the entire population may help save time and cost as it may be impossible to cover the whole population. The target population of this study consists of the employees in the LED department, community members and ward councilors at Nkonkobe Local Municipality.

3.5.1 Sampling

Kumar (2011:193) defines sampling as the process of selecting a few (a sample) from a bigger group (the sampling population) to become the basis for estimation or predicting the prevalence of an unknown piece of information, situation or outcome regarding the bigger group. De Vos et al (2011:223) support that sampling means taking a portion or a smaller number of units of a population as representative or having particular characteristics of that total population. Rather, the sample taken is considered to be representative. Bless (2006:195) regards the sample as the subset of a whole population that is actually investigated and whose characteristics will be generalized to the entire population. The term sample implies the existence of a population or universe of which the sample is a smaller section or a set of individuals selected from a population. Bless (2006:195) state that the population is a term that sets boundaries on the study unit and it may consist of people that represent all the measurements of
interest to the researcher. The population therefore, is a total set from which the individuals or units of the study are chosen. Additionally according to Yates (2004:25) sample is a segment of the population which the research attempt.

Sampling is that part of statistical practice concerned with the selection of an unbiased or random subset of individual observations within a population of individuals intended to yield some knowledge about the population of concern, especially for the purposes of making predictions based on statistical inference. Sampling is an important aspect of data collection. Researchers rarely survey the entire population for two reasons (Adèr, Mellenbergh and Hand, 2008:12): the cost is too high, and the population is dynamic in that the individuals making up the population may change over time. The three main advantages of sampling are that the cost is lower, data collection is faster, and since the data set is smaller it is possible to ensure homogeneity and to improve the accuracy and quality of the data.

Sampling is the process of selecting a portion of the population to represent the entire population. Sampling is the process of selecting units (e.g., people, organisations) from a population of interest so that by studying the sample we may fairly generalize our results back to the population from which they were chosen.
3.5.2 Sampling selection procedure/methods

Sampling theory distinguishes between probability and non-probability sampling methods (Kumar, 2011:199). The characteristics of each method can be explained as follows:

a) Kumar, (2011:199) clarifies that for a design to be called probability sampling, it is imperative that each element in the population has an equal and independent chance of selection in the sample. Equal implies that the probability of selection of each element in the population is the same. Polit and Hungler (1993:443) assert that probability sampling is a section of subjects from a population using random procedures for example stratified sampling, simple random sampling, cluster sampling, and systematic sampling. Probability sampling methods are the most commonly used because the selection of respondents is determined by chance. This method provides known, equal and calculable changes that each subject of the population can be included in the research (Bless and Higson-Smith, 2002:87).

b) Non-probability sampling is where the likelihood of selecting any one member from the population is not known. It consists of methods such as purposive sampling, quota sampling, convenience sampling, snowball sampling and theoretical sampling. Non-probability sampling is the selection of sampling units from a population using nonrandom procedures. (Neumann, 2006: 220). Similarly, Kumar (2011:206) states that non-probability sampling designs are used when the number of elements in a population is either unknown or cannot be individually identified. There are five commonly used
non probability sampling, these are quota sampling, accidental sampling, judgmental or purposive sampling, expert sampling and snowball sampling. In this study both the probability and the non-probability methods were used specifically stratified and purposive sampling. These two methods were adopted because; non-probability sampling designs have the advantage of being convenient and economical.

The major disadvantage of non-probability sampling design is their potential for serious biases. On the other hand, probability sampling design was also used because it is a preferred method, because sampling plans tend to result in more representative samples and because it permits the researcher to estimate the magnitude of sampling error. Probability samples, however, are time consuming, expensive, inconvenient, and, in some cases, impossible to obtain. Both selection procedures were used to reduce the sampling biases.

Stratified sampling as a probability method creates a sample frame for each of several categories of subjects or cases, draw a random sample from each category, then combine the several samples (Neumann, 2006:241). Stratified random sampling offers the researcher the opportunity to sharpen the precision and representativeness of the final sample. According to MacMillan and Schumacher (2006:126), in purposive sampling the researcher selects particular elements from the population, who will be representative or informative about the topic of interest. Based on the researcher’s knowledge of the population, a judgment is made, about which subjects should be selected to provide the best information to address the purpose of the research. Hence,
purposive sampling was utilized in collecting data from the municipal officials such as employees in the LED department. Purposive or judgmental sampling as a non-probability method is a non-random sample in which the researcher uses a wide range of methods with a specific purpose in mind. It proceeds on the belief that a researcher's knowledge about the population and its elements can be used to handpick the cases to be included in the sample. The sample is based on the judgment of the researcher and do not follow the theory of probability in the choice of elements, such as political office-bearers and chief officials from the sampling population (Neuman, 2006:220).

De Vos et al (2011: 232) states that the researcher may decide for instance that matriculation learners views on drugs are representative of those of modern views. Another researcher may believe that first year student’s views are more representative of those of modern youth. The judgment of the individual researcher is obviously more prominent a factor in this type of sample.

3.6 DATA COLLECTION INSTRUMENTS

Nel (1999:51) states that the evaluation of LED programmes, particularly those which focus on the achievement of social objectives, requires specific research methods which permit the objective assessment of both social and economic achievements. The increasing recognition of the importance of understanding social achievements, such as empowerment, unified communities and improved quality of living, leads one to conclude that previous standardised evaluation measures that focus solely on
quantitative, economic scores are of limited relevance. Particularly when seeking to understand complex relationships involving poor communities, it is essential that the researcher adopts appropriate assessment methods that are relevant to LED initiatives and what sectors of the economy are used to achieve LED objectives. There are various types of data collection instruments.

3.6.1 Types of quantitative data collection instruments

De Vos et al, (2011:181) states that the choice of data collection methods for the researcher working from a quantitative approach can be categorised into structured interview schedules, questionnaires, checklists, indexes and scales. The data collection instruments in this study were questionnaires and public literature/documents to investigate the implementation of Local Economic Development in Nkonkobe Municipality. The questionnaires were used to collect primary data and a list of pre-structured and pre-tested questions were given to a chosen sample in order to elicit reliable responses. In this study the questionnaires use semi-structured questions. The questionnaires were structured with open-ended and closed ended questions. Questionnaire were distributed and collected by hand.

3.6.2 Questionnaire

Lombard (2002:202) writes that a questionnaire is a set of questions formalized to obtain data from respondents. Questionnaires are used in research to gather
biographical information about gender, age education, number of family members, living standards, and questions related to income, saving, capital etc. Questionnaire enables data to be collected in a relatively large number of people and facilitates easy comparison process amongst the respondents as well as easy quantitative analysis process. Babbie, (2007:246) similarly defines a questionnaire as a document containing questions and or other types of items designed to solicit information appropriate for analysis. De Vos et al, (2011: 186) articulate that the basic objective of a questionnaire is to obtain facts and opinions about a phenomenon from people who are informed on the particular issue. Questionnaires are probably the most generally used instruments of all in research. Denscombe (2003:159) suggests the following as some of the advantages of questionnaires:

- Questionnaires are economical - Questionnaires are economical in the sense that they can supply a considerable amount of research data at relatively low cost in terms of material, money and time. Kumar (2011:148) agrees that the use of a questionnaire is comparatively convenient and inexpensive. Particularly when it is administered collectively to a study population, it is an extremely inexpensive method of data collection.

- Easier to arrange - Questionnaires are easier to arrange than for example, personal interviews. They can be simply sent unannounced to the respondent.

- Questionnaires supply standardized answers - Respondents are posed with exact same questions, with no scope for variations to slip during face to face contact with the researcher. Data collected is unlikely to be contaminated through
variations in the wording of the questions or the manner in which questions are asked.

- It offers greater anonymity - Kumar, (2011:148) is of the opinion that as in some cases there is no face to face interaction between respondents and researcher in the case of a questionnaire, this method provides greater anonymity. In some situations where sensitive questions are asked it helps to increase the likelihood of obtaining accurate information.

The questionnaires were hand-delivered to the respondents. This was done to ensure deliverability and receipt. This was also done to build trust through face-to-face contact. The researcher explained the purpose of the questionnaire, how and when the questionnaire should be returned and confidentiality around the responses. The questionnaires were formulated out of straightforward questions to avoid ambiguity. Self structured questions were used to collect the information from the respondents. The community members and employees in the LED department were given a set of different questions. Three samples were used in this study and two separate questionnaires were distributed to the identified respondents. All respondents are role-players in the implementation of LED in Nkonkobe Local Municipality.

The researcher self-administered the questionnaires and all questionnaires were written in English. Structured questionnaires were used by the researcher in this study to minimize interview bias, to maximize clarity and to provide a sequence of questions that would lead to reliable responses. On the other hand a self-completion component
allowed privacy of reporting by respondents, with consequence advantage for validity (Yates, 2004:53). Open ended as well as close ended forms of used. Brewer and Miller, (2003:166) are of the view that the closed ended forms of questions are usually used in research because they keep the respondent on the subject and are relatively subjective, easy to tabulate and analyse. The researcher can also use the open-ended questions where different answers are quite acceptable also for the purpose of probing and seeking to find what respondents know about the study.

3.6.3 Documentation

The researcher further collected documents with the aim of obtaining further data about the study. These types of documents utilized in this regard were official documents of the municipality, including the: Integrated Developmental Plans (IDP), Annual Budgets and municipal policies and by-laws. According to Welman, Kruger and Mitchell (2005:151), apart from the non-reactivity associated with the unobtrusive nature of (these) official statistical and archival sources, their greatest advantages are the ease and low cost involved in obtaining them, and the fact that these are especially useful in such large-scale investigations. All the documents utilized proved valuable and freely available on the internet sources as well as on the municipal website of the Nkonkobe Local Municipality.
3.7 Concluding Remarks

This chapter described the research methodology that was applied in the course of investigating the implementation of Local Economic Development in Nkonkobe Local Municipality. The study used both qualitative and quantitative research design. The main findings based on the data obtained will be discussed in the next chapter.
CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 INTRODUCTION

This chapter reveals the presentation, analysis and interpretation of the research data to reflect the views of the community members and government officials, gathered through questionnaires. Mouton (2001:108) articulates that data analysis is a process that involves breaking up the data into manageable themes, patterns and relationships. He points out that it aims at understanding the various components of data through inspection of the relationship between concepts, variables and seeing whether there are any patterns or trends that can be identified. To investigate the implementation of Local Economic Development in Nkonkobe Local Municipality, both quantitative and qualitative data collection techniques were used. The objectives of the study were as follows:

- To investigate the effectiveness of the implementation of LED strategies in Nkonkobe Local Municipality.
- To find out how Nkonkobe Local Municipality communities perceive municipal LED efforts and initiatives for poverty alleviation.
- To determine the challenges which are faced by Nkonkobe Local Municipality in terms of implementing its LED strategies.
To make recommendations on how LED can be strengthened, supported and or improved in Nkonkobe Local Municipality.

Self-administered questionnaires were used to collect data from respondents. The data obtained from the questionnaires is presented in the following section.

4.2 BIOGRAPHICAL INFORMATION OF RESPONDENTS

Graphic presentation in the form of pie charts will be used to display various variables of the respondents in the target groups namely the community members, ward councillors and employees in the LED department in Nkonkobe Local Municipality.

4.2.1 Gender Profile

Chart (a) Community participants

The majority of the community participants in the study were females at 60% and Males were lower at 40%, as illustrated graphically below:
Chart (b) Gender Profiles of Ward Councilors

Most ward councilors in Nkonkobe municipalities were Males at 80%, the lowest were females at 20% as illustrated graphically below:
Chart (c) Gender Profiles of employees in the LED department

Most employees in the LED department who participated in the study in Nkonkobe municipality were Males at 75% and 25% were females as illustrated graphically below:
4.2.2 Ages of Respondents in General

20% of responses were from age group 20 – 39, 55% (40 – 59 age group); 15% from 60 – 79 as shown in the pie chart below:
4.2.3 Races of Participants

80% of respondents were black, 20% were coloured, and there were no white and Indian respondents.
4.2.4 Highest Qualifications of Respondents

![Highest Qualifications of Respondents](image)

About 30% of respondents in the Municipality had Matric or less, 35% had diploma, 20% had degree a Junior, 10% had honours, Only 5% had Masters, there were no respondents with a PHD qualification.

4.3 QUALITATIVE DATA ANALYSIS

4.3.1 Local Economic Development Strategies in Nkonkobe Local Municipality

According to the Nkonkobe annual report 2011-2012, Local Economic development in Nkonkobe Local Municipality is made up of sectors such as agriculture, Tourism and SMME development. Its objective is to promote and facilitate job creation through project initiative by communities, attract investors to the area, promote SMME
development, tourism and agriculture (Nkonkobe, 2011-2012). Respondents in Nkonkobe local municipality identified projects and programmes in skills training, tourism and agricultural development, in its endeavour to foster local economic development, alleviate poverty, and largely, the initiated programmes were meant to promote gender equality. It can thus be deduced that the local municipality thrived to drive economic development under the anchor of women and youth empowerment.

4.3.2 Agricultural projects

Most employees in the department of Local Economic Development in Nkonkobe local municipality state that their LED strategy is strategically inclined towards agriculture to maximize the agriculture potential in the rural municipality. The area has diverse climatic conditions, which permit farming of various agricultural enterprises. They explained that LED in Nkonkobe is predominantly spearheaded through projects, as the area does not have an industrial base to depend on inorder to improve economic development. In this light, Nkonkobe initiated a variety of projects, such as the Citrus production project, the University of Fort Hare farm, poultry production, and crop production. Such projects are assisted by the municipality with equipment, funds and materials to start.

Most employees involved in the LED projects were of the opinion that citrus production is a major contributor in the economic development of the area and employs workers on permanent and seasonal bases. The citrus production projects generate the much-needed employment for the locals that will go a long way into improving their livelihoods
through the income they earn, and can comprehensively have an impact on poverty alleviation in Nkonkobe. There are also related projects, such as essential oils, olive oil, and paprika production, which complement citrus production as forms of economic development activities. Contrary, the Alice Fresh produce market, which was meant to be utilized by all farmers within the area for selling of their produce, did not perform as expected, despite the support it got from the local stakeholders. It faced many constraints such as limited technical skills and inadequate financial resources, lack of equipment, and poor leadership within projects.

The LED Manager explained that one of the major projects is called Moreso, the Comprehensive Agricultural Support Programme (CASP) which also benefited from a huge financial boost. Through CASP, the projects Nkonkobe municipality received 715 quality rams to improve sheep and wool productivity. People who benefited from the land reform programme were considered to be the priority group. The developmental priority was geared towards infrastructural development with the renovation of shearing sheds greatly improving the woolgrowers' gains. The ultimate challenges faced by the Woolgrowers were lack of transport, lack of skilled personnel and too much dependency on the municipality. He pointed out that one of the successful projects is the Siyazondla Homestead food programme which helps the poor by providing training, infrastructural support and follow-up programmes to households.

People are able to sell their surplus produce to the surrounding communities to raise income. The Siyazondla project slightly curbed the dependency syndrome where
communities were in the past heavily dependent on government for continuous assistance. Partnerships between local associations and government projects have also been established. This is evidenced by the partnership between the Department of Agriculture in the Eastern Cape and the National Wool Growers Association (NWGA). The agreement in place states that the NWGA receives about R4.5 million annually to champion wool & sheep production in the Eastern Cape Province of South Africa.

Furthermore, the project has improved of communal sheep in the area. The Nkonkobe local municipality has benefited from this exercise since 2004 through the ram exchange programme. The programme encourages farmers to get rid of inferior rams in exchange of healthy and good quality rams to enhance sheep production. The primary aim is to boost the quantity and quality of wool and farmers are receiving large sums of money, thus gaining assurance of a steady income for the farmers to not only sustain their farming activities, but to sustain their livelihoods and alleviate poverty. In the process, high priority is placed on Nkonkobe Local Municipality’s Local Economic Development and the promotion of an entrepreneurial environment with an emphasis on job creation.

Some of the employees in the municipality pointed out that generally crucial issues and challenges that arises in the municipality are that there is a problem of dependency within communities and this poses difficulty in that projects are not sustainable. They also argued that there is lack of capacity, education and skills to implement some projects even though there was assistance in the form of training for managerial,
technical and leadership skills offered by the Department of Labour. The trainings only reached a minority of community members. Hence there is still the challenge of unskilled labour force, personal conflicts amongst community members and mismanagement of funds which are meant for community projects.

4.3.3 Tourism

Respondents in the municipality assert that tourism development within the Nkonkobe local municipality is recognized as a significant contributor towards the local economy and creates employment within the locality. The tourism sector has great potential characterized by accommodation, heritage, hiking trails, cultural villages, game farming, craft and tour guiding. Local and international partnerships have been established to spearhead rural tourism development in the area.

For instance, the Department of Environmental Affairs has, through its poverty relief programme, complemented the local initiatives to promote community tourism. Members of the community are incorporated to participate in the development initiatives further the partnership between Nkonkobe and Oxfordshire County Council in the twining programme has had efforts directed towards heritage sites, and training was on the GIS system that provided a technical assistance in packaging the area per jurisdiction for marketing purposes. However, in as much as this was to equip personnel within the municipality the project faced the challenge of not having someone who was dedicated to fulfil this function. Visitors information centres (VICs) were also established
to inform local and international tourists about the Heritage sites and activities. A database has been created and will be available in each of the VICs (Nkonkobe, 2012).

Some Employees in the municipality argued that the operation of VICs has not been successful as it has met challenges of employing personnel due to limited funding to cover the wage bill. Consequently, the municipality has issued out an offer to local businesses to rent the VIC buildings. Cultural villages and craft centres and their preservation have been equally identified as critical contributors to tourism in the Nkonkobe area. Local authorities are planning to fundraise so as to support key vital areas such as small business planning, product development training and enterprise development services. A major spin-off from this initiative was the micro-credit finance scheme that helps women in their business ventures. The scheme also provides training services for entrepreneurial skills development. However, the issue of effective strategies to lend and recover funds from the borrowers remains a challenge.

The LED manager added that in the Nkonkobe tourism sector, one significant example of an initiative focusing on assisting women establishing and expanding their business and entrepreneurial skills was establishment of the Vusuhlanga craft centre and cultural villages in the Ngcabasa area in the Middledrift area, the main beneficiaries being the women in the locality. This initiative was spearheaded by the Department of Local government, with a sum of R 1 500 000 which assisted in the acquisition of domestic and industrial machinery. A service provider was tasked with the initiative to train the beneficiaries in fundamental skills such as business skills, bookkeeping, financial
management and marketing. The programme faced the challenges, predominantly, lack of funds and the municipality sought relief from the Nkonkobe Economic Development Agency (NEDA), and the Department of Trade and Industry, to keep the programme afloat. This programme enhanced the human capabilities and general overall capacity of the locality and overall enlarges people's choices and it is key to escaping poverty. Some community members contributed a lot in tourism even though they complained that they were not getting enough recognition and assistance from the municipality. There are some community members who own their own craft shops in Alice and Hogsburg where most tourists go. They have employed some people and thus contribute to job creation. There are some community members who independently sew traditional clothes, shoe and art objects to sell around the municipality and at the National Tourism Indaba.

4.3.4 Infrastructural Development

Infrastructural development, as highlighted in the municipal LED plan, aimed at improving access to rural communities and is of paramount importance to attract investment in the locality. It is important to reduce the backlog in access to electricity, and telecommunication and upgrade of roads, especially in the rural areas (Nkonkobe, 2012). In other words, such concerted efforts are meant to improve the levels of service delivery to meet the needs of the local people for them to live a less impoverished life. Infrastructural development is important as it is not only for the delivery of social services to the local communities but it shapes the local economy by making different
economic activities possible through the movement of input and output. Amongst other key infrastructural facets, roads facilitate transportation of goods and people; telecommunication overcomes distance in communication and electricity adds to productive potential in a variety of ways, such as use of different machines. The investments in infrastructure therefore leverage other investments and activities.

Most community members were of the opinion that there many rural areas in Nkonkobe Municipality which still have bad roads with potholes, the municipality houses are in poor conditions, there are still places where there is no electricity in the municipality especially in the rural areas, they also reported that some areas are still using the bucket system since there were no toilets hence very poor sanitation which will result in health problems. It can clearly be seen that some community members have little faith in municipality with good reason as they still live in poor conditions.

4.3.5 Small, Micro to Medium Enterprise (SMME) Development

The development of SMMEs is an ideal strategy spearheaded by the need to reduce the percentage of households living under the poverty line. SMMEs require training in business management skills, creation of business, funding opportunities, as well as company registration and auditing. Skills development empowers locals to participate in economic activities, create employment, and provide income that will sustain the livelihoods of the people. Examples of projects in Nkonkobe Municipality bare brick making found in Ekuphumleni (Ward 9), Gqumashe (Ward 12) and the establishment of
the ceramic factory in Ntselamanzi (Ward 6). Such projects were initiated to empower the local people and enable them to earn a decent living. The Nkonkobe SMMEs development was streamlined in youth development for which, basic or primary Information Communication Technology (ICT). However, the projects never seem to stand the test of time since most of them fail and are not sustainable. Some municipal officials in the nkonkobe states that some of the projects fail because community members do not have clear objectives and vision in their business plans, they tend to fight over funds which causes the projects to collapse.

The findings from community members revealed that only a few local members benefitted from the short-term projects. Some community members felt that more people could have benefitted had the municipality adopted a method where people worked on a rotational basis, even to a point of breaking one project into different segments with people allocated different slots on different times. Some community members complain that the projects only benefit a minority of people due to insufficient funds the municipality. Some respondents raised the following issues as challenges: Corruption as one of the inhibitors of the progress; mentioning that some community members continuously benefit in social services projects when others had not had any opportunity. Lack of capacity and skills resulted in the collapse of Municipal previous projects. Debtors not settling accounts with the small home-based business owners; the resultant of this is loss of money which eventually leads to the closure of the businesses. There is also lack of accountability amongst members involved in projects.
4.3.6 Discussions of the LED strategies employed in Nkonkobe Local Municipality

Local Economic Development in Nkonkobe local municipality, tended to be directed towards parallel endeavours of pro-poor LED initiatives with the aim of community empowerment, as well as economic connotation that is geared towards mainstream economic activity. However, concerted effort of LED as a poverty alleviation strategy has prompted the rise of the decentralized bottom-up approach to economic development and poverty alleviation. According to Rogerson (2008: 307), such efforts are meant to strengthen the building blocks of growth directed towards skills development and investment.

Nkonkobe Local Municipality has its economic base anchored in agriculture through the citrus and the wool, which have become the mainstay of the economy. These provide a foundation for creation of employment opportunities and income generation. This will go a long way into enhancing the people’s capabilities and choices, which are the basic starting point to poverty alleviation and other developmental opportunities will open up. It has also been conceded that the lack of skill and adequate funding within the local municipality has seriously slowed down the implementation of LED projects. This is evident in the Nkonkobe Local Municipality, which has limited funds, and skilled administrative personnel to spearhead LED interventions, prompting most economic development initiatives to be centrally coordinated from provincial government authorities. Partnership with external stakeholders turns out to be the future direction for the furtherance of LED goals and initiatives in the municipality since there are currently
few. Tourism is a fundamental sector especially in the peripheral local areas. Nkonkobe has also embraced tourism as a developmental strategy in poverty alleviation and this could contribute to the broader pro-poor economic growth strategy. Craft centres and the Heritage sites such as University of Fort Hare, Hogsback, and the Manqoma route that crosses a greater part of Nkonkobe to Nxuba Local Municipal area could be developed. It can be asserted that LED has the potential to be a key driver of economic development in the study area. LED remains mixed with the lack of appropriate monitoring mechanisms for evaluating LED. It also needs to be conceptualized in a coherent and consistent manner for successful poverty alleviation.

There is also need to promote an enabling environment for SMME development and a swift implementation as well as endorsement of high skills and education levels, which will enable SMEs to explore global markets where they earn higher incomes. Nkonkobe municipality can effectively direct its LED interventions on poverty alleviation through SMMEs development. Moreover, Rogerson (2008:305) supports this assertion by proposing that Local government recognizes the role and significance of building an effective business service sector to assist enterprises to attain necessary competitiveness. It will be fundamental to foster positive relations with the business sector, which has the funds and expertise that local government do not have and cannot provide. Another linked issue is to support the development of service markets for the provision of Business Development Services in order to make markets work for the poor especially in small towns and rural areas. Nkonkobe should continue with the adoption of the pro-poor ‘bottom –up approach’ to LED and more so offer a community based
approach associated “with a new, more sustainable paradigm”, as prescribed by Rogerson (2003:56). The new paradigm stresses the importance of local governments working with low-income communities and their organizations and “explicitly aims to link profitable growth and redistributive development” (Bond, 2003: 150). There is need for an integrated economic development plan coordinated by both the Nkonkobe Economic Development Agency (NEDA) and the Local Municipality. Such coordination should be complemented with direct participation of larger institutions and private stakeholders such as the Department of Local Government and Department of Trade and Industry (DTI) who would bring complementary roles and responsibilities. The coordination will lead to the development of strategies for strengthening the local municipality to make headway in poverty alleviation. However, caution must be exercised to avoid duplication of duties.

There is need for training and transfer of skills to municipal personnel involved in LED activities so as they can be able to perform. As such Rogerson (2003:60) suggests establishing a national network of appropriate trainers in the area of LED. This would lead to competent LED practitioners with appropriate skills and knowledge. The focus should be towards improving vocational advantage and a shift towards market-based support structures, with a ‘pro-poor’ developmental undertone. In its developmental efforts, the local municipality should strategically ensure that the local farmers’ associations are strengthened to promote collective action among producers and focus on participation, as these organizations can play a critical role in widening marketing opportunities in the agricultural sector. Emphasis can be placed on small group
membership such as the Siyazondla Project of which the municipality may not only provide technical support but also encourage them to be a collective unit, which attends regular training exercises on project management and efficient management of resources. This should be exercised with the aim to improve on significant capacity building business skills, access to technologies and marketing of their produce.

This will ensure project sustainability for livelihood enhancement. In principle, LED strategies and processes should entail community involvement to encourage the development and adoption of appropriate visions for their future and to ensure local ownership of the development process. The development strategy should be a blend of market-led and market-critical community focused strategies. Strategy implementation should be flexible and adapt to dynamic environmental circumstances, which allow for creativity and unique actions. More importantly, human capital development should be prioritized in whichever developmental approach that is adopted, as for projects to have any hope of long-term success. This ought to be implemented with necessary consideration of addressing basic needs within marginal communities. Moreover, this can be established and implemented in collaboration with NGOs and development facilitators through their community outreach programmes.
4.4 Concluding Remarks

LED is a multi-focus development strategy, which appears to have some potential to help address development needs in a variety of localities in the country including Nkonkobe Local Municipality. Despite the hopes which are currently pinned on LED in most localities, it is clearly not and cannot be regarded as a panacea capable of solving the nation’s economic problems. Regardless of these assertions, LED should still be supported and pursued because of the potentially inestimable contribution, which it can play in helping to address poverty, in providing alternative growth options, in reconciling communities and in addressing issues of empowerment, not only in the Nkonkobe Locality, but also in South Africa as a whole. This leads to the need to adopt a new paradigm in Local Economic Development, which are inclined towards pro-poor LED initiatives, which are to entail the coordinated pursuit of economic development. Such LED should explicitly target low-income and the marginalized communities, linking profitable growth and redistributive development.

Empowerment through skills development training and literacy programmes are vital components, which can have reciprocal effects on the development of localities. Thus, the capacities of the local communities are enhanced. Without enhanced capacities, the local people are bound to be excluded from major socio-economic development activities. The local government unit of government has been tasked to be the facilitator and driver of LED because of its proximity to the people in the communities. However, there are still many challenges facing most local governments.
CHAPTER FIVE

FINDINGS RECOMMENDATIONS AND CONCLUSIONS

5.1 INTRODUCTION

The study sought to investigate the implementation of Local Economic Development in Nkonkobe Local Municipality. The first section will give the findings of the study. Then the next section will dwell on the recommendations lastly the conclusion of the study.

5.2 FINDINGS OF THE STUDY

The findings of the study are based on the LED perceptions of community members as well as employees in the LED department of Nkonkobe Local Municipality.

5.2.1 Community involvement in municipal affairs such as LED

The community study reveals that community involvement in municipal affairs takes a form of attendance at the municipal meetings (imbizos). Imbizos are usually organized where the mayor meets the residents and business community to share ideas on municipal needs such as IDP and LED review. The councilors coordinate ward committee meetings with the aim of discussing items concerning the community needs. According to municipal officials, ward committees are the only model used to ensure community participation in municipal affairs and have been successful. Some
community members still complain that they are not well informed about the ward meetings on time and their complaints are not taken into consideration sometimes.

5.2.3 Understanding of LED by community members

There were some community members who had no idea of what LED meant, mostly it was due to a lack of education and information on the matter. Some respondents were not aware of the community gatherings such as Imbizos which are usually arranged by ward councilors to discuss municipality issues. Some do not have internet access to research on these issues. There were also some community members who had an idea of what LED is and its strategies. Some are involved in the community projects especially in agricultural ones. But most community respondents were of the opinion that LED had to be implemented by the municipality.

5.2.4 Initiatives done by the community members to promote LED

Although most respondents in the community mentioned that they were doing nothing, some mentioned that they were engaged in the following, in their personal capacity: utilisation of the municipal ground in planting own vegetables, albeit challenges from some community members who are seemingly against this practice, engagement in the Vukuzenzele (wake up and do something for yourself) own initiatives, in the form of running informal crèches, selling fruit and veg, fried fish, use of own houses in running
businesses such as spaza shops and taverns. Others mentioned that they applied for funding to assist their projects but never received any responses.

5.2.5 Development initiatives required by the community

The findings revealed that community members needed the municipality to:

- Monitor and evaluate the progress of LED projects timeously once they are up and running.
- Open a skills training centre that will provide capacity building and offer cultural activities towards the development of youth and other groups.
- Train and develop more entrepreneurs in the municipality.
- Improve infrastructure such as roads in the municipality, build houses with water, sanitation and electricity.
- Build old age facilities so as to accommodate elderly and to open employment opportunities.
- Open educational opportunities for those who cannot afford to pay for themselves.
- Research to be done before implementation of any programmes so as to know what the community members want and need.
- Provide more funding on LED based projects inorder to alleviate poverty by providing job opportunities to community members.
5.2.6 Understanding of LED and the roles of employees in the LED department

Most Respondents in Nkonkobe Municipality understood LED very well but they stated that there have not been investors in the municipality to promote LED. Most of the projects were funded by the municipality even though it is also faced with the challenge of low funds. They argued that they do not have enough funds to assist every project that is why they have to choose from many projects. There is not enough money in the municipality to fund every project. On the issue of understanding their roles in LED, some employees understood clearly while others argued that their roles were not clear since they had to help here and there. The employees also raised that there were few staff members in the LED department and that they needed more.

5.2.7 Challenges to Development through LED

Local Economic Development has fallen short of bringing about social transformation and appears to be deriving only limited benefits. The main challenge faced by LED initiatives is lack of funding and participants withdrawing their energies as initiatives fail to produce benefits. The lack of funds is not only restraining these initiatives and their credibility at the local level, it also discourages participation and commitment to LED initiatives. As a result vulnerability among people living with poverty diminishes any hope for sustainable livelihoods. For instance, participants in the Nkonkobe Vegetable Market abandoned the market as they were not paid due to financial constraints faced by Nkonkobe Local Municipality. The withdrawal of participants in projects leads to an
increase in high unemployment and poverty. Some employees in the LED department stated that some projects failed because some community members did not have a clear business plan, vision, poor management of funds, lack of skills and education. It is also of concern that authoritative power on local municipalities remains a challenge. Local government authorities do not have much power to initiate development and have to wait for directives form higher tiers of government who dictate terms on the allocation of funds.

A critical assessment of the Nkonkobe’s IDP led to the deduction that the LED plan is severely lacking coordination with other districts, provincial or national programmes. It reflects a limited capacity of the municipality to put together a meaningful LED strategy and conduct day-to-day running of the municipality. The LED plan does not seem to be a reliable tool for addressing unemployment or poverty.
5.3 RECOMMENDATIONS

It is important that recommendations are made in the study with the aim of assisting the municipality in its implementation of LED in Nkonkobe Local Municipality. The following recommendations were made by the researcher.

5.3.1 Design of LED policy implementation strategies

It is important that implementation strategies for LED implementation be well conceptualised, planned and explained in business plans which should entail who is responsible to do what, how, when, why and for whom? Effective planning and management competences are essential in order to realise LED objectives. The content of the LED strategies should encapsulate the broader municipal strategic plan, namely, the Integrated Development Plan (IDP). The IDP is an innovative strategic planning tool aimed at ensuring that the development oriented mode of municipalities locates the short-term, medium and long-term development plans within the parameters of an inclusive and participatory process of consultation, involvement and engagement with local citizens, community-based organisations, non-governmental organisations and business community.
5.3.2 Strengthening LED units/agencies/forums

LED units/agencies/forums should have appropriate and sufficient powers, functions and resources to enable them to discharge their responsibilities effectively. Thus, the administrative capacity of municipalities should be properly developed and strengthened. The forums should be composed of all major stakeholders within the locality inclusive of business, economic, social and environmental sectors. A long term and shared vision on how to develop and drive a robust and inclusive local economy with a view to create job opportunities and eradicate poverty should be realised by the forums. The adequate staffing of LED departments/units and agencies should be a top priority for municipalities. This may be achieved through mobilisation of funding in order to attract and retain professionally qualified, competent and capable LED policy implementers within both resourced, high capacity and under-resourced and low capacity municipalities. The skewed skills levels of LED staff across municipalities should be addressed as a matter of urgency with a view to achieve LED policy objectives.

5.3.3 Community LED projects as businesses

Until community projects are seen as business ventures, the grand dependent mentality associated with community projects as lesser entities to businesses will ever continue to exist. Community projects should therefore be run as businesses rather than as projects which are always expecting to be continuously entitled to funding by sponsors.
Currently, members expect to be the recipients of financial support from sponsors rather than refining the quality of their products to appeal and attract more clients.

5.4 CONCLUSIONS OF THE STUDY

The dissertation consists of five chapters:

Chapter one dealt with the introduction, background, research problem, objectives, purpose and significance of the study. The objectives of the study were the following:

- To find out how Nkonkobe Local Municipality communities perceive municipal LED efforts and initiatives for poverty alleviation.

- To determine the challenges which are faced by Nkonkobe Local Municipality in terms of implementing its LED strategies.

- To make recommendations on how LED can be strengthened, supported and or improved in Nkonkobe Local Municipality.

Chapter two provided a detailed discussion of literature review which helped to provide understanding of the nature, place and context of Local Economic Development in the global context and in South Africa. The legal framework for Local Economic Development was also explained in this chapter.

Chapter three dealt with the methodology used in this study. Both qualitative and quantitative methodologies were used. The chapter further explained the sampling
procedures used to select the respondents. Questionnaires were used to collect data for analysis. Confidentiality and informed consent were observed as ethical issues amongst other issues.

Chapter four presented, interpreted and analysed the data gathered from the respondents. Both quantitative and qualitative analyses techniques were used. In quantitative analyses, the researcher used a technique called graphical analysis for the purpose of displaying numerical data. The results obtained from the qualitative data revealed that Local Economic Development strategies employed in Nkonkobe Local Municipality.

Chapter five aims at giving a summary of the study, discussing the findings of the study, lastly providing recommendations and conclusions of the study.
REFERENCES

BOOKS, JOURNALS AND THESIS


Jack, M., 2007, Investigating the influence of computers on educators and learners’ perceptions of their teaching and learning activities in two rural schools in the Eastern Cape, Dissertation in fulfilment of the requirements for the Degree of Master of Education at the University of Fort Hare, Alice.


GOVERNMENT DOCUMENTS


**WEBSITES**


ANNEXURE A

(PERMISSION LETTERS TO CONDUCT RESEARCH)
ANNEXURE B

(RESEARCH QUESTIONNAIRES)
My name is Nthekelelen Linake. I am currently studying towards a Master of Administration (Public Administration) in the Department of Public Administration at the University of Fort Hare. As part of the requirements for this degree, I am undertaking a research study on the following topic: **AN ASSESSMENT OF THE IMPLEMENTATION OF LOCAL ECONOMIC DEVELOPMENT: A CASE STUDY OF Nkonkobe Municipality in the Eastern Cape**

I kindly request your cooperation in completing this questionnaire. Your contribution to this academic endeavour will be greatly appreciated as it will assist the researcher in reaching the objectives of this research study. Please be fully assured that, the information collected through this questionnaire will **ONLY** be used for the purposes of this study. Your privacy, anonymity and confidentiality will be strictly observed, guaranteed and protected, as you are not expected to reveal your names or any personal information that may identify you as a respondent in this study.

Please answer all questions as clearly and honestly as you can.
QUESTIONNAIRE, 1: LED GENERAL MANAGER

SECTION A: (GENERAL MANAGER)

1. BIOGRAPHICAL DATA

Please tick with the letter X in the appropriate box

1.1. Gender

<table>
<thead>
<tr>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
</table>

1.2. Age

<table>
<thead>
<tr>
<th>21-29</th>
<th>30-39</th>
<th>40-49</th>
<th>50-59</th>
<th>60+</th>
</tr>
</thead>
</table>

1.3. To which ethnic origin group do you most closely belong?

<table>
<thead>
<tr>
<th>Black African</th>
<th>White</th>
<th>coloured</th>
<th>Indian</th>
<th>Prefer not to say</th>
</tr>
</thead>
</table>

1.4. Marital status

<table>
<thead>
<tr>
<th>Single</th>
<th>Married</th>
<th>Divorced</th>
<th>Widow</th>
</tr>
</thead>
</table>

1.5. Highest qualifications obtained

<table>
<thead>
<tr>
<th>Matric</th>
<th>Diploma</th>
<th>Junior degree</th>
<th>Honours</th>
<th>Masters</th>
<th>PhD</th>
</tr>
</thead>
</table>

SECTION B: Local Economic Development (LED) in Nkonkobe Municipality
1.1. What Role do you play in LED?

1.2. What do you understand by the term Local Economic Development(LED)?
1.3 Does Nkonkobe Municipality have a strategy/strategies to promote LED?

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

1.4 How effective are the strategies?

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

1.5 What are the challenges faced by Nkonkobe Municipality in employing its LED strategies?
1.6. To what extent have these challenges affected poverty alleviation in the community?

1.7 How can these challenges be minimized?
1.8 Explain the interaction between Nkonkobe Municipality and the small business entrepreneurs in the communities, informal sector and agriculture.

1.9 How has LED improved the lives of people?

1.10 Any other comment you would like to make LED in your municipality

THANK YOU FOR YOUR CORPORATION
FACULTY OF MANAGEMENT AND COMMERCE
SCHOOL OF PUBLIC MANAGEMENT AND DEVELOPMENT
DEPARTMENT OF PUBLIC ADMINISTRATION

My name is Nthekeleng Linake. I am currently studying towards a Master of Administration (Public Administration) in the Department of Public Administration at the University of Fort Hare. As part of the requirements for this degree, I am undertaking a research study on the following topic: **AN ASSESSMENT OF THE IMPLEMENTATION OF LOCAL ECONOMIC DEVELOPMENT: A CASE STUDY OF NKONKOBÉ MUNICIPALITY IN THE EASTERN CAPE**

I kindly request your cooperation in completing this questionnaire. Your contribution to this academic endeavour will be greatly appreciated as it will assist the researcher in reaching the objectives of this research study. Please be fully assured that, the information collected through this questionnaire will **ONLY** be used for the purposes of this study. Your privacy, anonymity and confidentiality will be strictly observed, guaranteed and protected, as you are not expected to reveal your names or any personal information that may identify you as a respondent in this study.

Please answer all questions as clearly and honestly as you can.
QUESTIONNAIRE, 2: LED PROJECTS MANAGER

SECTION A: LED PROJECTS MANAGER

1. BIOGRAPHICAL DATA

Please tick with the letter X in the appropriate box

1.1. Gender

<table>
<thead>
<tr>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
</table>

1.2. Age

<table>
<thead>
<tr>
<th>21-29</th>
<th>30-39</th>
<th>40-49</th>
<th>50-59</th>
<th>60+</th>
</tr>
</thead>
</table>

1.3. To which ethnic origin group do you most closely belong?

<table>
<thead>
<tr>
<th>Black African</th>
<th>White</th>
<th>coloured</th>
<th>Indian</th>
<th>Prefer not to say</th>
</tr>
</thead>
</table>

1.4. Marital status

<table>
<thead>
<tr>
<th>Single</th>
<th>Married</th>
<th>Divorced</th>
<th>Widow</th>
</tr>
</thead>
</table>

1.5. Highest qualifications obtained

<table>
<thead>
<tr>
<th>Matric</th>
<th>Diploma</th>
<th>Junior degree</th>
<th>Honours</th>
<th>Masters</th>
<th>PhD</th>
</tr>
</thead>
</table>
SECTION B: Local Economic Development (LED) in Nkonkobe Municipality

1.1. What Role do you play in LED?

………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………

1.2. What do you understand by term the Local Economic Development(LED)?

………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………

143
1.3 Does Nkonkobe Municipality have a strategy/strategies to promote LED?

1.4 How effective are the strategies?
1.5 What are the challenges faced by Nkonkobe Municipality in employing its LED strategies?

1.6 To what extent have these challenges affected poverty alleviation in the community?

1.7 How can these challenges be minimized?
1.8 Explain the interaction between Nkonkobe Municipality and the small business entrepreneurs in the communities, informal sector and agriculture.

1.9 How has LED improved the lives of people?

1.10 Any other comment you would like to make LED in your municipality

THANK YOU FOR YOUR CORPORATION
My name is Nthekeleng Linake. I am currently studying towards a Master of Administration (Public Administration) in the Department of Public Administration at the University of Fort Hare. As part of the requirements for this degree, I am undertaking a research study on the following topic: **AN ASSESSMENT OF THE IMPLEMENTATION OF LOCAL ECONOMIC DEVELOPMENT: A CASE STUDY OF NKONKOBEMUNICIPALITY IN THE EASTERN CAPE**

I kindly request your cooperation in completing this questionnaire. Your contribution to this academic endeavour will be greatly appreciated as it will assist the researcher in reaching the objectives of this research study. Please be fully assured that, the information collected through this questionnaire will **ONLY** be used for the purposes of this study. Your privacy, anonymity and confidentiality will be strictly observed, guaranteed and protected, as you are not expected to reveal your names or any personal information that may identify you as a respondent in this study.

Please answer all questions as clearly and honestly as you can.
QUESTIONNAIRE, 3: EMPLOYEES IN THE LED DEPARTMENT

SECTION A

1. BIOGRAPHICAL DATA

Please tick with the letter X in the appropriate box

1.1. Gender

Male | Female

1.2. Age

21-29 | 30-39 | 40-49 | 50-59 | 60+

1.3. To which ethnic origin group do you most closely belong?

Black | White | coloured | Indian | Prefer not to say

Black African

1.4. Marital status

Single | Married | Divorced | Widow

1.5. Highest qualifications obtained

Matric | Diploma | Junior degree | Honours | Masters | PhD
SECTION B: Local Economic Development (LED) in Nkonkobe Municipality

1.1. What Role do you play in LED?

........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................

1.2. What do you understand by the term Local Economic Development (LED)?

........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
1.3 Does Nkonkobe Municipality have a strategy/strategies to promote LED?

1.4 How effective are there strategies?
1.5 What are the challenges faced by Nkonkobe Municipality in employing its LED strategies?

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

1.6. To what extent have these challenges affected poverty alleviation in the community?

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

1.7 How can these challenges be minimized?

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
1.8 Explain the interaction between Nkonkobe Municipality and the small business entrepreneurs in the communities, informal sector and agriculture.

1.9 How has LED improved the lives of people?

1.10 Any other comment you would like to make LED in your municipality

THANK YOU FOR YOUR CORPORATION
My name is Nthekeleng Linake. I am currently studying towards a Master of Administration (Public Administration) in the Department of Public Administration at the University of Fort Hare. As part of the requirements for this degree, I am undertaking a research study on the following topic: **AN ASSESSMENT OF THE IMPLEMENTATION OF LOCAL ECONOMIC DEVELOPMENT: A CASE STUDY OF NKONKOBEMUNICIPALITY IN THE EASTERN CAPE**

I kindly request your cooperation in completing this questionnaire. Your contribution to this academic endeavour will be greatly appreciated as it will assist the researcher in reaching the objectives of this research study. Please be fully assured that, the information collected through this questionnaire will ONLY be used for the purposes of this study. Your privacy, anonymity and confidentiality will be strictly observed, guaranteed and protected, as you are not expected to reveal your names or any personal information that may identify you as a respondent in this study.

Please answer all questions as clearly and honestly as you can.
QUESTIONNAIRE, 3: COMMUNITY MEMBERS IN NKONKOE MUNICIPALITY

SECTION A

1. BIOGRAPHICAL DATA

Please tick with the letter X in the appropriate box

1.1. Gender

<table>
<thead>
<tr>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
</table>

1.2. Age

<table>
<thead>
<tr>
<th>21-29</th>
<th>30-39</th>
<th>40-49</th>
<th>50-59</th>
<th>60+</th>
</tr>
</thead>
</table>

1.3. To which ethnic origin group do you most closely belong?

<table>
<thead>
<tr>
<th>Black African</th>
<th>White</th>
<th>coloured</th>
<th>Indian</th>
<th>Prefer not to say</th>
</tr>
</thead>
</table>

1.4. Marital status

<table>
<thead>
<tr>
<th>Single</th>
<th>Married</th>
<th>Divorced</th>
<th>Widow</th>
</tr>
</thead>
</table>

1.5. Highest qualifications obtained

<table>
<thead>
<tr>
<th>Matric</th>
<th>Diploma</th>
<th>Junior degree</th>
<th>Honours</th>
<th>Masters</th>
<th>PhD</th>
</tr>
</thead>
</table>
SECTION B: Local Economic Development (LED) in Nkonkobe Municipality

1.1. What Role do you play in LED?

………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………

1.2. What do you understand by the term Local Economic Development (LED)?

………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
1.3 Does Nkonkobe Municipality have a strategy/strategies to promote LED?

1.4 How effective are there strategies?
1.5 What are the challenges faced by Nkonkobe Municipality in employing its LED strategies?

1.6 To what extent have these challenges affected poverty alleviation in the community?

1.7 How can these challenges be minimized?
1.8 Are you involved in the draft of the municipality's LED and Intergrated Development Plan (IDP) strategies?

1.9 How has LED improved the lives of people in the community?

1.10 Any other comment you would like to make LED in your municipality

THANK YOU FOR YOUR CORPORATION
U Masipala Wase Nkonkobe

8 Somerset Street
FORT BEAUFORT
5720
Eastern Cape - RSA

Municipality of Nkonkobe

P.O. Box 36
FORT BEAUFORT 5720
Tel: (046) 645-7400
Fax: (046) 654-1619

OFFICE OF THE MUNICIPAL MANAGER

25 September 2012

University of Fort Hare
Department of Public Administrator
P. Bag X 1314
Alice
5700

Dear Ms NA Linake

Re: Permission to conduct Academic Research

Nkonkobe Municipality acknowledged your correspondence received on the 14th of September 2012 requesting a permission to conduct academic research as part of the requirement for your degree. The permission is therefore granted.

We indeed wish you the best on your career.

Regards

______________________________
K.C. Mxaneli
Municipal Manager

Cc: Prof EOC Ijeoma
TO WHOM IT MAY CONCERN

RE: REQUEST FOR CONDUCTING AN ACADEMIC RESEARCH

PROGRAMME : M.Admin
NAME : Ms NA Linake
STUDENT NUMBER : 200803353

The above named is a registered student of the university of Fort Hare. As part of the requirements for completing her Masters degree, the student is expected to conduct a research and submit its findings accordingly.

We hereby request you to allow the student conduct a research in your institution and to interact with relevant selected office-bearers and officials. We have instructed the student to observe professionalism and ethical considerations by maintaining anonymity of the participants concerned. The student has also been advised to maintain strict confidentiality in her interactions with respondents.

Once the research is completed, it may be availed to your institution on request. We hope that the findings of the research will benefit your institution in particular and South Africa in general.

Please extend every assistance she stands in need.

Regards

Prof EOC Ijeoma