An investigation into the Local Economic Development (LED) as a cross-cutting issue in the Municipality’s Integrated Development Plan: A case of Inkwanca Local Municipality

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2012
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DECLARATION

I, Sibongile Claude Douglas, student number 209091702, hereby declare that the treatise for MA Development Studies (Coursework) is my own work and that it has not previously been submitted for assessment or completion of any postgraduate qualification to another University or for another qualification.

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ACKNOWLEDGEMENTS

This research project has been extremely arduous, yet an enriching and a fulfilling experience to me.

I owe a special gratitude to my Lord Almighty God for the tremendous contribution in the achievement of this phenomenal milestone.

I would also like to acknowledge abundantly also those who have been part of this experience without whom I could not have completed this mammoth task.

I wish to express the words of thanks to my Supervisor, Ms E Saunders, to whom I am greatly indebted for research guidance and encouragement throughout my post-graduate studies.

I owe my endless gratitude and love to my wife for everything. May the Almighty God richly bless you.

Last but not least, to my parents: I am grateful for your unwavering support and encouragement throughout these years.
Abstract

Though it can be argued that the new democratic government has made tremendous strides in its first decades of democracy, continuing poverty and inequality tends to undermine the gains. Faced by this development dilemma, the government has adopted various development endeavours in an attempt to address issues of social and economic development.

The topic of Local Economic Development has received considerable attention from both government and scholars in recent years. At the heart of the concept of LED are enshrined the goals of creating employment and promoting the economic growth and development of a locality or local area.

It is in this context that the main objective of the study was to investigate the implementation of Local Economic Development as a cross-cutting dimension in the Integrated Development Plan of the Inkwanca Municipality of in the Eastern Cape Province. The construction of a bridge in the town of Sterkstroom was used as a case study to assess the ability of the municipality to plan and implement a LED project in a coordinated and integrated manner.

The study used the combination of both methods of data collection, namely the qualitative and quantitative methods. The tool used to collect data was an interview schedule which consisted of open and closed ended questions.

Findings by this study revealed that LED planning and implementation within the municipality does not receive the priority it so deserves and therefore it can not be regarded as the panacea for the development challenges confronted by the community in the municipality.

Since LED has failed to create sustainable jobs and grow the local economy, questions can be raised about the efficiency of the municipality in its implementation of LED as a cross-cutting dimension. There appears to have been little cooperation with the LED Unit on the implementation of the Sokoyi Bridge construction project. Neither was there a concerted effort on the part of the municipality to use the project to build skills among the workers that they could use in future initiatives.
The study revealed that the line function departments within the municipality could not plan their activities and programmes in a coordinated and integrated manner. Planning is characterised by 'silo-functioning'. Furthermore, intergovernmental coordination amongst the various spheres of government has been and remains a challenge. Intergovernmental coordination and collaboration needed to be strengthened.

The Integrated Development Plan of the municipality which is supposed to be a strategic coordination and integration tool has failed to achieve its objective and as such planning happens in an ad hoc and fragmented fashion.

A plan-led system is needed to bring focus and allow long term public interest to guide the development of places. The National Development Plan state that “it will take time to create this capability, drawing on fuller understanding of the limitations of current arrangements and incorporating the lessons of good international practise.” (NDP, 2011: 263). Having a policy in place does not guarantee that there will be developmental or pro-poor outcomes.

This study indicated that there are real capacity constraints in local government to plan in an integrated and coordinated manner. The Inkwanca Municipality did not use the developmental opportunities presented by the bridge construction project to its fullest extent. A lack of coordination limited the ability of the municipality to move beyond short-term job creation through a more integrated programme that could have had a broader positive impact on the residents of the Inkwanca municipality.
CHAPTER ONE
INTRODUCTION AND CONTEXT

1.1 BACKGROUND

The focus of this research project is to establish the extent to which Local Economic Development (LED) is considered as a cross-cutting issue in the Integrated Development Planning process in a rural municipality in the Eastern Cape Province. Before 1994, no single, uniform system of local government existed across South Africa; each province had its own configuration of local government institutions. Under apartheid spatial planning, strong emphasis was given to top down regional policy interventions which were centered upon promoting industrial decentralization in the country’s peripheral homelands or Bantustan regions. A case in point is Dimbaza location in the former Ciskei.

Transformation of local government into a fully-fledged and non-racial institution of governance was thus impelled by a legacy of urban environment logic that systematically favoured white urban areas at the cost of black urban and peri-urban areas” with tragic and absurd results . It is in the above context that, in order to address the imbalances of the past considerable emphasis was being placed on developmental local government as part of the transformation agenda of the South African society. Central to the concept of developmental local government was government argument that the responsibility of municipalities (is) to work together with local communities to find sustainable ways to meet their needs and improve the quality of their lives.” (South Africa, 1998:17)

The South African constitution establishes developmental local government, and this includes the responsibility for economic development. According to the 1998 White Paper on Local Government, to meet the development challenges of the national economy, local government has been given a new constitutional mandate, to create and sustain equitable and viable human settlement. In an effort to create conditions of sustainable development and to combat the scourge of poverty, developmental local government necessitates the commitment “to work together with local communities to find sustainable ways to meet their needs and improve the quality of
their lives.” (South Africa, 1998: 17) Developmental local government is defined 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.

The concept of community or locality based development was couched in the 1994 Reconstruction and Development Programme, the anchor framework for national post apartheid planning. The South African constitution established “developmental local government” and this involves the responsibility for economic development. Among the development conduits embraced by government was the concept of local economic development. The role of municipalities in promoting local economic development is to create an enabling environment for local economic development to thrive. According to the National LED Framework (2006) “local government have a key role to play in stimulating economic development through investment in infrastructure to crowd in private investment and boost short-term economic performance”.

Local government is not directly responsible for creating jobs; rather it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities.

According to the National LED Guidelines (2005) municipalities should support local initiatives, which encourage local job creation while still responding to changes in the national and global economy. The national LED Framework (2006) emphasizes that municipalities have a key role in creating an environment conducive for investment through the provision of infrastructure and quality services, rather by developing programs and attempting to create jobs (Patterson: Country Report 2008) The framework further state that municipalities should play a connector role in respect of LED drawing upon resources locked in a range of different government support instruments into their localities.

According to the LED Framework (2006) “infrastructure development, service delivery, municipal financial viability and local economic development are not
mutually exclusive concepts”. It is for this reason that municipalities should develop strategies and management practices that take on a holistic and integrated approach. According to Dewar (1998) Local government restructuring provided the impetus for other restructuring that followed. Dewar (1998:369) states that “during this transition period, policies were formulated; with discrete national function department, with little reference to the, activities in other departments’, and this approach contributed to a fragmented and distorted urban planning and development phase”. Dewar further identifies the outcome of this period as the policies of certain departments conflicting with one another, which resulted in a confused, cumbersome planning system.

Rural South Africa is characterized by high levels of poverty. Approximately 70% of South Africa's poor live in rural areas, and about 70% of rural residents are poor (http://www.info.gov.za/otherdocs/2000/isrds:pdf) According to the draft Strategy on Rural Development and Agrarian Transformation (2009: 20) “poverty is multi-dimensional and must be seen as more than a lack of income; it is primarily characterized by a lack of access to opportunities for sustainable livelihood (income, assets, skills, knowledge, self-confidence and access to decision-making). Poverty in South Africa and in the Eastern Cape is inter-generational and structural, with economic, social and political dimensions”.

The income of rural residents is constrained because the rural economy is not sufficiently vibrant to provide them with remunerating jobs or self-employment opportunities. The manufacturing base is weak due to the poorly developed infrastructure. Local government has little or no tax base and is characterized by weak human capacity. Agriculture and other natural resource based activities provide the basis for many livelihoods. In spite of the role played by agriculture, most rural people generally do not have access to natural resources to support their subsistence (South Africa: ISRDS, 2000).

In the light of these developmental challenges, the post-apartheid government has adopted various strategies and interventions measures to address the plight of poverty faced by the rural people. The concept of community and locality based
development was implicit in the 1994 Reconstruction and Development Programme (RDP), the anchor framework for national post-apartheid planning (ANC, 1994). Furthermore, the South African constitution establishes “developmental local government “, and this includes the responsibility for economic development. The 1996 Constitution of the Republic of South Africa granted local government extensive responsibilities in the realm of LED and citizen participation in local government, sections 152 (a) and 153 (a) states that: “A municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community” (South Africa, 1996: 81).

Development planning policy post-1996 is implemented through the Integrated Development Plan (IDP), which is a strategic planning approach to development. Conyers and Hills (1984: 60) define integrated planning as an interdisciplinary approach to planning which bridges the gap between economic development planning and physical planning. Chapter five of the Municipal Systems Act (No.32 of 2000), defines the IDP as a strategic plan that coordinates and integrates plans, aligns resources and implementation capacity.

Amongst the other strategies that have been embraced by the national and provincial government are: the Integrated Sustainable Rural Development Programme (ISRDP). The ISRDP, as the post-apartheid government vision rural development is captured on its aim of delivering the promise for a better life for all the rural people through local government. The ISRDP is designed to build socially cohesive and stable rural communities, offering universal access to social amenities and the ability to attract and retain skilled and knowledgeable people who can contribute to growth and development. The impetus to create the ISRDP was the observation that investment in rural areas did not have the envisaged impact in alleviating poverty and strengthen local institutions.

Integrated Development Planning is a process through which a municipality prepares a five year development plan, by considering and inter-relating all aspects of
development that may have an impact on the social and economic development of their citizens. The product of this planning process is the Integrated Development Plan (IDP). The IDP is a principle strategic planning instrument which guides and informs all planning, budgeting, management and decision making in the area of the municipality. The integrated development plan has four stages namely: Analysis, Project Development, identification of priorities and Integration.

LED in South Africa emerged as one of the most significant options which are now being pursued by significantly empowered localities with the overt encouragement of national government. LED in South Africa is a statutory activity. The South African constitution established 'developmental local government’ and this involves the responsibility for economic development. Thus in South Africa, LED has been identified by the government as a key strategy through which issues of social and economic development and more importantly poverty alleviation and job creation can be addressed at local level.

According to Zaaijier & Sara (1993: 129), LED is “essentially a process by which local government and community/ community based groups manage their own existing resources and enter into partnership arrangement with the private sector or with each other to create new job or stimulate local activity in an economic area". For the World Bank, Local Economic Development is a process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation." (World Bank Urban Development Unit, 2003: 4).

Among the above-mentioned development conduits embraced by the government, this study is interested in evaluating the extent to which LED is considered in Inkwanca municipality and whether it truly cuts-across the other priority issues, strategies and projects in the IDP?

1.2 THE INKWANCA MUNICIPALITY

The Inkwanca Municipality is located roughly in the centre of the Eastern Cape Province. It forms part of the Chris Hani District Municipality. The municipal area is
mainly rural, but because of the extensive nature of farming practices in the area the rural population comprises only a small portion of the total population. Most of the residents are urbanized and the urban population is concentrated in the two small towns of Molteno and Sterkstroom. As is common in most South African cities and towns, there are notable differences between the levels of development and infrastructure in the formerly white and black residential and business areas.

Inkwanca municipality is characterized by extensive commercial farms that farm with cattle, sheep and game farming. The area is suitable for this type of agriculture despite its relatively harsh climatic conditions, its rainfall and vegetation characteristics.

The administrative seat of Inkwanca is situated in Molteno, which is about 45 kms from Queenstown. Queenstown is the main economic and administrative center in the whole of the Chris Hani District Municipality.

1.3 LED IN THE INKWANCA MUNICIPALITY

Inkwanca municipality has developed a process plan that outlined all activities that had to unfold during the development of its integrated development plan (IDP). The Municipal Systems Act requires that the process plan be set out in writing and be adopted by the Municipal Council to guide, among other aspects, the IDP review process. The IDP process is designed to include public participation, mainly through the Community Based Planning and the Representative Forum set up specifically for that purpose. The forum includes councilors, area committee members and all other stakeholders within the Inkwanca Municipal area. According to the Inkwanca Municipality’s Integrated Development Plan (Inkwance .Local Municipality, 2009: 3), the Municipal Manager has a delegated responsibility for drafting the IDP and will subsequently coordinate and manage the IDP review process.

The municipality does not have a fully-fledged LED Unit. Currently the Unit is placed under the Community Services Department. The IDP acknowledges that “the challenge here is that Inkwanca municipality is small and so is its revenue base, so it cannot afford to have a fully-fledged unit” (IDP, 2009:12).. The LED Unit is
comprised of only two officials that are responsible for tourism and agricultural projects respectively. The LED Coordinator reports to the Assistant Strategic Manager who then reports to the Municipal Manager.

1.4 PROBLEM STATEMENT

The LED Strategy of Inkwanca Municipality recognizes that a range of activities have come to be regarded as "doing local economic development" and that while many of these may be components of LED, it is important to define the essence of the concept. From the latter statement one can deduce that the municipality is grappling with the understanding of what LED is all about. This has implications in terms of the planning and implementation of LED within the municipality.

In the LED Strategy of the municipality, LED is defined as a broad set of activities which is aimed at creating a competitive advantage for the city/region in order to create income and jobs. The Strategy notes that Inkwanca Municipality “accepts that small local municipalities have a limited role in facilitating local economic development in their areas.” The strategy further states that "municipalities cannot create sustainable jobs or grow the local economy through their own interventions or investments alone”. This implies therefore that the intergovernmental relations amongst the various spheres of government and other role players needed to be strengthened. Local governance for LED is frequently not of anetwork variety that involves a wide range of stakeholders, but rather dominated by the government sector.

The municipality presents key challenges in mobilizing the role players. There are no formal associations to represent the local businesses and community, while projects rely mostly on the municipality or other government support. This, by implication meant that the LED initiatives that were not funded by government had no dedicated funding and therefore might be less self-sustaining. The Inkwanca LM strategy states that Thina Senako - a European Donor Agency which supports LED programme in municipalities - and other LED experts have pointed out that most LED Strategies in South Africa make the mistake of confusing economic development and social development.
It is in this context that the research paper seeks to investigate, among others, whether LED cuts across the priority issues, strategies and projects in the municipality and aims to assess the degree to which the various spheres of government work collaboratively to enhance each other’s efficiency and effectiveness in development planning. The research paper also seeks to evaluate the extent to which jobs opportunities have been created as a result of LED Practice in the municipality.

The Department of Local Government and Traditional Affairs (DLGTA) support municipalities in terms of the deployment of LED Experts and LED Assistants in municipalities that have been identified as lacking capacity in their LED Units.

1.5 AIM AND OBJECTIVES

It is against this background that the study seeks to establish whether Local Economic Development is considered as a cross-cutting dimension across all the priority areas of the Inkwanca Municipality. It is also within this context that a comprehensive literature review will be undertaken on the issues raised. These will inform the methodology that the research will employ and the sample of the population that will be selected.

The aim of this research is to evaluate the extent to which LED is considered as a cross cutting dimension in the Inkwanca Municipality Integrated Development Plan. This will be done through case study of a bridge construction project in the Inkwanca Local Municipality.

The objectives of the study are as follows:

1. To investigate whether LED cuts across the priority issues, strategies and projects in the Inkwanca Municipality.

2. Assess the degree to which the various spheres of government work collaboratively to enhance each other’s efficiency and effectiveness in development planning.
3. Evaluate the extent to which jobs opportunities have been created as a result of LED Practice in the municipality. The study also seeks to come –up with recommendation.

1.6 CONCLUSION

This chapter has attempted to provide an overview of the research topic, conceptualising and defining critical concepts and terms that the research will focus on. The main focus of this chapter has been to define and contextualise legislative framework and local understanding of Local Economic Development by the relevant government department and the municipality as a cross cutting issue within the municipality’s integrated development plan. Description of some terms that will be continuously in use in the process of generating this study as well as contextualization and description of the study area have been briefly provided. Lastly in this chapter a brief description of the Provincial Government and the Local Municipality’s responsible departments as well as individual staff component have been outlined.
CHAPTER TWO
LITERATURE REVIEW

2.1 INTRODUCTION

In this chapter a review will of the relevant literature sources to provide the context for the research into mainstreaming LED in municipalities will be done. The research paper seek to review the extent and the dynamics of poverty in SA, the notion of developmental local government, tools that may be used for development, such as the Integrated Development Planning and Local Economic Development, etc.

2.2 POVERTY IN THE SOUTH AFRICAN CONTEXT

South Africa is characterised by a highly dualistic economy, with a total population of up to 40% unemployed and depended on welfare grants and subsistent farming for their livelihood. Rural South Africa is punctuated by high levels of poverty. The National Income Dynamics Study revealed that the rural share of poverty fell from 70 percent in 1993 to 57 percent in 2008 (South Africa, NDP, 2011: 207).

The Eastern Cape Province is predominantly rural in nature; up to 80 percent of its population is rural based. It has the dubious distinction of being the poorest and the least developed Province in the entire country. There is high unemployment rate in the province and the province is characterised by high rate of illiteracy, low levels of education and lack of marketable skills.

The Province has a population of 6.5 million. The provincial population is dominated by females (54 percent). This reflects that the province is the source of migrant labour with men moving to work in large cities and the mines.

The Inkwanca Local Municipality currently has an estimated population of 22 469, approximately 11 363 households and is comprised of four wards. As is the case across most of the province, the municipality is dominated by females (54 percent) which highlights that it is mostly men that have leave the area to seek work in areas of perceived better economic opportunities.
Inkwanca Municipality faces major challenges due to the fact that almost all the households can be regarded as indigent, as they either have no income or the household income is less than R1500 per month. As a result, both the households and the municipality are highly dependent on state grants. (Inkwanca IDP, 2009).

FIGURE 1. MAP OF INKWANCA LOCAL MUNICIPALITY

The demise of apartheid in the early 1990s has left South Africa with an indelible social and economic legacy which is characterised by racial division, discrimination and high unemployment and poverty rates. These developmental challenges are more pronounced among the previously disadvantaged communities especially in provinces which host former homelands. Though it can be argued that the new democratic government has made tremendous strides in its first decade but continuing poverty and inequality tends to undermine these gains some tend to see it as a crisis or perhaps a threat to survival (Cousin, 2004).
2.3 ORIGINS OF DEVELOPMENTAL LOCAL GOVERNMENT (IDP)

The concept of community or locality based development was implicit in the 1994 Reconstruction and Development Programme (RDP), the anchor framework for post-apartheid planning 1994 (ANC, 1994). Before the democratic elections in 1994, the ANC agreed in principle to adopt the Congress of South African Trade Unions (COSATU) Reconstruction and Development Programme (RDP), a programme that contained elements of social security. The RDP came into being as an attempt by labour to tie the newly elected government to a development programme and its first priority was meeting the basic needs of the people. The RDP became the living document which integrated all development policies and from 1994 to 1996 it became the guiding document for the government of national unity.

The RDP was considered to be a wish list by many people as it did not have a detailed programme for providing access to basic services. Furthermore the South African constitution establishes developmental local government and this includes the responsibility for economic development. Developmental local government implies that government agencies must play an active role in promoting growth and development, thus entrenching an essentially pro-poor policy focus. Thus in South Africa, local economic development has been identified by the government as a key strategy through which issues of social and economic development and more importantly poverty alleviation and job creation can be addressed at local level.

The concept was further elaborated in 1998 when the Local Government White Paper was released (South Africa, 1998). According to the Local Government White Paper, in order to meet the development challenges of the national economy, local government has been given a new constitutional directive to create, sustain, equitable and viable human settlements. In an attempt to create conditions for sustainable development and combat the scourge of poverty, developmental local government necessitate a commitment to working with citizens and groups of people with the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives.
2.4 INTEGRATED DEVELOPMENT PLANNING (IDP)

The integrated development planning and local economic development are similar in their approaches to the basic needs approach implemented during the first year of post-independence. This approach argues that not only were departmental headquarters far removed from implementation realities, but they were also insensitive to the needs for coordination of governmental activities in the field. The IDP informs the decision-making process of the municipalities in as far as municipal budgets, land management, promotion of local economic development and institutional transformation in a consultative, systematic and strategic manner. IDP is a key instrument which municipalities can adopt to provide vision, leadership and direction for all those that have a role to play in the development of municipal area. Municipalities must ensure a role in ensuring integration and coordination between the various sectors and cross-sectoral dimension of development, to achieve social, economic and ecological sustainability.

The basic needs approach further argues that “the growing emphasis on integration of government activities reinforced the need for development planning” (Nellis & Rondinelli 1986: 312). These authors further argue that proper design of projects was viewed as preconditions of successful implementation

The World Bank (1981)’s report on Accelerated Development commissioned by Africa’s own representatives on the Bank’s board, made a strong case for ‘rolling back’ the state in the interest of private and voluntary initiatives. This is in line with the principles in the National LED Framework which argues that the local government is rather responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities. This by implication suggests it was incorrect to perceive development as only the government domain, it was acknowledged that development also involved other role players within the institutions society. The structural adjustment programmes which were introduced with the insistence of the World Bank and the IMF implied greater incentives for the producer with such incentives that the producer would respond with higher investment returns.
2.5 THE NATURE OF LOCAL ECONOMIC DEVELOPMENT (LED)

South Africa has the largest economy in Africa, but suffers from a highly dualistic economy, often characterised as the formal and informal economies. LED is clearly seen as a key mechanism to help in closing the gap between the developed and the developing economies. Mainstreaming is thus a strategic process of making LED issues part and parcel of the way a sector functions, organises, treats itself staff members and deliver its services. Its key requirement is to identify and utilise comparative advantages. According to the IDP Guide Pack IV, Local Economic Development forms an integral part of the Integrated Development Plan.

Zaaijier & Sara (1993) state that LED is essentially a process in which local governments and community or community based groups manage their existing resources and enter into partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in an economic area”. For the World Bank (2001), “LED is the process by which public, business and non-governmental sector partners work collaboratively to create better conditions for economic growth that brings economic benefit and quality of life to all in the community”. The World Bank further opines that in general terms, the goals of LED tend to centre on a set of common issues of job creation, empowerment, the pursuit of economic growth, community development, the restoration of economic vibrancy and diversification in areas subject to recession, and also stabilising the locality and the robust, sustainable economic entity, often within a global context.

On LED in South Africa, Nel and Rogerson (2005) argue that it emerged as one of the most significant post-apartheid development options, which is now being pursued by significantly empowered localities with the overt encouragement of national government. Meyer-Stamer (2006) argues that when it comes to LED, South Africa is a special case. Whereas in other countries LED tends to be a voluntary activity of local government, often borne out of necessity or desperation, in South Africa it is a statutory activity.

The Municipal Systems Act, Act 32 of 2000 (South Africa, 2000) indicates that 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". The function of the Municipal Systems Act is “to provide for the core principles, mechanisms and processes that are necessary to move progressively towards the social and economic upliftment of local communities…” and more so “to progressively build local government into an efficient, frontline development agency capable of integrating the activities of all spheres of government for the overall social and economic upliftment of communities”.

2.6 ENABLING ENVIRONMENT

To maximise developmental potential, there was a realisation that local initiatives, can flourish and become viable alternatives provided that governments are ready to create an environment in which these initiatives are allowed to grow. An enabling environment is being defined as an open and pluralist, providing the conditions in which economic and political restructuring can take place in a constructive fashion.

Integrated development planning is an approach to planning that involves the entire municipality and its citizens in finding the best solution to achieve good long term development. IDPs provide a powerful tool to municipalities for the facilitation of coordinated and integrated performance, this requires comprehensive consultation with communities and other stakeholders involved in LED (Department of Provincial Local Government (DPLG), 2000).

Moreover, municipalities have been given the responsibility to mobilise and provide the vision; the leadership as the role players in Local economic development (LED). An integrated development plan (IDP) has been identified as the most crucial tool for attaining maximum coordination and alignment. An Integrated Development Plan (IDP) of each municipality is intended to reflect a “single inclusive and strategic plan for the development of the municipality which links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality."
2.7 LOCAL ECONOMIC DEVELOPMENT: THEORETICAL FRAMEWORK

The theories and models that relate to LED are the classical localisation theories. These models and theories are built on the movements of firms in the First World countries, such as the USA. According to the International Labour organisation (ILO), national and local governments, as well as enterprises and other organisation have to rethink development strategies to cope with ongoing events such as globalization. In contrast to orthodox development policies, The classical location models may furthermore not be applicable in the context of developing and mainly rural economies. Local Economic Development strategies promote local dialogue and enable people to make informed decisions on their own futures, based on the availability of local physical and human resources.

These classical theories are therefore not particularly relevant for a study such as the one under consideration, as the study does not focus or deal with business or industry.

In South Africa, the major weakness of LED policy is that there is no explicit conceptual framework with which to operationalise LED. The national LED Framework (2006) sets out a vision of LED as a programme that builds "robust and inclusive local economies that exploit local opportunities address local needs and contribute to national development objectives such as economic growth and poverty eradication".

The endogenous growth theory models are therefore the most appropriate for the study. The main premise of the model is that local effort, particularly local innovation, will lead to local growth, rather when the growth stimulus and innovation comes from outside (exogenous growth). It will, however, be necessary to test this model in the South African context, particularly in poor, mainly rural settings such as in the Inkwanca local municipality.

For the moment, LED in municipalities seems to be guided by the work of two influential practitioners, namely Helmsig and Meyer-Stamer, to provide elements of such a framework. Both authors have sought to give order to the complexity of
social, political, physical and economic dimensions of LED and to describe the key role players, processes, institutions and outcomes of LED. LED is aimed at creating favourable location factors that is qualities which make a locality a good place for to do business. This includes obvious elements such as improving the infrastructure and training workers, but also less obvious elements such as the entrepreneurial spirit and good local administration. The guiding principle for LED is competitiveness, and this is also one of the principles of the national LED framework.

2.8 LED POLICY CONTEXT

Before the democratic elections in 1994, the ANC agreed in principle to adopt the Congress of South African Trade Unions (COSATU) Reconstruction and Development Programme (RDP), a programme that contained elements of social security. RDP came into being as an attempt by labour to tie the newly elected government to a development programme and its first priority was meeting the basic needs of the people. RDP became the concept within which all development policies were to be discussed and from 1994 to 1996 it became the guiding document for the government of national unity (Visser, 2004). The RDP was considered to be a wish list by many people as it did not have a detailed programme for providing access to basic services.

In 1996, the Ministry of Finance published the Department’s new macro-economic strategy called Growth, Employment and Redistribution (GEAR) which was developed by policy makers and government stakeholder. Because GEAR was not developed in consultation with COSATU, it generated considerable disagreement within the tripartite alliance. GEAR implied that economic development should be led by the private sector, the state should play a smaller role in the economy, cuts in government spending and social service delivery budgets should be reprioritized to address claims of the poor to meet their basic needs, (Bond, 2003). GEAR was designed to promote neo-liberal ideologies and its principles were privatization, deregulation and fiscal policies. The success of GEAR was mixed at best (Macro-economic policy, 1996-1998). (Cite Author)
The Constitution of South Africa, 1996) recognises local government affairs as a distinctive sphere of government and it mandates local government to “give priority to the basic needs of the community, and to promote the social and economic development of the community. The Constitution (South Africa, 1996) Section 152(a) and 153(a) places a great responsibility on municipalities “to structure and manage its administration, and budgeting and planning processes”.

LED strategies have their origins in the high-income countries of the North and have emerged in the last thirty to forty years as a response to the social and economic problems that resulted from the persistence of locality-specific development problems (Nel, 2001). The disappointing results of traditional top-down, supply-side sectoral development strategies in combating the resulting rise in unemployment and regional inequality drove the search for alternative development strategies that would offer opportunities for growth to all areas (Roberts, 1993). The persistence of problems of slow economic growth and poverty, combined with the changes in the national and international economic environment, and the effective inability of many central states to intervene at the local level have provided a strong impulse towards more locally based initiatives.

The concept of local economic development had for many years been implemented in various in industrialised countries as a result of globalisation. In the early stages of LED, activities focused strongly on the marketing of locations to external investors. Many producers of goods and services faced competition from producers and countries that were able to provide goods and services at lower prices and sometimes better quality. Incentive system such as tax breaks and reduced costs of public services such as water and electricity were utilised to attract investors.

On LED in South Africa, Nel and Rogerson (2005) argues that it emerged as one of the most significant post-apartheid development options which are now being pursued by significantly empowered localities with the overt encouragement of national government. Meyer-Stemer (2006) argues that when it comes to LED, South Africa is a special case. LED in South Africa LED has been identified by government as a key strategy through which issues of social and economic development and
more importantly, poverty alleviation and the creation of employment can be addressed at a local level.

The Local Government White Paper (1998) suggests that local government is responsible for the achievement of local economic development, playing an important role in job creation and in boosting the local economy through the provision of business-friendly services, local procurement, investment promotion, and support for small businesses and growth sectors. The White Paper on Local Government (1998) states clearly that ‘Local Government is not directly responsible for creating jobs. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities’. Municipalities therefore need to have a clear vision for the local economy, and work in partnership with local business to maximise job creation and investment.

In 2005, a new document was released entitled: Policy Guidelines for Implementing Local Economic Development in South Africa, which aligns LED with a range of government programmes as well as provincial strategies and local IDPs. LED is clearly seen as a key mechanism to help in closing the gap between the developing and the developed economies. President Mbeki in his statement in 2003 acknowledged government recognised South Africa as a “dual economy”1 initiated new insights. Rich people living well on the top floor and the majority of South Africans who are poor stuck on the bottom floor with no hope to reach the top floor. The argument is that the rich has not provided employment at all instead poor people are more depending on social grants for consumption but with little to sustain local economic growth.

The National Framework for LED (DPLG, 2006) was developed as a guide that seeks to advance an understanding of LED and has put forward a strategic implementation approach that municipalities, provinces, national government, state-owned enterprises and communities may concentrate on in order to improve local

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economic development. Local economic development should always be guided by a strategy which is a component of a broader strategic development plan that includes social and environmental components. The LED strategy provides a focus on strengthening the local economy and building local capacity. Its timeframe for its achievement is five to ten years and it includes an annual implementation plan.

Tomlinson (2003) argues that in South Africa there is a commonly held, narrow conceptualisation of LED based on the view that it should be centred on poverty relief and small business development in the black community. Differences in approach between the market focused approach and poverty relief approach are emphasised as causes for retarded development. A question was posed, “is the municipality supposed to be the driver of the LED process, or a facilitator, or rather an active observer of a process which is driven by the local business sector” (Meyer-Stamer, 2003).

2.9 MAINSTREAMING LOCAL ECONOMIC DEVELOPMENT (LED)

Mainstreaming is about the stimulation of active and sectoral participation while anchoring LED concerns within the mandatory functions of sectors, institutions and programmes. The mainstream of LED planning in South Africa is dominated by market-led activities that are geared towards achieving sustainable high economic growth rates (Nel & Rogerson, 2005). It argues that LED should be located in multi-sectoral development context that outlines what individual sectors, institutions and programmes can do to achieve development and poverty alleviation priorities.

According to the IDP Guide Pack “mainstreaming is the process that enables management of sectors and institutions to address both the direct and indirect aspects of local economic development within the context of the normal functioning of organisation, sector, institution or community. “ It further states that “the concept of dimensions and crosscutting issues can also be considered at the strategy formulation and project design level”(Department of Provincial and Local Government, 2000).

According to the 1998 White Paper on Local Government"local government can play an important role in promoting job creation and boosting the local economy".
Investing in the basics - by providing good quality cost-effective services and by making the local area a pleasant place to live and work - is the key starting point. However, two other types of initiatives are important:

(a) Reviewing existing policies and procedures to promote local economic development.

(b) Provision of special economic services”.

The White Paper indicates that LED is expected to cut-across all sectors in the municipality. It is in this context that the Inkwanca municipality has felt it appropriate and prioritised the development of the LED strategy. The White paper further alludes to “the provisioning of special economic services as a means to making the local area a pleasant place to live and work”. In terms of boosting the local economy, municipalities must devise means and strategies. If LED is identified as a priority issue in the IDP process, specific strategies and projects will be formulated to address LED. LED however represents the economic dimension of development at the local level and should be considered throughout the IDP process even if it has not been identified as a priority issue. This means that opportunities for LED have to be considered and included in strategies and projects that are formulated to address priority issues, and also in the compilation of plans and programmes that form part of the operational strategy. The economic impact of strategies, projects and programmes should also be considered. (DPLG:IDP Guide III, 2002.)

The National LED Framework (DPLG, 2006) refers to a need for the “mainstreaming and institutionalising hands-on support rather than managing it in an ad hoc way through arbitrary support interventions”.

2.10 LED AS A CROSS-CUTTING ISSUE

The White Paper on Local Government states that local government can play an important role in promoting job creation and boosting the local economy. It further states that by investing in the basics - by providing good quality cost-effective services and also making the local area a pleasant place to live and work (South Africa, DPLG, 1998:28). Through these words, the White Paper immediately indicates that LED cuts across other sectors in municipalities. It is in this context that
Inkwanca municipality has prioritised the development of the LED that will ensure that all sector programmes are aligned to the strategy.

IDP Guide V (2002) further states that if LED is identified as the priority issue in the IDP process, specific strategies projects will be formulated to address LED. The Guide further states that LED however represents the economic dimension of development at the local level and should be considered throughout the IDP process even if it has not been identified as a priority issue. This means that opportunities for LED have to be considered and included in strategies and projects that are formulated to address priority issues, and also in the compilation of plans and programmes that form part of the operational strategy. The guide also highlights that the economic impact of strategies, projects and programmes should be considered. It is against this background that the LED is indeed considered a priority and a cross-cutting dimension in the municipality's IDP.

According to the George Municipality Annual Report, 2009/2012 “LED is considered as a cross-cutting issue to which most of the departments contributed during 2009/10”. It further states that “however, facilitation and coordination of the function is done by the Local Economic Development Unit located within the Department of the Deputy Municipal Manager”. (IDP Guide V, 2002: 26). It is therefore important that for effective implementation of LED as a cross cutting issue there has to be seamless, integrated and coordinated planning within the municipality line-function departments. LED Objectives must find expression to all plans.

The LED Framework (South Africa,DPLG, 2006), for example, speaks about aligning LED across government sectors which is also an example of LED as a cross-cutting dimension. Critical to note is that the treatment of gender and HIV/AIDS in the guides is similar to other cross-cutting issues such as the economy and the environment. The literature on IDP indicates that like gender, cross-cutting issues are often weakly developed in IDPs. The first round of IDP seems to have been reasonably successful in indicating delivery needs for government provided infrastructure in an aggravated way, but for most part, cross-cutting issues have been marginalised, and social issues have not been addressed.
Some cross-cutting issues such as the economy and environment however have been reconfigured into a ministry with a focused department. This is an attempt to improve their consideration and prioritisations into the municipal IDPs. They have also developed their own guideline documents and support structures to encourage their inclusion in IDPs. While these initiatives are often quite weak and uneven, it is quite clear that inadequate capacity or support is devoted to ensuring the inclusion of gender equity in IDPs.

To further augment on the need to align local economic development, the George Municipality’s Annual Report alludes to the fact that “the economic development and Community Based Development initiatives are cross-cutting and should involve many directorates. In this regard, LED is not just about what municipalities do, but more critically what the rest of government does together with municipalities. In a case study by the World Bank (2003), the document states that “Coherence between LED and municipal policy, development issues are cross-cutting and the municipality has sought pro-poor benefits throughout its work”.

According to the IDP Guide III, the role of the Administration in promoting local economic development is highlighted as very critical. It states that there is a need to identify how the business of the municipality can promote local economic development and not only the efforts by the LED Unit” (IDP Guide III, 85). This in my view indicates that municipalities should devise creative and innovative ways by which to stimulate their local economies. These should include among others taking advantage of the opportunities presented government legislations and policies such as the preferential procurement act. Timely payment for instance to small and medium sized service providers can be considered as one of the mechanism to help to promote the use of supply chain to promote local economic development.

Local economic development is multi-sectoral and multi-dimensional. The focus is not limited to sectors like water, housing or job creation. It should also consider the three pillars of sustainable development, which are the economic, social and the environmental attributes. These three pillars often referred to as the triple-bottom line
should be mainstreamed in the municipalities Integrated Development Plan. To ensure sustainability of local economic development initiatives, consideration of the social, economic and environmental factors is crucial. Developmental local government in South Africa should consider cross-cutting issues such as HIV/AIDS, gender equity, poverty alleviation and urban renewal development. It is in this context that municipal LED strategies should ensure that the dimensions are integrated and mainstreamed into the plans.

Local development is multi-faceted, underpinned by development dimensions relevant to the planning and delivery processes. “Dimensions” are simply aspects of development, including social, economic, institutional and environmental aspects. In addition to these, in South Africa, there are also certain issues that cut across and influence all development processes, such as HIV/AIDS. These crosscutting issues are part and parcel of the development dimensions affecting local development. It is also important not to confuse the concept of crosscutting issues with priority issues: the latter are the specific local issues each municipality will identify in its local area that need to be addressed in the planning process.

The concept of developmental local government requires municipalities to approach sector planning and delivery by performing a facilitative role. According to the IDP Guide, developmental sectors such as water and sanitation, housing, health and education have traditionally been institutionalised and addressed through separate government line function. Silo–functioning has on numerous occasions been considered by government as major challenge and has the potential to defeat the municipality economic development objectives.

The Municipal Structures Act (2000) indicates that 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’. The function of the Municipal Systems Act 32 of 2000 is “to provide for the core principles, mechanisms and processes that are necessary to move progressively towards the social and economic upliftment of local communities…” and more so “to progressively build local government into an efficient, frontline
development agency capable of integrating the activities of all spheres of government for the overall social and economic upliftment of communities”.

It should be noted that government investment across the space economy must be guided by the principles contained in the National Spatial Development Perspective (NSDP). This means that when it comes to economic fixed capital formation, limited resources should be applied strategically and investment should go into areas that will yield the highest impact in terms of economic output, employment creation and poverty reduction. The emphasis is to vigorously encourage local citizen involvement in economic development and innovation.

2.11 LESSONS LEARNT

Economic growth development and poverty relief goals can be achieved through a range of complementary developmental projects including PHP, EPWP, waste management, transport implementation and tourism, which capitalise on local opportunities and which address specific needs. The need for establishing a comprehensive service system, for avoiding waste of resources and overlapping is very critical. Local government collaboration and formation of partnerships, Private Public Partnerships, as all key sectors within a specific community are viable and play a meaningful role in achieving successful results in implementing LED. The establishment of LED Agencies assist the municipalities in accessing funding from government departments and other financial institutions and donor funding like EU and UNDP.

Despite the lack of funding, the requirement that LED is a cross cutting issue in IDPs has meant that it has remained a component in municipal planning. LED projects continue to be listed in IDPs, and they are often, in effect, projects that target women: (South Africa, DPLG, IDP Guide Pack III: 28). Enhanced policy, financial and capacity support is both desirable and appropriate in order to address development backlogs and enhance the economic contribution, which LED can make in terms of economic growth, development and poverty alleviation.
2.12 CONCLUSION

In conclusion, it is evident that in order for LED to be implemented effectively and achieve the intended results, there should be a coordinated and integrated approach in the planning process of the municipality. Local economic development must always find expression in all plans of the municipality and the IDP becomes a very important tool to achieve this noble objective. All various sectors within the communities should actively participate in the implementation of the LED, that is, government, local communities and businesses. Municipalities should develop LED strategies and be able to understand its comparative and competitive advantage. “For municipal planning and delivery to be integrated, vertical and horizontal alignment needs to take place between and within the spheres of government” (IDP Guide). Priorities as identified into the IDP, LED strategies need to form the basis for alignment between governmental sector and spheres.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 INTRODUCTION

Pons (1992) argued that all social research is concerned with evidence and all statements made in the research report should be based on evidence presented in it or on evidence from other sources which can be quoted and cited. This can be achieved by following a scientific research methodology which is a system of explicit rules and procedures on which research is based and against which claims of knowledge are evaluated. Nachmias (1992) argued that by following a scientific methodology, it is the only way to acquire reliable knowledge about those aspects of human experience that are considered “social”, “political”, “economical” and psychological. Certain socio-economic phenomena such as unemployment, rural poverty and LED initiatives can best be understood by the use of the scientific approach.

This chapter will explain the research methodology that was used and the reasons for selecting these particular methods and tools.

3.2 SELECTING THE APPROPRIATE RESEARCH METHODOLOGIES AND TOOLS

The study used the combination of both methods for data collection, that is, qualitative and quantitative research tools respectively. The tool used to collect data using the two approaches was an interview schedule which was composed of open and closed ended questions. The main reason for selecting this approach was that the study was concerned more with qualitative data to improve the quality of data collected through surveys.

Since open ended questions are less structured, the more important probing becomes an instrument for eliciting data and encouraging further information and fully exploiting insights of key informants through in-depth interviews. In addition the open ended interviews deepened the understanding of certain variables which are
under investigation by enabling the poor highlight the dimensions, explain the processes of impoverishment and rank their priorities. This would add depth to the information that would be obtained. Chambers (1993) argues that unless careful appraisal precedes drawing up a questionnaire, the survey will embody the concepts and categories of outsiders rather than those of rural people, thus imposing meaning on social reality. Hence the study opted for the blending of the two methods of research inquiry to come up with an unstructured interview schedule whereby the research could drop or add other questions depending on deep insights of the participants on the variables of the study. The variables of this study are unemployment and poverty reduction through infrastructure development.

The research aims at embarking on a case study approach at the Inkwanca Local Municipality. Syrret (1995) asserts that since localities provide a basis for studying how general processes affect the local area and how a local area affects the general processes, there is a great need that a research should be in a form of a case study using empirically based geo-historical research. A case study approach is justifiable if research is conducted into processes happening within specific places and the individual experiences are unique.

In order to evaluate the extent to which LED has been implemented as a cross-cutting dimension within the municipality’s Integrated Development Plan (IDP), the researcher consulted existing documents on LED. Various sources, such as the legislative prescripts on LED were consulted, namely, the RDP, Constitution, White Paper on Local Government, Integrated Sustainable Rural Development Programme, National Framework on LED, Municipal Systems Act and IDP Guidelines. The secondary documentary sources with information and evidence on LED will further be consulted such as journals, research reports, and internet and World Bank publications on LED.

The sampling consisted of people living in the Inkwanca municipality who are directly involved or are participating in the integrated development planning and local economic development planning. It further included the municipal LED practitioners of the Inkwanca municipality, project managers and municipal line function
managers. The LED practitioners are instrumental in this study as coordinators and facilitators of an integrated development plan and local economic development as the component of the IDP. Proper planning highlighted the exact impact of local economic development in realising its objectives of job creation, poverty alleviation and economic growth.

The study required hybrid data (Mouton 2001:158) in order to give a balanced view of the evidence. Such data was gathered from practitioners in municipalities, provincial government and agencies like Small Enterprise Development Agency. Within each sphere of government, the unit for analysis was the technical practitioners (i.e. LED and IDP Managers, and a set of institutional arrangements or systems designed purposefully to depict LED as a crossing issues within the municipality. These are the procurement process of the municipality, the alignment of IDP priorities and the link between infrastructure projects and local economic development initiatives. An interview schedule was used as the tool to collect data. It consisted of open ended and closed ended question. The study consisted of cross-sectional analysis of vertical and horizontal aspects of the phenomena under investigation.

The study used a set of three research tools as discussed below. The choice of tools affirms to the largely qualitative nature of the study however quantitative data will be used to validate qualitative evidence. Moreover, the choice of qualitative tools enabled the voices of practitioners to be conveyed about their experiences in planning and what they think should change.

The research was conducted in one of the Eastern Cape local municipalities and investigated the impact on economical change in the implementation of the LED programme from 2003 to 2011. The research used a case study approach of Inkwanca local municipality, to evaluate the extent to which LED as a cross-cutting dimension has been implemented in the municipal IDP.

To adequately achieve the objectives of the research, the municipal LED, IDP practitioners as the overseer of the implementation of the LED programme, LED
managers from sector departments, responsible managers from institutions like Small Enterprise Development Agency, beneficiaries of the projects and stakeholders, such as, business people, NGOs, etc. were interviewed to solicit their views and responses regarding their support in the implementation of the LED programme. Taking heed from the LED officers; will be the representatives of local stakeholders themselves as the people who are directly involved in the planning process of the municipality.

Out of the LED projects being implemented in the Inkwanca municipality, the researcher selected infrastructural development projects that were implemented at the time by the municipality. The intention was to check how these were linked to the objectives of the LED strategy or plan. The municipality had been constructing a road in the area, which included the construction of a bridge. The researcher then decided to interview the municipal development planning manager who was managing the project and the service providers to get a sense of their understanding of how these infrastructure projects promote local economic development and job creation in the area. This was done in order for the study to come up with satisfactory results. As argued by Huysamen (1994) that the smaller the total participants, the relatively larger the sample should be to ensure satisfactory results.

The sampling technique used by the researcher was a purposive sampling. De Vos et al (2005) define purposive sampling as “a sample purposefully selected by the researcher and made up of those elements that have the most representative of the population if the population is readily available for research”. The reason for choosing the purposive sampling is that the researcher was interested in a specific group that was directly involved in the LED projects. People that were not longer involved in the LED or related projects were deemed not suitable for this sampling. Through the use of purposive sampling, the study gathered information from the right people with experiences in the matter at hand.

3.3 RESEARCH INSTRUMENTS

In an endeavour to find possible solutions and interventions regarding the challenges faced by the municipalities in the Eastern Cape Province regarding implementing the
LED as a cross-cutting issue in the municipal IDP, the data collection instruments that will be used are interviews, questionnaires and a case study. Other instruments such as documentation reviews, photographs, journals, papers, legislation, videotaping, tape recording will be used for reproduction of evidence.

The researcher designed a semi-structured interview schedule to explore perceptions of participants on the LED planning; copy of the schedule is attached as Annexure A. The interview schedule was divided into six sections, that is, Section A – Demographic Information, Section B – Perceptions to LED, Section C – Institutionalisation of LED, Section D – Impact of LED Projects on project beneficiaries, Section E – Funding Mechanisms on LED projects and Section F – Recommendations from the Participant on how LED could best be implemented.

The format of the questions was open-ended, which has the advantage of encouraging the participants to express themselves freely without restraining themselves to any fixed responses. The disadvantage of the open-ended questions is that it is time consuming to collect data and there is a variety of responses which leads to difficulties in analyzing the data (Maxwell & Satake, 2006).

3.4 SETTING OF THE STUDY

The study was conducted at the Inkwanca Local Municipality falling under the jurisdiction of Chris Hani District Municipality. The interviews were conducted individually to participants because the study wanted to get individual perceptions of all directly involved in the LED. Before the study commenced, all participants were given an information sheet (invitation to participate) about the study and the consent forms (copies attached as part of Annexure A). Subsequent to consenting to participate in the study, the interviews were conducted in a private and safe place to allow the participants express themselves freely.

Confidentiality was emphasised and an opportunity for participants to ask questions and clarifications was made available to them. The interviews took approximately 30 minutes per participant and the interviewing sessions was carried over a period of 2 weeks during September 2011.
3.5 DATA COLLECTION PROCESS

The researcher visited the Inkwanca local municipality on 23 August 2011 and indicated that he was conducting research on Local Economic Development planning within the Eastern Cape Province and is further intending to conduct a case study in this municipality. During the visit he solicited appointment dates for the actual conducting of the planned interviews with the municipal LED practitioners, LED practitioners from government sector department’s such as department of Economic Development and Environmental Affairs and Tourism, Small Enterprise Development Agency, Department of Local Government and Traditional Affairs, Public Works Department, local stakeholders participating in the LED and IDP forum meetings.

Subsequent to the confirmation of the appointment dates, the researcher arranged the interview dates accordingly to the availability of the participants. The researcher made an effort to convince those participants that might seem to be reluctant in participating that the findings of the study will inform where future government and private sector interventions and financial support should focus and how they would benefit from the study. Besides the aforementioned statement, the participation in the study was always voluntary and it was explained that refusal to participate would not hold any negative consequences. Babbie (2007) stated that “a basic rule in social research is that participation should be voluntary”.

Before commencing with the interviews the researcher re-introduced himself to the participants and stated exactly the aim of the study and what he anticipates the outcomes of the study will be. The researcher conducted interviews with the municipal LED officers on the 22 September 2011. Section 57 municipal officials who are managing line function departments were interviewed from the 2nd to 3rd of August 2011 to establish how their departmental plans are mainstreamed within the IDP and LED plans. From the 29th to 5th of September 2011 the researcher interview the LED and IDP Forum members and asked the same questions that were posed to the practitioners.
The researcher further interviewed the project managers of both projects on the 12th of August 2011. These interviews were held separately to see if these projects that they are managing had a positive impact on their lives.

3.6 ETHICAL CONSIDERATION

The researcher gave full information of the study and all were required to sign the consent form to prove that they had voluntarily agreed to participate in the study. According to Gravetter and Forzano (2003) the general concept of informed consent is that human participants should be given complete information about the research and their role in it. The participants will be told that there was no financial benefit in participating in the study and even though they have agreed to participate, that they could withdraw at any time without any negative consequences. Babbie (2007) explains that “social researchers have many ways to guard against harming people and need to be careful to respect the privacy of the participants”.

The researcher always safeguarded the information given by participants and ensured confidentiality of participants. Using of participants’ names and identifying details would be replaced during the analysis phase by using codes, so that they cannot be easily identified.
CHAPTER FOUR
ANALYSIS OF THE RESEARCH AND FIELDWORK

4.1 INTRODUCTION

This chapter presents the findings of the study on the evaluation of local economic development as the cross-cutting dimension within the Inkwanca municipality’s Integrated Development Plan. As explained earlier; the Inkwanca Local Municipality is located towards the centre and north of the Eastern Cape Province. It is mainly rural and displays high levels of poverty. The Growth Domestic Product and employment depends mainly on agriculture. Employment opportunities are in short supply and any initiative that creates employment, even if it is short term, is eagerly sought out by the unemployed.

The case study for this research is the construction of a bridge in the Mqeshi Location in Sterkstroom, one of the two regional towns in the area of the municipality. As stated in Chapter 3, the fieldwork was conducted by administering questionnaires and interviews with a sample of respondents that are considered to be relevant to this research project. The sample consisted of a number of line function managers (Section 47 Managers) in the Inkwanca Municipality, namely the Corporate Services Manager, the Community Services Manager, the Development Planning Manager, the Municipal LED Coordinator and the LED Portfolio Councillor.

Other respondents are officials responsible for LED in several government sector departments and public entities. These include representatives of the Department of Local Government and Traditional Affairs, Public Works, Economic Development and Environmental Affairs. Officials from two public entities, namely the Eastern Cape Development Corporation (ECDC) and Small Enterprise Development Agency (SEDA) were also interviewed as research participants.

In the analysis of the responses, the researcher will first address a few general issues around LED, such as individual perceptions among the respondents on the meaning of LED, the status of LED in the Inkwanca Municipality and LED-related support provided by the government sector departments to municipalities. Thereafter the responses to the other questions will be analysed before reaching some conclusions of the extent to which LED is considered as a cross-cutting dimension in
the operations of the Inkwanca Municipality. It is hoped that the outcome of the questionnaire survey will provide answers to the research question, aim and objectives of this research initiative.

4.2 LED IN THE INKWANCA MUNICIPALITY

The Inkwanca Municipality acknowledges its role in promoting LED in the area of the Municipality. The IDP makes reference to LED and a LED strategy has been developed. It is the intention of the researcher here to first examine how the different respondents define LED before continuing to examine LED within the context of the IDP, as well as examine the support for LED by the different spheres of government.

4.2.1 PERCEPTIONS OF LED AMONG THE RESPONDENTS

Before examining the perception of LED as a cross-cutting dimension in the municipality, each respondent was asked to explain their own definition of LED.

- The Municipality’s LED Coordinator defines the LED as the initiative that is about promoting economic growth and job creation, while the LED Portfolio Councillor defines it simply as economic growth initiatives.
- The three line function managers in the Municipality, from Corporate Services, Community Services and the Development Planning Manager, consider LED as a poverty alleviation and job creation approach.
- Out of eight respondents that were interviewed, three officials were from sector departments namely DLGTA, DEDEA and Public Works and they defined LED as local initiatives that seek to promote economic growth and job creation.
- The respondents from the two public entities, namely the Small Enterprise Development Agency (SEDA) and Eastern Cape Development Corporation (ECDC), consider LED to be about job creation and regard LED as an initiative that promotes economic growth within the local space.

Frequently, the discussion around LRDE are characterised by the real or perceived conflict between a focus on poverty alleviation within poor communities and a focus on the competitive advantage of the local economy as a whole. The study of definitions of LED has found that LED was generally defined as a process in which
local stakeholders work together collaboratively and engage in activities that promote poverty alleviation, job creation and economic growth.

The World Bank defines LED as the tool to create sustainable local economies that will tackle unemployment and poverty within local economies and generally improve the quality of lives of all communities within the local space. The Municipal respondents did not consider the role of collaboration among LED stakeholders in the local area to create sustainable local economies. This points to a limited focus on job creation and poverty alleviation, by implication through individual projects, rather than to consider LED to be the responsibility of all role players, also in the Municipality, to work together to build the overall economy of the municipal area.

4.2.2 THE STATUS OF LED IN THE ADMINISTRATION OF INKWANCA MUNICIPALITY.

The study confirms that the Inkwanca Municipality does not have a fully-fledged LED Unit. The LED Unit initially placed in the Community Services Department and the situation has now changed as the LED Coordinator reports directly to the Municipal Manager. Two LED Officials responsible for agriculture and tourism respectively reports to the LED Coordinator. The municipal LED Portfolio Council and the LED Coordinator within the municipality both feels strongly that the Municipality needs to review its organogram and recruit qualified and well-capacitated LED personnel. The Provincial Department of Local Government and Traditional Affairs was also in agreement that there was a need to strengthen the LED capacity of the municipality; hence they have supported the municipality with the deployment of an LED Assistant. The other three line function managers also realise that the LED Unit need to be strengthened and that an LED section 57 Manager must be appointed to give strategic guidance to the unit.

The general opinion among the respondents is that Local Economic Development was not strategically placed in the municipality. It was suggested that the LED Unit should be removed from Community Services and that it should rather be attached to the Office of the Municipal Manager, where it would receive support for the development and strategic thrust that it requires. The municipal council should
furthermore ensure that the LED Unit is well resourced in terms of budget, as well as a dedicated and qualified staff.

According to the organogram of the municipality the LED Coordinator reports directly to the Municipal Manager as the office was perceived as very strategic in order to elevate LED issues at that level. This was perhaps the reason why it (LED) was removed from Community Services where the LED Coordinator was previously reporting to the Head of this department. For strategic reasons, it was perhaps felt that for it to receive priority it must be placed to the Municipal Managers office.

4.2.3 LED AS A CROSS-CUTTING DIMENSION IN THE INKWANCA IDP

The IDP of Inkwanca municipality identifies tourism, especially hunting, as one of its economic drivers and growth sector. It highlights the municipality’s natural resources, culture and historic heritage as undocumented and untapped entities. Even though the municipality has a tourism sector plan in place which sets out clear objectives on how tourism could contribute to the development of the local area and job creation, no development has taken place since the development of the plan. Tourism product development facilitation and marketing are the key primary areas that the municipality would want to tap into. Agriculture and hunting is mentioned as representing the largest economic contributor and employer in the municipal area. The municipality has prioritised agriculture, hunting, forestry and fishing as first order sectors, while manufacturing, construction, community and social services, and informal sector are prioritised as second order sectors. In its IDP, the municipality states that it “accepts the notion that small local municipalities have limited role in facilitating local development in their areas”. It further states that such small municipalities cannot create sustainable jobs or grow the local economy through their own interventions and investments alone”

The study has found that all respondents were aware that the LED is supposed to be a cross-cutting dimension in the municipal IDP, similar to poverty and gender equity. However, there are noticeable barriers in terms of mainstreaming LED. These range from lack of access to capital, inadequate infrastructure; low skills base, etc.

From the above, it may be deduced that the municipality does in principle conceive LED as cross-cutting issue, but the challenges highlighted above impede the
municipality’s objective of creating job opportunities and promoting the economic
growth of the local area. It is therefore the researches observation that the Chris
Hani district Municipality should strengthen its supportive role to a small rural
municipality like Inkwanca municipality which is confronted with capacity challenges.
Improved spatial understanding of economic growth potential will help improve the
economic situation of the municipality.

The LED Portfolio Councillor believes that line-function managers pro-actively
consider LED as a cross-cutting dimension during planning and implementation of its
strategies and projects. The Municipal respondents are in agreement that there was
constant liaison and interaction between the LED Unit and other line function
departmental managers on issues that relate to or may be considered part of local
economic development. The Technical Services and the Community Services
managers furthermore believe that jobs created in their respective departments,
such as the implementation of infrastructure development projects, contributed to
LED.

The case study will examine the extent to which LED is truly considered as a cross-
cutting dimension when a developmental and job-creating project is conceived,
planned and implemented by one of the municipal line departments.

4.2.4 EXISTENCE OF A CREDIBLE MUNICIPAL LED STRATEGY

The Municipality has developed a LED strategy that has been adopted by the
Council, but the credibility of this strategy is open to debate. The LED Coordinator
was not certain whether the existing strategy was credible or not. The LED portfolio
Councillor, on the other hand, believed that the municipality had a credible LED
Strategy in place. The Department of Local Government and Traditional Affairs was
uncertain whether the strategy was credible or not, in that the strategy that has been
developed by the municipality and has not been crafted according to the LED
Strategy Guidelines developed by the provincial local government department
(DLGTA). With the exception of respondents from ECDC and SEDA, all other
respondents are in agreement that the municipality does not have sufficient capacity
to implement its LED strategy.
The LED Portfolio Council, the LED Coordinator and the three line-function managers; all participants in the study, agree that the LED Unit is not well-resourced. At the time of the research the Unit was manned by three junior officials who had little or no experience in local economic development planning. According to the Inkwanca municipality’s LED strategy, the “Inkwanca LED institutional capacity has been found to be modest and the situational analysis component of the projects and the strategies and LED Interventions have been framed accordingly” (ILM LED Strategy, 2011:17)

4.2.5 BUDGETING FOR LED

Municipalities have the constitutional responsibility to promote socio-economic development in their areas of jurisdiction. Respondents have expressed concerns that the municipality does not have a budget for local economic development initiatives. It instead relies on the support provided by the Chris Hani District Municipality and various government sector department. Chapter three of the Inkwanca municipality’s Annual Report confirms that the unit is under resourced and is under capacitated to support business (103:2010/11).

While respondents are unanimous in their view that there is no budget that is set aside for LED initiatives, poverty alleviation projects such as poultry and lucerne production have been initiated and are funded through support from the Chris Hani District Municipality and sector departments such as Social Development. However the IDP confirms the view by the respondents that all the LED projects reflected in the IDP are not directly funded by the local municipality from its own coffers, but by other government departments. These include the Departments of Agriculture and Rural Development, Economic Development, Environmental Affairs and Tourism and Social Development, as well as by Thina Sinako. It is the researcher’s view that though LED has not been mentioned as the function in Section 156 PART B of the MSA, the Provincial Department of Local Government & Traditional Affairs together with the Chris Hani District municipality should ensured that local municipalities are provided with all the necessary support in order to enhance LED.

This table below demonstrates the extent on which there is a lack of coordination and integration within the municipality itself. In the municipality, LED is seen as the territory of a single and these impacts negatively on the capacity to bring about
meaning full change. There is a limited buy-in from other line function municipal departments. This hinders the extent and the impact of council LED policies and the outcome is the frequent failure to link line function interventions or national government funded projects explicitly into LED.

Table 1 Interaction among municipal line departments on LED

<table>
<thead>
<tr>
<th>Departmental liaison with the LED Officer/Unit on:</th>
<th>Technical Services</th>
<th>Community Services</th>
<th>Corporate Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job creation</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Training</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Local investment</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Source: Research Fieldwork (2011)

The interaction that existed between the Corporate Services Department and the LED Unit relates only in one instance when the Provincial Department of Local Government through its support programmes to local municipalities, had allocated funding to the municipality for the recruitment of the LED Assistant. The Corporate Services had provided support to LED in terms of the recruitment processes. With regards to the interaction with the Technical Services Department the same can be said, there is limited linkage with the LED Unit.

4.2.6 MUNICIPAL SUPPORT FOR LED AT INKWANCA LM

Constitutionally, local municipalities are required to promote socio-economic activities and areas of jurisdiction. One such mechanism was that municipal procurement process should be biased towards local people. In terms of the municipal procurement policy; it was the view of the LED Coordinator that the municipality does not have a clear procurement policy that encourages the procurement of goods and services within the local area. The municipality must develop clear strategies and policies that will ensure that a conducive environment is created for local people. This will ensure the growth of the local economy. It will ensure positive spin-offs in terms of job creation opportunities and the circulation of the economy within the local area.

The table below shows the origins of the municipal works force, goods and services. The figures reflect the proportion of the workforce, goods and services that are procured from within the Inkwanca municipal area.
Table 2 Origins of the municipal workforce, goods and services

<table>
<thead>
<tr>
<th>Municipal requirements</th>
<th>Percentage sourced locally (in Inkwanca)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Technical Services</td>
</tr>
<tr>
<td>The work force of the municipality</td>
<td>85%</td>
</tr>
<tr>
<td>Goods (e.g. office furniture, stationery)</td>
<td>20%</td>
</tr>
<tr>
<td>Services (e.g. construction, catering)</td>
<td>27%</td>
</tr>
</tbody>
</table>

Source: Research Fieldwork (2011)

The study found that the municipality continues to source services from outside the local area. During the interviews all of the respondents agreed that opportunities exist within the local municipality to provide goods and services to the municipality. The table indicates, however, that only the Technical Services Department sources its labour force locally, while the Community Services and particularly the Corporate Services Department recruits most of its staff from outside the municipal area. With the exception of the Community Services Department, a quarter or less of the goods and services are sourced from outside the municipal area. If local skills (particularly administrative skills) and services do not exist in Inkwanca, there has to be a concerted effort toward skilling of the communities consistent with the vision of the municipality. The Department of Labour should be a useful training resource in this regard.

It was probably inevitable that most of the construction material for the bridge project was procured from larger centres, such as Queenstown which is the economic hub of the Chris Hani district and which may offer a wider range of goods at more competitive prices.

From the table above, it was evident that the money did not circulate within the municipality, but instead leaked to other areas outside the municipality. This situation, if left unchecked would have serious implications for growth of local businesses and, by implication, for the municipality’s ability to improve its revenue base.
4.2.7 THE ROLE OF THE INKWANCA TECHNICAL SERVICES DEPARTMENT

First and foremost it is important to highlight the role of the Technical Services Department within the municipality. The Department has as its primary responsibility the provision of strategic direction in the coordination and implementation of infrastructure related projects such as storm water drainage, road construction and bulk water supply within the municipality. It plays a key role in galvanising rural development support. Supply of appropriate infrastructure can play a critical role in stimulating rural livelihood and local economic development. In terms of the bridge construction project, the LED Coordinator was aware of the impact the infrastructure development project would have in the municipality in relation to employment opportunities that would be created and generally promote local economic development within the area. According to the respondent, provision of infrastructure such as road construction, bulk water supply would create an enabling environment for business to invest in the local area.

Good infrastructure underpins local economic development. A municipal infrastructure department therefore has a critical role to play in upgrading and maintaining infrastructure. These may relate to utilities such as electricity and water provision, and, important for this study, was the upgrading of the municipal road system to facilitate the movement of people and goods. There are various programmes in place to assist municipalities to address infrastructure issues. One of these was the Municipal Infrastructure Grant (MIG) and programmes, such as the Expanded Public Works Programme (EPWP) and the newly introduced Community Works Programme (CWP).

The provision of economic infrastructure should, however, be aligned with infrastructure needs identified in the municipality’s LED strategy. This is an example of the cross-cutting nature of LED and it is important that a good working relationship should exist between the LED Unit and the Infrastructure Department.

4.3 SUPPORT FOR LED BY OTHER SPHERES OF GOVERNMENT

The diversity of an LED process- where specific potential of all stakeholders was utilised in an optimal way can only be fruitful in a climate of constructive and trustful communication and collaboration between actors. In other words a pattern of
cooperative governance was needed, where network structures complement and replace hierarchical and isolated decision making and acting patterns.

The study proceeded to examine the support provided by several government sector departments in the implementation of local economic development in the Inkwanca Municipality. It was important to note that sector departments such as the Eastern Cape Provincial Department of Local Government and Tradition Affairs (DLGTA) provided hands-on support to municipalities and this was consistent with their mandate and the requirement in the Local Government Five-Year Strategic Agenda. In relation to the support provided by sector department to the municipality, the study has found that sector departments support to the municipality was provided on an ad hoc or spontaneous basis. There appears to be a need for improved inter-sectoral collaboration if LED was to succeed.

The Inkwanca local municipality Local Economic Development Forum is dysfunctional and, as such key sector departments that are suppose to participate in this all-important forum rarely participate. Inputs and decision from the LED Forum were supposed to feed into the Integrated Development Planning process of the municipality. LED forms an integral part of the Integrated Development Plan. Sector departments rarely participate even in the Integrated Development Plan of the municipality and when they do, sector department often send junior officials in the IDP Forum. The junior official are unable to take strategic decision and have to go back and give feed back to their principals and in the process information flow gets compromised. There is therefore a need for both strategic and action oriented coordination by the various sector departments if LED was to deliver the expected outcomes.

The projects that were funded by government sector departments and public entities were simply ‘parachuted’ into the Municipality, rather than an outcome of the participation of those departments in the IDP processes of the Municipality. One such project was the Masakhe Herbs Project which got included in the IDP when the then Department of Economic Affairs and Environmental Affairs (DEAT) now the Department of Environmental Development enquired about it because there were local people who approached DEAT and wanted the project implemented. One of the funding requirements by DEAT was to ascertain whether the herbs project was
prioritised in the municipal IDP or not. This therefore confirms the researcher’s findings that there was a need for strategic coordination and integration of programmes within the municipality to so as to arrest silo-functioning.

The IDP of the municipality reflects LED projects related to coal and clay, dairy, bricks and game and hunting projects, to name but a few. There are projects within the municipality that were implemented by the Departments of Agriculture and Social Development, for example, but the implementation of these projects was not really guided by the IDP prioritisation process. The Siyazondla projects, coordinated by the Department of Agriculture, was aimed at promoting sustainable livelihood through small scale farming (planting of vegetables in schools and crèches), but these initiatives are often ‘parachuted’ into the municipality. The Siyokhana Hen and Poultry project in Molteno was funded by the Eastern Cape Development Cooperation in the manner similar to how the Masakhe Herbs Project funded. It is clear that ‘parachuted’ projects may create tensions and challenges. Projects that are not identified by communities as part of the IDP process may result in a lack of ownership of these initiatives, which in turn have implications in terms of the viability and sustainability of such projects.

It should be noted that government departments participate in the IDP planning process of the District Municipality, as they seldom have the capacity to attend meetings in each and every local municipality. It is important that the decisions taken in the District forums are communicated with the local municipalities so that there is alignment with respect to funded projects.

It is furthermore the responsibility of the local municipality to liaise with the government sector departments and the public entities, to inform them of the projects that have been prioritised during the IDP process and to indicate the sort of support (e.g. technical or financial) that was required to implement the projects.

The table above indicates that the various sector departments last provided financial support to the municipality in 2005/06. It is important to note from this table that while there was a concerted effort to make LED work within the municipality, the support provided was not guided by the LED strategy or plan. While the DLGTA was still
facilitating the development of the LED strategy for the municipality, other sector, departments continued to provide support which was not informed by the strategy.

Table 3  Support offered by other spheres of government and public entities

<table>
<thead>
<tr>
<th>Name of the Department or public entity</th>
<th>LED support provided to Inkwanca Municipality</th>
</tr>
</thead>
<tbody>
<tr>
<td>DLGTA</td>
<td>Provides hands on support to develop LED strategies, deployment of LED capacity and facilitation of partnerships in order to enhance economic development.</td>
</tr>
<tr>
<td>DEDEAT</td>
<td>Has in 2005/6 provided financial support to the LM for the implementation of the Masakhe Herb project and the Masizakhe Game and Hunting Lodge project; Provided the funding for the initiation of these projects</td>
</tr>
<tr>
<td>Dept. of Social Development</td>
<td>In the financial year 2005/6 provided financial support in LM for the implementation of a Lucerne project</td>
</tr>
<tr>
<td>SEDA</td>
<td>Will recruit an Information Officer who will provide business advice services for the municipality and a Memorandum of Understanding would be signed off with the municipality.</td>
</tr>
<tr>
<td>ECDC</td>
<td>In 2003/4 the ECDC assisted the municipality with the development of a business plan for the Orchard Project. The ECDC conducted a study on the coal deposits found in the area and since 2005 it has not been providing any support to the LM.</td>
</tr>
</tbody>
</table>

Source: Research Field work: September 2011.

The Department of Agriculture, for example, continue to implement the Siyazondla Programme aimed at increasing food production from homestead and other (school, clinics) gardens. Sector departments needed to work with the municipality and the commercial farmers in order to increase the impact of these programmes.

The Small Enterprise Development Agency (SEDA) was assisting the municipality with the recruitment of an Information Officer who will help provide business support information to emerging business within the municipality. The Eastern Cape Development Cooperation (ECDC) had in previous years supported the municipality, but since that time (2005/06), its support to the municipality has been waning. The municipality’s understanding of LED adds to the conceptual uncertain about what LED was all about.
4.3.1 THE MUNICIPAL INFRASTRUCTURE GRANT (MIG)

Though the LED Coordinator was aware that five percent of the Municipal Infrastructure Grant to the municipality was allocated specifically for LED initiatives, he did not know how this fund was used to train local people. The LED portfolio councillor and the other three line function managers agreed that these grants are utilised to train local people on funded projects. It was therefore the researcher’s view that there must be an interface between politicians and officials and these are responsible for policy and the actual implementation of policy respectively.

4.3.2 PARTICIPATION OF INKWANCA MUNICIPALITY IN GOVERNMENT SUPPORT PROGRAMMES

There is consensus among respondents that the municipality does in actual fact take the opportunity to participate in national government programmes geared at creating job opportunities for the local communities. The municipality is involved in the Expanded Public Works Programme that is coordinated by the Provincial Department of Public Works and has also engaged the Provincial Department on Local Government and Traditional Affairs (DLGTA) to consider Inkwanca municipality to be one of the beneficiaries in the Community Work Programme. The programme is currently implemented in 19 sites in the Eastern Cape Province. According to the respondent from the Technical Services Department, the Provincial Treasury has through the Municipal Infrastructure Grant provided funding to the Inkwanca Local Municipality for the construction of the bridge project in Sterkstroom.

4.4 THE SOKOYI/MQESHI BRIDGE CONSTRUCTION PROJECT IN STERKSTROOM

The following discussion will cover the rationale and description of the project, as well as sources of input products and labour issues.

4.4.1 RATIONALE FOR AND DESCRIPTION OF THE PROJECT

Due to the glaring apartheid spatial patterns that persisted and continue to persist, the Sterkstroom was demarcated into two, an area that was demarcated for only white and the other side of the town reserved for black people. The town was designed such that the Hex River was strategically used as the buffer dividing the
area according to the racial lines. Predominantly, the eastern side of the town resided the white community and on the opposite side were the black communities. The spatial inefficiencies meant that poor people had to travel longer distances to places of employment and to access social services. According to the municipality’s IDP “settlement dynamics in these areas are characterised by high residential densities in the township areas with the business activity and lower residential densities in the old town areas “This urban form is typical of segregated planning measures.

The bridge was therefore constructed to make ease of access for communities leaving on other side of the town to be able to access service the other part of the town which was predominantly white. On this part of the town, it is where better services such as medical doctors and clinics can be accessed and where municipal services such as electricity and groceries can be purchased. The bridge main objective for the construction of the bridge therefore was to connect the two residential areas. It also aimed at facilitating ease of access to services by the black communities particularly those living in Phumla Mqeshi and the Zwelitsha location. During the rainy days, it was always a challenge for these communities to access better service as they had to cross the river alluded to above which posed a serious risk to these communities. The bridge will connect or integrate the two residential communities.

The bridge construction project started on 1 July 2011 and according to the business plan, the project was to be completed within a period of six months from the date of construction. An estimated amount of R3,5 million was set aside for this project.

4.4.2 DRIVERS OF THE PROJECT

It is evident that this project was driven and managed almost exclusively by the municipal Technical Services Department of the municipality. The Department is charged with the responsibility to coordinate infrastructure related projects. Similarly, to the general perception given to HIV/AIDS, that it is the issue that concerns the department of health; it is the researcher’s observation that infrastructure related projects are considered to be the sole responsibility of the Technical Service Department. Investing in infrastructure development is not seen as contributing to economic development. It is the researches view that coordination and within the
municipalities line-function departments needed to be enhanced and strengthened. It appears that there was minimal involvement of the LED Unit in the planning or implementation of this project; even through it is the strategic department that has the responsibility to coordinate LED efforts. The study revealed that, in relation to the terms of reference for the service provider, the LED Unit was supposed to have been involved in all the strategic planning and management process of the project.

The study has found that the two LED participants, the LED Coordinator and the portfolio councillor, were not always on the same level in terms of the extent of their understanding of the LED initiatives taking place within the municipality.

Table 4  Drivers of the project

<table>
<thead>
<tr>
<th>Phase</th>
<th>Responsible entity or entities</th>
<th>Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiation of bridge project</td>
<td>Inkwanca Local Municipality</td>
<td>To monitor the implementation of the project</td>
</tr>
<tr>
<td>Planning for the project</td>
<td>Consultant LHL is responsible for the design of the bridge project</td>
<td>Develop the business plan and design for the project and monitor the implementation of the project by the Implementing agent</td>
</tr>
<tr>
<td>Business plan</td>
<td>Developed by the consultant LHL on behalf of the municipality.</td>
<td>The municipality enlisted the services of the consultant LHL to craft the business plan on behalf of the municipality.</td>
</tr>
<tr>
<td>Application for funding submitted to DLGTA</td>
<td>The project was funded through the MIG at an estimated amount of R3,5m</td>
<td>Provided seed funding and will also play a coordination role on the project</td>
</tr>
<tr>
<td>Funding supplied by Provincial Treasury.</td>
<td>Project funded through the Municipal Infrastructure Grant</td>
<td>The Premiers Office, Provincial Treasury and LGTA all have a coordination role to play.</td>
</tr>
<tr>
<td>Tender put out</td>
<td>A call for the tender as facilitated by the Consultant was advertised Chris Hani District Municipality</td>
<td>Adjudication and appointment of the Service Provider</td>
</tr>
<tr>
<td>Appointment of service provider / contractor</td>
<td>A service provider was appointed by the Consultant</td>
<td>Implementation, monitoring and evaluation of the project</td>
</tr>
<tr>
<td>Recruitment of labour</td>
<td>The municipality has a list of unemployed people and labours are recruited using the list.</td>
<td>The municipality’s role is to oversee whether the appointment process is done as per the list. The community Development Worker employed by the Provincial Department and deployed to the municipality is charged with this responsibility.</td>
</tr>
</tbody>
</table>
### Training of labour

The Department of Labour is reported to have been providing training to most of LED projects implemented by the municipality. In this case of a bridge project on site training was being provided to by the Contractor. Prior to project implementation the labourers that were recruited received training on occupational safety issues. On site, the labourers received training on steel work as most of the operations on the project were not manual.

### Monitoring the work of the contractors

The provincial department was responsible for monitoring of the contractors. LGTA is responsible for monitoring of the contractors.

### Responsibility for welfare of labour force

Community Liaison Officer employed by the Contractor. These are short terms jobs and such the Community Liaison Officer was a conduit of information between the municipality, the labours and the Implementing agent.

### Final approval and closure of project

The Inkwanca Municipality. The municipality has to sign-off the project.

Source, Research Fieldwork (2011)

### 4.4.3 FUNDING THE PROJECT

In terms of the powers and function among the three spheres of government as outlined in the Constitution, provinces carry the primary responsibility for monitoring municipalities, with the national government providing the overall monitoring function of both the province and municipalities. It is the researcher’s view therefore that any sphere responsible for the transfer of funds to another must take full responsibility in terms of monitoring the transferred funds and the successful implementation of the project. Table 4 indicates that the project has not been completed within the intended period of construction. One of the main reasons for this delay may be because of poor monitoring by the provincial department.

### 4.4.4 SUPPORTING LOCAL BUSINESSES

The bridge project that is being constructed is an infrastructure related project and its implementation will create a conducive environment for private sector investment, job creation and many opportunities particularly for SMME,s. According to the Municipal Finance Management Act and Preferential Procurement Act, tender process must be biased in favour of local business. The involvement of the LED is very critical on matters relating to procurement. According to Rucker (2010) “the degree to which the interests of poor communities, emerging entrepreneurs and wage labourers are taken into consideration by private and public institutions is often limited”. He further argues that structural obstacles such as very low limited skills levels, limited entrepreneurial experience, low social capital and especially the low
level of self-organisation and professionalism of start-up entrepreneurs in the area have so far hampered efforts to close the economic gap between the two economies”.

It is the researcher’s view that concerted efforts should be made to empower local business and to improve the skills base of its labourers so as to promote the growth of local economies. The municipality needs to invest and empower is local contractors in order to make use of the opportunities presented by various policies and legislation such as the Municipal Financial Management Act and other pieces of legislation.

4.4.5 ORIGINS OF CONSTRUCTION MATERIALS

All respondents agree that the raw material to construct the bridge was sourced from outside of the jurisdiction of the local municipality.

Table 5 Origins of the construction materials

<table>
<thead>
<tr>
<th>Do you know whether the most of the raw materials to construct the bridge was sourced from within the Inkwanca Municipal Area?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Services Manager</td>
</tr>
<tr>
<td>No</td>
</tr>
</tbody>
</table>

Source, Research Fieldwork (2011)

The raw material is procured in Queenstown area which lies 54 kilometres away from Sterkstroom. One can therefore deduce that the profits emanating from the bridge project do not circulate within Sterkstroom or Inkwanca, but they leak to bigger towns and cities, such as Queenstown and East London.

4.4.6 LABOUR COMPONENT

About 22 local people have been employed on the bridge project though the municipality has “regulated” the payment standard to approximately R120, 00 per worker per day; it was difficult to arrive at how much labourers were taking home per month because workers more often work less than the normal working days.

The 22 workers that were working on the project had received training on safety issues. Due to the fact that by its very nature, the project uses machinery, the workers on the project were trained on menial skills such as basic steelwork. It is the
researcher’s view that when initiatives like the bridge construction project are undertaken, there should be comprehensive and well-targeted training for the labours. This will assist them in utilising the skills acquired for future job opportunities or self-employment.

4.4.6.1 involvement of the municipality in the recruitment of labour

According to one respondent, when recruiting the labour force for any project, the municipality has developed a database for all the unemployed people in the area. Labourers would be recruited in accordance with the list developed. It is the researcher’s observation that this process is not immune from challenges as often there are complaints by the locals on how the system is managed and, possibly, manipulated. There is, for example a general perception that the majority of people who get appointed are those who support or belong to a particular political organisation. The process of hiring labourers should be well managed and it should be a transparent process that is devoid of any political manipulation. Only then will the selection process have a buy-in of all the stakeholders and potential workers.

4.4.6.2 Training of local labour working in the bridge project

Skills development plays a key role in promoting the skill base of the local area and this contributes immensely in regard to the development of local economies. Training of local communities therefore should not be considered as an after-thought, but rather seen as a priority. Any development initiative should prioritise training of locals and should always form an integral part of every development initiative that is undertaken. The local labourers should be trained on skills that are market driven that would sustain the labourer’s livelihood. The MIG fund earmarked for LED would come in very handy in this regard.

4.4.6.3 Responsibility for the welfare of the labour force

In order to ensure the flow of communication between all stakeholders involved in the project, the municipality has appointed a Community Liaison Officer whose role is to interact with stakeholders on matters affecting the labourers in the project. It is the researches view that the appointed Community Liaison Officer should be well trained on labour relation issues so as to most effectively and efficiently protect the interests of the labourers against possible exploitation.
4.5 INTER-GOVERNMENTAL RELATIONS IN THE BRIDGE PROJECT

In terms of Chapter 3 of the Constitution on cooperative government, the three spheres of government are encouraged to work together cooperatively to improve service delivery. It is the researchers' view that intra- and inter-governmental cooperation and collaboration amongst the government spheres in the planning and implementation of the bridge project was found wanting. The fact that the project was not properly monitored attests to the notion.

Table 6 Intergovernmental Relations

<table>
<thead>
<tr>
<th>Do you know whether the construction of the bridge is supported by the government, e.g. through the EPWP?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Services Manager</td>
</tr>
<tr>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Research fieldwork (2011)

The table above relates to issues of intergovernmental relations in the bridge project and the study has found that though the majority of respondents believed that the project was supported through the Expanded Public Works Programme, it was therefore not surprising that some respondent's were not aware about the role of the Public Works Department in the project. Generally, only the Technical Services Department had been directly involved in the project. Only few government sector departments have been participating in the construction of the bridge project. Cooperative governance where government departments work together in a coordinated and integrated manner is very critical in that it promotes integrated planning, and alignment of plans and the effective use of resources. One of the advantages of cooperative governance is in its ability to mobilise and assist to leverage resources amongst the key stakeholders.

4.6 RESPONSES FROM A PROJECT BENEFICIARY

One of the respondents from the project beneficiaries has indicated that the municipality through the office of the Sterkstroom Administration Unit has been instrumental in the identification of the work force for the project. The municipality uses the database of all the unemployed referred to above. The study has found the
majority of beneficiaries working in the project resided in Sterkstroom and this augurs well with the principles of local economic development. Most of these were unskilled labourers. They live in their respective houses in Sterkstroom or with family members and mostly travel to and from work by foot and therefore do not need transport.

One of the beneficiaries of the bridge project was interviewed to obtain his perspectives on the impact of the project on his life. According to the respondent the service provider was responsible for the payment of wages to the labourers. Though the beneficiaries appreciate the fact that job opportunities were assisting them in regard to improving their livelihood and incomes, the challenges in the project such as non-payment, instances where they have to stay home and not working compromised their livelihoods.

The responded (project beneficiary) was involved in menial work such as steel work and plastering (putting slab or concrete) etcetera. The study has found that most of the jobs created through these kinds of projects were labour intensive and the kind of training provided is work on the job kind of training. According to the respondent, he has not done any similar construction job in the past. The respondent has received training on steel work, which should equip him to compete for similar jobs in the future.

He further stated that the most important short-term benefits from working on the bridge construction project were to generate some income, and clearly did not consider the skills acquisition of similar importance. The respondent nevertheless acknowledged that the training should enable him to find employment once the project was completed. The respondent noted with concern that there was no guarantee that he would get future jobs as there were many people who have been trained on steel work and had more experience than he is on road construction.

The study has found that the kind of training provided to labourers on the bridge construction project was firstly not an accredited type of training. No certificates were issued to the beneficiaries after the training. The kind of training provided was too generic or too basic.
The respondent considered that the kind of projects the municipality or government was implementing would nevertheless go a long way in alleviating poverty and creating job opportunities for the unemployed. The study has found, that generally project beneficiaries were not aware of any benefits that may be accrued from the project other than receiving a short-term income. It did not cross their minds that quality and accredited training could help them not only as job-seekers but also to enable them to be job creators. The study has found that most of these types of jobs and the training received did not enhance the human development skills of the participants.

The table below was constructed from the information provided by the project beneficiary. It is evident from the respondent responses that a significant proportion of his wage was spent on items purchased not in his home town or even within the area of the municipality. The study has found that the economy of the municipality was leaking to neighbouring towns such as Queenstown, which is a major town situated 54 kilometres on southerly direction of Sterkstroom. Queenstown forms part of the Lukhanji Local municipality where the offices of the Chris Hani District Municipality are built. This proves again that much of the money that is generated by major infrastructure projects in the municipal area does not remain to circulate within the municipality.

**Table 7  Purchasing patterns of a project beneficiary**

<table>
<thead>
<tr>
<th>Items purchased</th>
<th>Where purchased(name of towns)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Everyday requirements, e.g. bread, milk</td>
<td>Sterkstroom</td>
</tr>
<tr>
<td>Monthly groceries</td>
<td>Queenstown</td>
</tr>
<tr>
<td>Clothing</td>
<td>Queenstown</td>
</tr>
<tr>
<td>Children’s school supplies</td>
<td>Both Sterkstroom and Queenstown</td>
</tr>
<tr>
<td>Other(specify)</td>
<td></td>
</tr>
</tbody>
</table>

Source, Research Field work(2011)

**4.7 DEFINING LOCAL ECONOMIC DEVELOPMENT**

The study has found that five out of six respondents defined LED as meaning both economic growth and job creation initiatives, whilst the LED Portfolio Councillor
defines LED as only an initiative that promotes economic growth within the municipal space.

4.8 PARTICIPATION OF LINE DEPARTMENTS IN IDP/LED PROCESSES IN THE INKWANCA LM

The senior management from the line function departments rarely participate in LED Planning, their perception on LED was that it is mainly about projects and nothing more, therefore it was seen as the responsibility of the LED Officer to ensure that plans programmes and projects are well-managed. From time to time particularly when the mayor was embarking on his mayoral outreach programme, he will request a briefing from the LED Officer on the LED projects that are implemented in the area.

Table 8 Participation of line departments in the IDP and LED processes

<table>
<thead>
<tr>
<th>Does your department participate in the IDP and LED processes in the Inkwanca LM?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Services Manager</td>
</tr>
<tr>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Research Field work (2011)

According to the municipality’s LED Strategy, (2011), “Local Economic development requires the combined efforts of local government, local business associations, local companies other stakeholders e.g. community projects/small enterprise-alone or in close collaboration”. The LED Strategy of the LM further states that “LED will fail unless social and economic development is prioritised within the municipal Integrated Development Plan. It furthermore states that an LED strategy forms part and parcel of the IDP.

The study also found that respondents did recognise that the LED strategy development process forms an integral part of the Integrated Development Plan. It is therefore the researchers finding a sector specific function should at least be accorded its own institutional arrangement so that LED should have a clear focus. As the situation stands, the municipality feels that in order to manage the proliferation of structures within the municipality, only one structure must exist and that is the IDP Forum. It is the researcher’s view that the IDP Forum is too broad and focuses on a
wide range of programmes and projects. As such, the IDP Forum would not do justice in terms of planning for LED activities.

4.9 INVOLVEMENT OF MUNICIPAL LINE DEPARTMENTS IN THE CONSTRUCTION OF THE BRIDGE PROJECT

At least three respondents have confirmed their involvement in the construction of the Sokoyi/Mqeshi Bridge project. Due to the fact that the construction of the bridge was an infrastructure related project, the technical services manager of the municipality was mostly the only municipal official involved in the project. The Technical Services manager was involved in terms of providing technical and funding support through the MIG.

According to the research findings, both the LED Coordinator and the LED Portfolio Councillor claimed to have been involved in the project, but their involvement was clearly minimal. The LED portfolio councillor highlighted that he was involved in some planning phases of the project, whilst the LED Coordinator mentioned at least two aspects of his level of participation in the project, which related only to the identification of beneficiaries and evaluation of the project after completion.

4.10 LIAISON WITH OTHER GOVERNMENT SECTOR DEPARTMENTS

The research findings have revealed that the liaison has been limited to only the Technical Services Department and the LED Unit. According to one of the respondents, the LED Unit’s involvement in the construction of the bridge project was limited to the extent that the LED Coordinator was able to report on the number of jobs created as the result of the implementation of the EPWP. It should however be mentioned that the municipality has since appointed an EPWP Coordinator to oversee the implementation of the Expanded Public Works Programme. The EPWP was critical for the creation of job opportunities within the municipality. This had created some form of confusion between the LED Unit and the office that was driving the implementation of the EPWP programme as, in the end, the LED Unit was expected to report on the number of jobs created as the result of the implementation of the programme. According to the Technical Services manager, issues that relate
to the development of the feasibility study and crafting of a business plan were outsourced to the external service providers (consultants).

The lack of participation of government sector departments in municipal planning processes has been an contentious issue for far too long. Inter-sectoral collaboration has been the major challenge in the municipality and this impacted negatively in terms of the sustainability of projects and programmes that were implemented.

4.11 CONCLUDING COMMENTS

Although infrastructure projects are seen to support LED and provide jobs and incomes, the LED staff has been only marginally involved in all aspects of these projects. Infrastructure projects are seen as the sole responsibility of the Technical Services Department, and its staff will involve officials from other line departments, including the LED officials, only when their input is urgently required, particularly for reporting purposes.

This points to the fact that while most of the officials and politicians acknowledge that LED is supposed to be a cross-cutting issue in the municipal IDP, there is not much evidence to support that this is happening during the implementation of projects, even those that clearly have a LED dimension.

Also important to note is that the case study indicates that while the EPWP may provide some training and short-term job opportunities, much of the benefits are lost, as training is rudimentary, contractors are appointed from outside the local area, and incomes are generally likewise spent in larger towns and cities outside of Inkwanca.
CHAPTER 5
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

In this study, the research has investigated how local economic development was implemented as a cross cutting dimension within the municipality's Integrated Development Planning (IDP). In this final chapter the reader will be reminded of the aims and objectives of the research. A summary of the different phases of the research will be presented. This will be followed by a brief overview of the main findings. In conclusion, a number of recommendations will be proposed that may improve the ability of the municipality to truly treat LED as a cross-cutting dimension in the IDP and also note the important role of sound inter-governmental relations to support LED in local municipalities.

5.2 OVERVIEW OF THE AIM AND OBJECTIVES OF THE STUDY

The aim of this research was to evaluate the how local economic development was implemented as a cross cutting dimension within the municipality's Integrated Development Planning (IDP) monitoring and evaluation tool. This was done through a case study of Inkwanca local municipality in the Chris Hani District Municipality. The research addressed the question by looking at the following:

1. How the provision of physical infrastructure is linked to the economic infrastructure as the component of LED promotion. The provision of infrastructure for instance, should include local contractors and local labour, as well as skills development and training during the construction phase.

2. The construction of infrastructure whether its hard or economic infrastructure has the potential to contribute to an environment that was conducive to economic development and job creation within the municipality. The Expanded Public Works Programme for example was perceived to be a labour intensive programme which was supposed to provide training to labourers and ensure that these are in turn capacitated and empowered enough to apply for other jobs. The bridge construction project could not provide adequate and well thought training to the labourers working in the project.
5.3 OVERVIEW OF THE PHASES OF THE RESEARCH

Chapter 1 has attempted to provide an overview of the research topic, conceptualising and defining critical concepts and terms that the research will focus on. The main focus of this chapter has been to define and contextualise legislative framework and local understanding of Local Economic Development by the relevant government department and the municipality as a cross cutting issue within the municipality’s integrated development plan. Description of some terms that will be continuously be in use in the process of generating this study as well as contextualization and description of the study area have been briefly provided. Lastly in this chapter a brief description of the role of Provincial Government and the Local Municipality’s responsible departments as well as individual staff component have been outlined.

Chapter 2 focused on the literature review, where the researcher sought to discuss what other researchers have written about the above-mentioned research questions. It starts by giving the general overview of the history and background on the challenges of underdevelopment, poverty, inequality and unemployment in South Africa. The chapter further gives a summary of the demographics and socio economic dynamics of the Eastern Cape Province where the research study is undertaken. Policies and legislation that have since been formulated and enacted to address the imbalances of the past are reflected. Local Economic Development which is the research question is one among the key instrument that the South African government envisaged as a panacea to persistent socio-economic problems faced by rural area. The IDP as the strategic planning and coordination tool of the municipal of which LED is form an integral part is discussed hence the need to investigate LED as a cross-cutting dimension within the municipality’s IDP. The chapter looks at the extent to which the different line departments in the Municipality, as well as the government sector departments and agencies, approach LED in a holistic, cross-dimensional manner.

Chapter 3 outlines the nature of the research which focuses both on the cross-cutting dimension of LED planning and implementation. The bridge and road projects currently under construction in Sterkstroom will be utilised to measure how local
economic development is implemented as a cross cutting dimension within the municipality’s Integrated Development Planning (IDP) monitoring and evaluation tool.

Chapter 4 contains the analysis of the research findings. It considered LED in the Inkwanca Municipality and then focused on the various components of the construction of the Sokoyi/Mqeshi bridge. It considered the role of various stakeholders involved in planning until the execution phase of the project. It furthermore referred to the people employed to work on the bridge construction project as beneficiaries. It was considered critical to interview one of the labourers as a respondent in the study so as to get sense of the recruitment processes followed, the kind of training received and the impact the skills acquired would have in contributing to the economic development of the locality. All of the above sought to answer the research question aimed at investigating how local economic development is implemented as a cross cutting dimension within the municipality’s Integrated Development Planning (IDP).

5.4 SUMMARY OF FINDINGS

The general perception of LED in the municipality is that LED is mainly about poverty alleviation projects and that infrastructure-related projects are a domain of the Technical Services Department under the leadership of the Technical Services Manager. The fact that municipal LED Officer has not been involved in the conceptualisation, inception, initiation and the implementation phases of the bridge construction project alludes to this predicament. LED Units are often established and LED Officers appointed, but the absence of guiding policy, direct political links and weak institutional support systems cause challenges for the LED staff. In this case study, the LED Coordinator is aware that a bridge project is being constructed, however he has not been directly involved in the project.

The labourers employed in the project were local people but the nature of the project did not require that labours should be given specific technical training. The project demanded an unskilled labour force. Therefore the jobs created in the bridge project did not require much training on the part of the labourers; hence they did not acquire any new skills that could have been of future use. The jobs created in the bridge
project were short-term jobs and have resulted in little or no tangible benefits being accrued by the beneficiaries/labourers apart from short-term incomes.

With respect to the spheres of government working together in a cooperative and collaborative manner, this has proved to be a major challenge. It appears that both the municipal line departments and the different government entities still function in silos and that seems to be the approach adopted by the municipality in implementing its LED plans. This can best be evidenced by a lack of proper monitoring of the bridge project that is funded by the Provincial Treasury. There appears to be a serious lack of coordination and integration amongst the various spheres of government in the project. There is little evidence from the case study that different spheres of government (both within the Municipality, between the Municipality and the government sector departments, and among the sector departments) are working together. The Department of Public Works, as a department that is expected to play a crucial role in this project, has never been involved in the project. It therefore raises the question whether the project has been conceptualised as part of the IDP process or whether it aroused as a result of spontaneous engagements between the municipality and sector departments that are always willing to parachute funds and projects to municipalities. It would seem that it was enough for the Provincial Treasury to just transfer funds in the project without taking due cognisance of how the funds were spent and whether the construction of the bridge project by the consultant was done in accordance with job specification.

The success of LED planning and implementation depends on the collective efforts of the public, private and community sector. Formal and informal structures should be established to ensure all stakeholders are involved and that the planning process is well-conceived and managed. The skills and resources that each stakeholder brings provide a critical foundation for success. In the case of the bridge construction project in Inkwanca Municipality, the lack of involvement of key critical departments, such as the LED Unit, the Community Services Department within the municipality and other key sector departments such as Economic Development, Environmental Affairs and Tourism, the Department of Local Government & Traditional Affairs, the Departments of Labour and Public Works, to name but a few, speak of the lack of a
coordinated and integrated approach to planning. The fact that the bridge has not been completed within the set time frames of the project is a further illustration of the scenario alluded to above.

There is a general perception that part of the reason why the work on the bridge has been halted is because of poor workmanship. The research has, however, revealed limited collaboration and cooperation among stakeholders, which contributed to the lack of progress on the bridge construction. The stakeholder management process recognises that all stakeholders are important and that some will be able to participate more than others. Each group brings specialist knowledge and different perspectives and this makes the planning process more robust. Synergistic partnerships are critical for the successful planning and implementation of LED as a cross-cutting dimension in the municipality’s IDP. It also seeks to evaluate the extent to which LED has been mainstreamed holistically in the programmes and projects of the municipality. Research conducted from previous studies confirms that in virtually all successful city economic development case studies, a responsible person, often in either the Mayor’s office or in the office of the Municipal Manager, was initially appointed to take responsibility for LED. This may expand into a specific unit or department at a later point.

The non-involvement and participation of the LED Officer and other line function department within the municipality confirms that LED was not mainstreamed in the planning and programmes of the municipality. The municipality must ensure that structures such as the District Support Teams, LED Forum are established. These should be used as platforms where various sector department and other relevant stakeholders discuss LED issues which will ultimate be factored of find expression in the IDP of the municipality. Each line function department within the municipality has to ensure that it has plans and programmes anchored at promoting economic development within the municipality. Such a holistic and integrated approach will ensure seamless planning and improve the implementation of local economic development within the municipality.
It was therefore evident that the municipality did not consider LED as a cross-cutting dimension. In order to entrench LED across all programmes, the municipality must ensure that develops a very credible IDP and LED strategy with clearly defined LED objectives, clear targets and an indicative budget for successful implementation of the strategy/plan.

The municipality must in both the IDP and its LED strategy outline clearly defined LED objectives. It must ensure that resources are leveraged and mobilised from the private sector and develop a clear SMME development plan or support programmes.

The main objective of these programmes will be to empower and capacitate local business so that the make use of the opportunity presented by various pieces of legislation and policies such as the Municipal Finance Management Act, Municipal Preferential Procurement Act and the Municipal Systems Act to name but the few. Investing in the local will ensure that services are rendered by local people and such an initiative will ensure that the economy of the local area is not leaking but circulating from within the municipal jurisdiction. The LED Officer as a resource person should be directly involved in all these processes. Furthermore, in Municipal Infrastructure Grant, the Five per cent (5%) allocation set aside for LED should be utilised mainly for that purpose, this will also help diffuse or demystify the perception that LED was an unfunded mandate. This will also help promote a spirit of collaboration also among participating government sector departments and public entities, etc.).

5.5 RECOMMENDATIONS

As the recommendation, plugging the leaks in the local economy of the Inkwanca local municipality therefore remains critical (retaining income in the local economy). The study has also found that within the municipality line function departments itself there was a lack of coordination and integration as evidenced by the poor interface between on the one hand officials and politicians charged with the responsibility to drive LED programme within the municipality. On the other hand, LED was perceived to be the responsibility of only the LED Unit. The LED Unit has no dedicated budget to run its programmes. The understanding of LED in the municipality was limited to poverty alleviation activities, such as the establishment of
community gardens, lucerne and piggery project. The study further proposes a conceptual clarity on LED. Local Economic Development and on the competitive advantages of the Inkwanca municipal area, and that LED should not be confined to the growing of vegetables or rearing of pigs and poultry.

The procurement policies of the municipality should priorities its local small businesses so that when tenders are awarded, local business people are given the priority to benefit from such opportunities. The Small Enterprise Development Agency (SEDA) should be the key vehicle for localised enterprise support. People are the single greatest resource and including all citizens in development and increasing their skills leads to increased opportunities for stimulating local economies. Local initiative, energy, creativity, assertive leadership and skills will ultimately unlock the latent potential in local economies. Promoting robust and inclusive local economies required the concerted, coordinated action of all spheres and sectors of government. Lack of participation of sector departments in the Integrated Development Planning process of the municipality does not augur well with the concept of cooperative governance as espoused in Chapter 3 of the Constitution of the Republic of South Africa and the Intergovernmental Relations Framework Act No 13 of 2005.

Although the municipality has appointed officials in the LED Unit, guiding policies, direct political linkages and institutional support appear to be very weak. District Municipalities can play critical role in seeking to address the economic imbalances, even when there is a strong municipality within the DM.

**5.6 CONCLUDING REMARKS**

In this study, the researcher has investigated LED as across–cutting dimension with reference to a single project in the Inkwanca Local municipality’s Integrated Development Plan.

The study has found that LED in the municipality does not receive the prioritization it deserves. The LED–IDP link appears to be very weak as there was no proper alignment of plans within the municipality. While the nature of LED as a cross-
cutting dimension is broadly acknowledged, in practice there is little coordination and alignment among municipal line departments when implementing projects that relate to LED.

The study found that the role of government in LED was generally understood, at least in theory, and included poverty alleviation and poverty reduction as integral components of LED. Despite such understanding, there is still a lack of coordinated efforts between government sector departments and the municipal officials.

It must be taken into cognizance that Local Economic Development is an outcome of actions and interventions resulting from local good governance. Municipalities are expected to constantly improve service delivery and to integration of national priorities and programs in local spaces. While the Expanded Public Works Programme improves local infrastructure and creates short-term employment, municipalities should make an effort to build the capacity of local people during the process. This may enable at least some of the beneficiaries to use skills and experience gained on such projects in future.

Finally, the study has found that the LED efforts of the Inkwanca local municipality has had little impact on local capacity and on the local economy, in that the majority of goods and labour are still sourced from larger urban places outside of the municipal area. These leakages make it difficult for the municipality to generate and develop its own revenue base and it will remain dependent on government and other grant funding for the foreseeable future.
REFERENCES


7. South Africa, Department of Provincial and Local Government), 200.Integrated Sustainable Rural Development Strategy,DPLG


LOCAL ECONOMIC DEVELOPMENT AS A CROSS-CUTTING DIMENSION IN THE INTEGRATED DEVELOPMENT PLANNING PROCESSES OF THE INKWANCA LOCAL MUNICIPALITY

CONSENT FORM FOR PARTICIPATING IN THE STUDY

I hereby consent to participate in the research study. The purpose and procedures of the study have been explained to me. I understand that my participation is voluntary and that I may refuse to answer any particular question or may withdraw from the study at any time without any negative consequences. I also understand that, upon my request feedback of the results will be communicated to me by the researcher. I understand that my responses will be kept confidential.

Name of participant: ________________________________

Signature: _______________

Date: ___________________

I________________________________ have explained the procedures, purpose and conditions of the study to my participants. I have explained to them their rights in taking part in the study as well as given an assurance on confidentiality. I have also offered to give feedback of the results to the participants at their request. I agree with the above mentioned conditions and I will adhere to them.

Name of researcher: ________________________

Signature: _______________

Date: _______________
LOCAL ECONOMIC DEVELOPMENT AS A CROSS-CUTTING DIMENSION IN THE INTEGRATED DEVELOPMENT PLANNING PROCESSES OF THE INKWANCA LOCAL MUNICIPALITY

PARTICIPANT INFORMATION SHEET

My name is Sibongile Claude Douglas; I am undertaking a study as a course requirement for the Masters in Development Studies at the Nelson Mandela Metropolitan University. The study aims to evaluate the extent to which LED is implemented as a cross cutting dimension in the municipality’s Integrated Development Plan. It is hoped that this information may enhance the municipality’s understanding of the cross cutting nature of LED and not to perceive LED as an isolated entity or the responsibility of only one department or official.

On the basis of the findings from this study, I hope to make recommendations for the future interventions and service delivery improvement of LED in its broadest sense. The results of the study will be written up in the form of a research report and will be made available to the Local Municipality and the participants of the study.

You have been identified as an important respondent and I therefore wish to invite you to participate in my study. Your participation is entirely voluntary and refusal to participate will not be held against you in any way. If you agree to take part, I shall arrange to interview you at a time and place that is suitable for you. The interview will last approximately 30 minutes. You may withdraw from the study at any time and you may refuse to answer any questions that you feel uncomfortable to respond to.

Please be assured that your name and personal details will be kept confidential and they will not be used in the final research report. No person other than my supervisor will have access to the information obtained during the interview. Two to five years after completion of the study all the raw data will be destroyed.

If you have any questions regarding the study I shall try to answer them to the best of my ability. I may be contacted at 071 689 6441.

Thank you for taking the time to consider participating in my study.

Mr Sibongile Claude Douglas
LOCAL ECONOMIC DEVELOPMENT AS A CROSS-CUTTING DIMENSION IN THE INTEGRATED DEVELOPMENT PLANNING PROCESSES OF THE INKWANCA LOCAL MUNICIPALITY

INTERVIEW QUESTIONNAIRE

The research will be targeting several sets of respondents that are considered to be relevant to this research. The following people will be interviewed:

- A number of managers in the Inkwanca Municipality
- The LED Portfolio Councillor in Inkwanca Municipality
- Officials responsible for LED in several government sector departments and public entities. These include representatives of the Department of Local Government and Traditional Affairs, the Department of Economic Development, Environmental Affairs and Tourism, the Department of Roads, the Department of Labour, the Eastern Cape Development Corporation (ECDC), etc.
- The beneficiaries of the bridge construction project.

Some of the questions will relate to LED in general and the LED function in the Inkwanca Municipality.

Others will relate to the cross-cutting nature of LED in the integrated development planning in the Inkwanca Municipality.

There will be questions that relate specifically to the construction of the bridge at Phumla Mqeshi which will be used as a case study.

<table>
<thead>
<tr>
<th>Name of Municipality:</th>
<th>Inkwanca Local Municipality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Research Project:</td>
<td>An investigation of LED as a cross-cutting dimension within the Integrated Development Plan of the Inkwanca Local Municipality</td>
</tr>
<tr>
<td>Name of Respondent:</td>
<td>Name: Department/organisation Position in the organisation: Phone number: Email:</td>
</tr>
</tbody>
</table>

Please tick the appropriate boxes in the questionnaire with an X.
SECTION A
PERCEPTIONS AMONG OFFICIALS AND POLITICIANS WITH REGARD TO THE CROSS-CUTTING DIMENSION OF LOCAL ECONOMIC DEVELOPMENT (LED) IN THE INTEGRATED DEVELOPMENT PLAN (IDP) OF THE INKWANCA LOCAL MUNICIPALITY

Case study: Construction of the bridge in Phumla Mqeshi in Sterkstroom

A.1 How do you personally define LED?

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

QUESTIONS THAT RELATE TO THE LED FUNCTION OF THE MUNICIPALITY

A.2 In your opinion, does the municipality have a fully-fledged LED Unit in terms of institutional arrangements, human resources and budget to efficiently and effectively implement the municipality’s LED strategies?

<table>
<thead>
<tr>
<th>LED capacity indicators ↓</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional arrangements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A.3 If not, what in your opinion should be done in terms of the capacity of the LED Unit to effectively and efficiently implement the LED functions?

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

A.4 In your opinion, does the municipality have a credible LED strategy in place?

Yes
No
Don’t know

A.5 If ‘No’, what in your opinion are the main shortcomings of the LED strategy?

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

A.6 Has the LED strategy been adopted by Council?

Yes
No

A.7 Do you believe that the municipality has the capacity to implement the LED plan/strategy?

Yes
No
Don’t know
A.8 Please explain the reason for your response.

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

A.9 Do you know whether all of the Municipality’s line departments were involved in the planning of the LED strategy/plan?

Yes
No
Don’t know

QUESTIONS THAT RELATE TO THE CROSS-CUTTING NATURE OF LED

A.10 Does your department ever liaise with the LED Officer/Unit on issues that may be considered part of local economic development, such as job creation, training, local investments, etc.?

Yes
No

A.11 Are you aware that Local Economic Development (LED) is supposed to be a cross-cutting dimension in the Municipal IDP, similar to poverty or gender equity?

Yes
No

A.12 Do you believe that the current Municipal IDP and the LED strategy consider LED as a cross-cutting dimension throughout all the municipal line departments?

Yes
No

A.13 Do you believe that the municipal line departments, such as the one you are heading, pro-actively consider LED as a cross-cutting dimension during the planning and implementation of its strategies and projects?

Yes
No

A.14 If not, do you have any suggestions on how your department may include aspects of LED, such as local employment creation or support for local businesses, into its future strategies and projects?

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
A.15 Are there projects in the IDP or any budget that is set aside in your department for activities or initiatives that are related to local economic development (e.g. economic infrastructure, job creation, skills development)?

Yes

No

A.16 If ‘Yes’, give examples of such initiatives or projects in your department.

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

A.17 Does the Municipal Procurement Policy specifically encourage the institution to procure its workforce, goods and services from the local area?

Yes

No

Don’t know

A.18 Can you please estimate the proportion of the workforce, goods and services that the Municipality (or your Department) sources in a year from within Inkwanca and the Chris Hani district?

<table>
<thead>
<tr>
<th>Human resources, goods and services</th>
<th>Percentage procured from within the Inkwanca Municipality (e.g. Molteno, Sterkstroom, rural areas)</th>
<th>Percentage procured from the broader area in the Chris Hani District (e.g. Queenstown, other towns)</th>
<th>Percentage procured from the rest of the Eastern Cape (e.g. East London, Umtata, Port Elizabeth)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The workforce of the Municipality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goods (e.g. office furniture, stationery)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services (e.g. construction, catering)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A.19 In your opinion, are their opportunities for the Municipality to source more of its workforce, goods and services from the local area than it is currently doing?

Yes

No

A.20 The Constitution demands that Municipalities should participate in national government programmes. Are you convinced that the Inkwanca Municipality takes every opportunity to participate in such programmes, such as the Expanded Public Works Programme (EPWP), environmental programmes (e.g. Working for Water) or other government programmes that may general jobs, train people, encourage entrepreneurship or that otherwise will result in capacitating the local people?
Yes
No
Don’t know

A.21 If so, give examples of such programmes that your line department and/or the Municipality is involved in.
…………………………………………………………………………………………………
…………………………………………………………………………………………………
…………………………………………………………………………………………………

A.22 Do you know whether the Municipality uses part of its government grants (e.g. Equitable Share or MIG) to train local people as part of the projects that it funds?
Yes
No
Don’t know

QUESTIONS THAT RELATE TO THE BRIDGE CONSTRUCTION PROJECT

A.23 Are you aware of the project to construct a bridge at the Mqeshi Location in Sterkstroom as part of the road construction programme in the Municipality?
Yes
No

A.24 Is your Department involved in any way with the construction of the bridge?
Yes
No

A.25 If ‘yes’ briefly explain the nature of your involvement in this project.

<table>
<thead>
<tr>
<th>Level of participation in the bridge construction project</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning the project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feasibility Study</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding in full</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part-funding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selection of beneficiaries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Serve on Project Steering Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implement the project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mentorship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other support (please specify)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitoring of the project during implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evaluation of the project after completion</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Liaise with any other line department within the municipality regarding any aspects of this project

Liaise with Provincial government sector department(s)/public entities regarding any aspects of planning and implementing the project

A.26 Do you know whether the Municipality’s LED Officer/LED Unit was ever involved in any aspects of the bridge construction, whether during planning or implementation?

Yes
No
Don’t know

A.27 Which Municipal department(s) or other organisation(s) funded the bridge construction project?

<table>
<thead>
<tr>
<th>Name(s) of funder(s)</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
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</tbody>
</table>

A.28 Which Municipal department(s) or other organisation(s) recruited the labour for the bridge construction project?

<table>
<thead>
<tr>
<th>Name(s) of recruiter(s) of labour</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A.29 Which municipal department(s) or other organisation(s) was responsible for training the workers on the bridge construction project?

<table>
<thead>
<tr>
<th>Name(s) of training organisation(s)</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A.30 Which municipal department(s) or other organisation(s) is responsible for the general welfare of the workers on the bridge construction project, such as transport, accommodation, health and safety?

<table>
<thead>
<tr>
<th>Variable</th>
<th>Name(s) of responsible department(s) or organisation(s)</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport to and from work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accommodation during construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health and safety</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disciplinary procedures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exit procedure from the project</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A.31 Do you know whether any other line department within the Municipality was involved in the planning or implementation of the bridge construction project?

Yes □□
No □□
Don’t know □□

A.32 As far as you are aware, was a local company appointed to construct the new bridge?

Yes □□
No □□
Don’t know □□

A.33 As far as you are aware, was there a policy to employ local labour to construct the new bridge?

Yes □□
No □□
Don’t know □□

A.34 Do you know whether most of the raw materials to construct the bridge was sourced from within the Inkwanca Municipal area?

Yes □□
No □□
Don’t know □□

INTER-GOVERNMENTAL RELATIONS

A.35 Do you know whether the construction of the bridge is supported by government (e.g. through the EPWP)?

Yes □□
No □□
Don’t know □□

A.36 Have you (or anyone in your department) liaised at any time during the planning or implementation of the bridge project with any government sector department or public entity regarding this project?

Yes □□
No □□
A.37 If ‘Yes’, name the government departments or government public entities with which you have collaborated in any way on the Inkwanca bridge construction project and explain the nature of the consultation or collaboration.

<table>
<thead>
<tr>
<th>Name of government department or public entity ↓</th>
<th>Nature of collaboration (e.g. joint planning, recruitment, funding, monitoring and evaluation)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
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</tr>
</tbody>
</table>

THANK YOU FOR YOUR PARTICIPATION AND VALUABLE INPUT
SECTION B
THE ROLES OF GOVERNMENT SECTOR DEPARTMENTS AND PUBLIC ENTITIES IN SUPPORTING LED AS A CROSS-CUTTING DIMENSION IN THE INKWANCA LOCAL MUNICIPALITY

B.1 How do you personally define LED?

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

B.2 Does your department/organisation participate in the IDP and/or LED processes in the Inkwanca Local Municipality?

Yes

No

B.3 If ‘yes’, kindly complete the following table regarding your involvement:

<table>
<thead>
<tr>
<th>Participation in ↓</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated Development Planning (IDP) process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDP Forum</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LED planning process (e.g. to develop the LED strategy)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LED Forum (if this exists)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation of LED programmes or projects:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assists with Feasibility Study</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assists with Business Plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Serve on Project Steering Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provide funding for projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provide technical support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provide training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provide mentorship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other support (please specify)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitoring of the project during implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evaluation of the project after completion</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B.4 If your Department or organisation does not participate in the IDP and/or LED processes of the Inkwanca Local Municipality, do you participate at the level of the Chris Hani District Municipality?

Yes

No

B.5 Are you aware that LED is supposed to be a cross-cutting dimension in the municipal IDP, similar to poverty, gender equity, etc.?

Yes

No
B.6 In your opinion, even though your Department or organisation may not be directly responsible for local economic development, do you consider issues that relate to LED during your internal departmental strategic planning process?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

B.7 If ‘Yes’ kindly give me one or two examples.

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

B.8 If ‘No’, do you believe that your Department or organisation should consider issues that support economic development at local level? (Issues such as economic infrastructure, job creation, technical or business skills training, new business establishment, support for existing businesses (business retention), support for co-operatives, the informal sector, trade and investment promotion, tourism initiatives, etc.)

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

B.9 Is your Department involved in any way with the construction of the Mqeshi bridge, in Sterkstroom

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B.10 If ‘yes’ briefly explain the nature of your involvement in this project.

<table>
<thead>
<tr>
<th>Level of participation in the bridge construction project</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning the project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feasibility Study</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selection of beneficiaries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Serve on Project Steering Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implement the project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mentorship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitoring of the project during implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evaluation of the project after completion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
B.11 If your Department or organisation is, or has been, involved in the bridge construction project, which line department(s) in the Inkwanca Local Municipality do (or did) you liaise with in this regard? Kindly also state the nature of the engagement.

<table>
<thead>
<tr>
<th>Name of line department in the Inkwanca Municipality ↓</th>
<th>Nature of engagement on the Inkwanca bridge construction project</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B.12 Have you (or your Department) liaised with any other government sector department or public entity regarding this project, e.g. during the planning or implementation phases?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>

B.13 If ‘Yes’, name the departments or government public entities with which you have collaborated in any way on the Inkwanca bridge construction project and state the nature of this engagement.

<table>
<thead>
<tr>
<th>Name of government department or public entity ↓</th>
<th>Nature of inter-governmental engagement on Inkwanca bridge construction project</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

THANK YOU FOR YOUR PARTICIPATION AND VALUABLE INPUT
SECTION C
IMPACT OF THE CONSTRUCTION OF THE INKWANCA BRIDGE
CONSTRUCTION PROJECT ON PROJECT BENEFICIARIES

C.1 Please give me the name of the place where you live (name of town, village
or rural area)
...........................................................................................................

C.2 Who selected you to work on the bridge construction project?
(Tick the appropriate block)

<table>
<thead>
<tr>
<th>Department or organisation that recruited and appointed the beneficiary to work on the bridge construction project</th>
<th>Tick</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inkwanca Municipality</td>
<td></td>
</tr>
<tr>
<td>Department of Roads</td>
<td></td>
</tr>
<tr>
<td>Labour broker</td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td></td>
</tr>
</tbody>
</table>

C.3 Who do you think pays your wages for the work on the bridge?
(Tick the appropriate block)

<table>
<thead>
<tr>
<th>Department or organisation that recruited and appointed the beneficiary to work on the bridge construction project</th>
<th>Tick</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inkwanca Municipality</td>
<td></td>
</tr>
<tr>
<td>Department of Roads</td>
<td></td>
</tr>
<tr>
<td>Labour broker</td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td></td>
</tr>
</tbody>
</table>

C.4 How long is your contract to work on the bridge construction project (e.g. how many months or years)?
...........................................................................................................

C.5 What sort of work do you do on the bridge construction project?
...........................................................................................................

C.6 Before being selected to work on the bridge project; did you ever do similar construction work in the past?

Yes [ ]
No  [ ]

C.7 Did you receive any skills training during the course of your work on this project?

Yes [ ]
No  [ ]

C.8 If ‘Yes’, explain the nature of the training that you received while working on the bridge project.
...........................................................................................................
...........................................................................................................
...........................................................................................................
C.9 What are the most important short-term benefits from working on the bridge construction project (e.g. an income, new skills)?
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

C.10 Do you believe that the experience and training that you received on this project will help you in future to find employment or even to start your own business?

<table>
<thead>
<tr>
<th>Benefits of training and experience gained on the bridge project</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Should enable me to find employment once the project is completed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacitated to start a business on my own or with my fellow-workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other longer-term benefits (specify)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other longer-term benefits (specify)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C.11 What is your opinion are the positive benefits of such municipal or government projects on the beneficiaries?
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

C.12 What are the negative aspects of working on such municipal or government projects?
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

C.13 Have you ever previously worked on any other municipal or government project before the bridge construction project?

    Yes

    No

C.14 Will you be willing to again work on a similar municipal or government project in the future?

    Yes

    No

C.15 In which town do you do most of your shopping?

<table>
<thead>
<tr>
<th>Items purchased</th>
<th>Where purchased (name of town/s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Everyday requirements, e.g. bread, milk</td>
<td></td>
</tr>
<tr>
<td>Monthly groceries</td>
<td></td>
</tr>
<tr>
<td>Clothing</td>
<td></td>
</tr>
<tr>
<td>Children’s school supplies</td>
<td></td>
</tr>
<tr>
<td>Furniture</td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td></td>
</tr>
</tbody>
</table>

THANK YOU FOR YOUR PARTICIPATION AND VALUABLE INPUT