THE ROLE OF INTER-GOVERNMENTAL RELATIONS IN THE LOCAL ECONOMIC DEVELOPMENT PROCESSES OF THE CACADU DISTRICT MUNICIPALITY

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In the Faculty of Business and Economic Science at the

Nelson Mandela Metropolitan University

Research Supervisor: Ms Elizabeth Saunders
DECLARATION

I, Linda Eric Puwani, hereby declare that

- This treatise is my own work;
- All sources used have been documented;
- It has not been previously submitted for assessment to any other university for a higher qualification.

__________________  _________________
Laura Eric Puwani                                                                   Date
ACKNOWLEDGEMENTS

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Our Heavenly Father – for bestowing on me a passion for acquiring knowledge and for providing me with the opportunities to channel this ardour.

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My siblings, Mr L.T. and Mrs N. Mabelana, Gcobisa, Vuyiseka, and Nokuzola Puwani.
THE ROLE OF INTER-GOVERNMENTAL RELATIONS IN THE LOCAL ECONOMIC DEVELOPMENT PROCESSES OF THE CACADUDISTRICTMUNICIPALITY

ABSTRACT

The primary aim of this study was to examine the role of inter-governmental relations in the local economic development processes of the Cacadu district municipality. The sample for the study was selected from Cacadu District Municipality, with five respondents participating in the survey. A qualitative methodology was used in the data collection and item analysis. This showed that the research instrument had good reliability.

The literature review reveals that municipal local economic development in South Africa does not rely exclusively on competition. The Cacadu district municipality developed an inter-governmental relations policy that outlines the inter-governmental system and structures that need to be established in the district. In terms of this policy, a number of inter-governmental structures were established, ranging from the Cacadu District Mayor’s forum through Communications and AIDS structures to the Integrated Development Planning and LED Forums.

Apart from the Local Economic Development (LED) forum, the findings of this study reveal that there are two further LED-related structures in the Cacadu District Municipality (CDM), namely: an operational District Support Team and a Rural Economic Development Initiative. The co-ordination takes place at the IDP forum, during the IDP processes, and at the Mayor’s and Municipal Managers’ forum.

During the time of the research, the CDM was reviewing its economic growth and development strategy. The findings of the study suggest that the district is moving away from planning for isolated local economic development projects.

The case study of Camdeboo Satellite Aquaculture Project (CSAP) illustrates the impact of inter-governmental relations and co-ordination in the Cacadu District Municipality. The design of the Project took place between November 2007 and June 2008. A detailed Business Plan for both farming and factory operations over a ten-year period has been compiled and subjected to a thorough evaluation by the CSAP Project Steering Committee, which includes the Industrial Development Corporation, the Development Bank of South Africa, the Eastern Cape Development Corporation and Department of Agriculture, Forestry and Fisheries – with financial support from Thina Sinako (a joint venture between the European Union and the Eastern Cape provincial Treasury).

KEY WORDS

Cacadu District Municipality, Inter-governmental relations, IDP forum, Local Economic Development forum, District Support Team, Rural Economic Development Initiative
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<tr>
<td>ABET</td>
<td>Adult Basic Education and Training</td>
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<tr>
<td>BKT</td>
<td>Blue Karoo Trust</td>
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<td>CDM</td>
<td>Cacadu District Municipality</td>
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<td>CDMF</td>
<td>Cacadu District Municipal Forum</td>
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<td>CSAP</td>
<td>Camdeboo Satellite Aquaculture Project</td>
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<td>CAT</td>
<td>Camdeboo Aquaculture Trust</td>
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<td>CWT</td>
<td>Camdeboo Women’s Trust</td>
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<tr>
<td>CSIR</td>
<td>Centre for Scientific and Industrial Research</td>
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<td>DEDEA</td>
<td>Department of Economic Development and Environmental Affairs</td>
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<td>DLA</td>
<td>Department of Land Affairs</td>
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<td>DLGTA</td>
<td>Department of Local Government and Traditional Affairs</td>
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<td>DPLG</td>
<td>Department of Provincial and Local Government</td>
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<td>UK</td>
<td>Department of Environmental Food and Rural Affairs</td>
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<td>DBSA</td>
<td>Development Bank of Southern Africa</td>
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<td>DM</td>
<td>District Municipality</td>
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<td>DST</td>
<td>District Support Team</td>
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<td>ECDC</td>
<td>Eastern Cape Development Corporation</td>
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<td>EGDS</td>
<td>Economic Growth and Development Strategy</td>
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<td>IDC</td>
<td>Industrial Development Corporation</td>
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<td>IDP</td>
<td>Integrated Development Planning</td>
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<td>IGR</td>
<td>Inter-Governmental Relations</td>
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<td>IGRFA</td>
<td>Inter-Governmental Relations Framework Act</td>
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<td>IGRP</td>
<td>Inter-Governmental Relations Policy of Cacadu District Municipality</td>
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<td>LED</td>
<td>Local Economic Development</td>
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<tr>
<td>Abbreviation</td>
<td>Full Form</td>
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<td>LEDF</td>
<td>Local Economic Development Forum</td>
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<td>LMs</td>
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<td>MM</td>
<td>Municipal Manager</td>
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<td>MMF</td>
<td>Municipal Managers’ Forum</td>
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<td>MFMA</td>
<td>Municipal Financial Management Act</td>
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<td>PMT</td>
<td>Project Management Team</td>
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<td>PSC</td>
<td>Project Steering Committee</td>
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<td>RDP</td>
<td>Reconstruction and Development Programme</td>
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<td>REDI</td>
<td>Rural Economic Development Initiative</td>
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<td>SALGA</td>
<td>South African Local Government Association</td>
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<td>Small Enterprise Development Agency</td>
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Chapter One

The nature of the study

1.1 Introduction

The aim of this chapter was to examine the role of inter-governmental relations in the local economic development processes of the Cacadu District Municipality. Intergovernmental relations had important implications on the performance of [the] municipality. The role of municipalities in economic development was stated in the white paper on local government. In terms of the Implementation Plan for the Five-Year Local Government Strategic Agenda (2006:12),“there are five key performance areas: Municipal transformation and organizational development, basic service delivery, local economic development, municipal financial viability and management, good governance and public participation. As legislated, LED forms an integral part of the integrated development planning (IDP) process”.

The study will indicate that in terms of the Cacadu District Municipality’s (CDM) Intergovernmental relations policy, various district-wide intergovernmental forums have been established. The background of Cacadu District Municipality is mentioned. The problem statement, research questions and the aims of the study are identified. The envisaged structure of the study will be highlighted in the latter part of this chapter. The limitations of the study will be pointed out.

Davids (2007:8) writes that “… one of the dominant approaches to LED is largely based on a strategic planning model, which involves cyclical processes, but that are essentially linear in nature. LED required a manual or methodology and the strategic planning methodology was chosen as the “scientific” option for this purpose. This style of planning had its heyday in the late 1980s; and opinions vary on its effectiveness. The methodology required a very systematic, linear and structured approach to planning. The fundamental principles of approaches, such as this [one], can be found throughout methodologies, such as integrated development planning (IDP), which was developed in conjunction with international development agencies”.

According to the National Framework for Local Economic Development in South Africa (2006-2011), “LED is one of the five key performance areas (KPA) for local government in the [Five-Year Local Government Strategic Agenda] implementation plan. The approach to LED is based on a joint government effort reflected in the policy shift approved by Cabinet. District and Metropolitan IDPs are to become local expressions, reflecting the synergised inputs of all three spheres of government. In this regard, LED is not just about what municipalities do; but more critically, what the rest of government does, together with municipalities”. 10
1.2 District-wide intergovernmental forums

“Local authorities have been recently identified as crucial players in promoting local economic development. Intergovernmental relations [are] intended to promote and facilitate co-operative decision-making and [to] make sure that policies and activities across all spheres of government encourage service delivery and meet the needs of citizens in an effective way. The Inter-Governmental Relations Framework Act establishes the provisions to guide the three spheres of government in terms of implementing policy and legislation, of establishing intergovernmental structures, [and] managing the conduct of IGR” (Working together for development, (2006: 3).

The aim was to use the case study as an intensive investigation to examine the role of intergovernmental relations in the local economic development processes of Cacadu District Municipality. Cacadu District Municipality had adopted an Intergovernmental Relations Policy in 2008; and, in terms of that policy, had established several intergovernmental structures. These will be the subject of this research.

1.3 Background to the Cacadu District Municipality

Previously known as the Western District Municipality, the Cacadu District Municipality (CDM) is situated in the western half of the Eastern Province (Atkinson, Van der Watt and Fourie, 2003: 15). To the west, it borders the Western Cape Province; and in the extreme north, the Northern Cape Province. In the northeast, it borders the Chris Hani and Amathole District Municipalities of the Eastern Cape Province. The area of the District Municipality includes nine local municipalities (Baviaans, Blue Crane Route, Camdeboo, Ikwezi, Makana, Ndlambe, Kouga, Sundays River Valley, and Kou-Kamma).

The seat of Cacadu District Municipality was in Port Elizabeth. The district of Cacadu was mainly rural with scattered urban centres. The CDM was the most urbanized and the only category C 1 municipality in the Province.

The area of the district municipality covers 58 242 square kilometres. The Cacadu district had an estimated population of 412 000, which was the smallest population of the six districts in the Eastern Cape, with very low rural population densities of approximately 6.7 people per km². The people were concentrated mainly in the regional towns, which were located about 100-120 km apart.

Although the government sector employed a large proportion of the working population, the economy of the district was dependent on agriculture and tourism. Agriculture had been in relative decline for the past decade, primarily due to falling small stock production. Many farmers had converted to game farming, which was now a major industry. The main challenge of the Cacadu District was to both strengthen and diversify agricultural production and to expand agro-processing industries. Many people were working on farms. This employment was characterised by relatively low wages; and frequently, by seasonal work.
Although the district had the lowest unemployment rate in the Eastern Cape Province, levels of unemployment were still high and rising. As the agricultural sector had contracted, it had also shed labour, adding to the growing unemployment rate in the district. A considerable proportion of the population was dependent on social assistance from government.

In common with much of the country, the district faced challenges, such as infrastructure and housing backlogs, the need to build the economy and to alleviate poverty, HIV/AIDS and other health problems, and to face the challenge to co-ordinate multi-sector activities through more effective inter-governmental relations.

As a District Municipality, the CDM was committed to support and build capacity in the nine local municipalities in its area of jurisdiction. The CDM’s Integrated Development Plan (2007-2012:7) states its Vision and Mission which, among others, stipulate that it aims to be “a transformed and integrated Cacadu District Municipality contributing to a sustainable quality of life in our urban and rural communities”.

One of the critical components identified in the IDP to achieve its goals was through inter-governmental co-operation – to promote and implement the developmental agenda of the government.

1.4 The statement of the research problem

The research problem has focused on the role of intergovernmental relations in the local sphere of government in the local economic development processes of the Cacadu District Municipality.

The transformation of local government and intergovernmental relations requires an understanding of the historical role of local government in creating and perpetuating local separation and inequity, in addition to the impact of apartheid on municipal institutions. Equally important, is the history of resistance to the system of apartheid at the local level and the struggles against apartheid’s local government (White Paper on Local Government, 1998:1) African National Congress, (1994:129).”Local government is of critical importance to the Reconstruction and Development Programme (RDP). It is the level of representative democracy closest to the people. Local government will often be involved in the allocations of resources directly affecting communities. Local government should be structured on a democratic, non-racial and non-sexist basis”.

It was stated in the RDP policy (1994:130) that a developmental culture among local government administrations should be encouraged. The actions of councillors and officials should be open and transparent. In terms of the Reconstruction and Development Programme (1994:130): “Local authorities should be assisted to deal with the exist backlog of municipal services through inter-governmental transfers from central and provincial government, according to criteria established by the financial and fiscal commission.
“Inter-governmental relations mean the relations between the three spheres of government. The South African Constitution states that the three spheres of government were distinctive, interdependent and interrelated; provincial and local government were spheres of government in their own right, and were not a function or administrative implementing arm of national or provincial government. Although the three spheres of government were autonomous, they had to work together on decision-making and should co-ordinate budgets, policies and activities.

Against this background, the new government came up with the Constitution that was adopted in 1996, as the Constitution of the Republic of South Africa Act 108 of 1996. In the constitution, municipality had been charged to be developmentally focused, in order to address development and service delivery. Subsequently, various strategies had been adapted to fast-track development, one of which was a co-ordinated approach to development by the different spheres of government.

It was within this context that the current research initiative was undertaken. The research question which drives this study asks the following: “Do intergovernmental relations facilitate the performance of the local government in the local economic development with specific reference to the Cacadu District Municipality?”

1.5 The aim of the study

The primary aim of this study was to examine the role of inter-governmental relations in the local economic development processes, and to evaluate the effectiveness of inter-governmental relations in developing and implementing the LED strategy.

1.6 The objectives of the study

- To assess IGR in the Cacadu District Municipality.
- To examine the establishment of the intergovernmental structures, such as LED forums and how these structures function.
- To examine whether all the relevant key stakeholders, particularly from the three spheres of government, are participating in the IGR structures.
- To identify and analyse key features of LED; and to assess how efficient and effective inter-governmental relations in the district municipality have been implementing LED strategy.
- To assess and evaluate the role of inter-governmental relations in the performance of the local sphere of government in regard to local economic development in the Cacadu District.
1.7 Research questions

According to Dahlberg & McCaig (2010:34), “…in qualitative research, key research questions may only emerge during the initial data gathering stage; and the design will have to be revisited, in effect [to] become a reiterative process, rather than an essentially linear process”. Punch (2006:22) adds that “general research questions are more general, more abstract, and (usually) are not themselves directly answerable because they are too general. Specific research questions are more specific, detailed and concrete. They are directly answerable because they point directly at the data needed to answer them”.

The following research questions will be addressed:

- Who participated in and contributes to the CDM’s IGR structures?
- What was the role of IGR structures in developing and implementing the CDM’s LED strategy?
- Do inter-governmental relations facilitate the performance of the local economic development with specific reference to the Cacadu District Municipality?

1.8 The setting of the research

Raymond (2000:49) stipulates that, “In [a] natural setting, in contrast to experimental settings, people are usually preoccupied with everyday events, and typically assimilate things that happen into their routine. Thus, it is often possible – without too much disruption – to introduce into [this] setting some event whose consequences can be observed”. Glense & Peshkin (1992:21-2) add that when making site and participant selection decisions, some conventional wisdom is applicable. Unless one is conducting a form of action research, it is not advisable to conduct one’s study in one’s own backyard within one’s own institution or agency, or among friends or colleagues.

Novice researchers are understandably tempted to undertake backyard studies, but they soon become fully aware of the problems generated by their involvement in and commitment to their familiar territory. Previous experience with settings or peoples can set up expectations for certain types of interactions that [would] constrain effective data collection”.

The research seeks to explore the role of IGR in local economic development in the Cacadu District Municipality in the Eastern Cape Province. The case study seeks to evaluate one project located in Graaff-Reinet in the Camdeboo Local Municipality. This illustrates the success of inter-governmental relations within CDM.
1.9 The limitations and delimitations of the study

This study will not be generalized to all areas of local economic development; but it will focus on the role of inter-governmental relations in the local economic development processes.

The study will be limited to the Cacadu District Municipality, and no other municipalities, such as the Nelson Mandela Bay Municipality. The limitation and delimitation of the study was characterized by the set of the interpretation of the results of the study. The research will not generalize the findings of the research. According to Creswell (2003:111), “...the purposive sampling procedure decreases the generalizability of findings”.

The limitations support the idea of the limitations of the study. They were those characteristics of design or methodology that set parameters on the application or interpretation of the results of the study that was constrained on generalizability and the utility of findings that are the result of the devices of design or method that establish internal and external validity”.

According to Punch (2006:69), “limitations refer to limiting conditions or restrictive weaknesses, which are unavoidably present in the study’s design. Any study has limitations, and they should be noted in the proposal, which should argue nonetheless for the importance of this work. Delimitations means defining the limits of drawing, the boundaries around a study and showing clearly what is and is not included. This is sometimes useful in avoiding misunderstanding by the reader”.

1.10 Envisaged structure of the study

This study will be presented in five main chapters. Chapter one focuses on the nature of the study. It gives an overview of the background and the area of study. It also highlights the statement of the research and the research questions, the aim of the study and the objectives of the study. In addition, district wide-intergovernmental forums will be discussed, as well as the setting of the research and the limitations and delimitation of the study.

Chapter Two will deal with the literature review, which was relevant to the study of inter-governmental relations. It aimed to provide a context, based on a review from various authors and the constitutional framework on inter-government relations and co-operative governance. Various approaches to inter-governmental relations, such as the constitution/legal approach, the democratic approach, the financial approach and the normative/operational approach will be highlighted. Other issues that will be addressed include the principles of co-operative government and inter-governmental relations, developmental government and approaches for developmental local government.
Chapter Three focuses on the research methodology of the study, especially research design, sampling techniques and the sample population. Research instruments, data analysis procedures, as well as ethical considerations will be explored. Chapter Four discusses the findings of the research within the aims and objectives of the study. The final chapter (Chapter Five) gives an overview of the research findings; and it draws the overall conclusions. The limitations experienced during the course of the study will be highlighted. Policy recommendations for managers and researchers will be made in the latter part of this chapter.
Chapter Two
The Literature Review

2.1 Introduction

This chapter focuses on the literature review which was relevant to the study. The Intergovernmental Relations Framework Act, (Act No 13 of 2005) and the white paper on local government (1998) were the relevant literature sources for this study. Intergovernmental structures will be discussed, as well as co-operative government. The purpose of this study was to look at the role of intergovernmental relations in the local economic development processes – with specific reference to the Cacadu District Municipality. De Wet et al. (1981 in Brynard&Hanekom, 1997: 31) put it like this: “To obtain perspective on the most recent research findings related to the topic of the research, to obtain an indication of the best methods, instruments for measurement, and static, which can be used, to improve the interpretation of one’s own research results, and to help determine the actuality of research on a particular topic”.

The aim of the literature review was to understand the area on which the research focuses; therefore, a literature review was the first step in the research work. The relevance of the literature was imperative for the success of the research project. DahlbergandMcCaig (2010:76) add that “…a literature review is the starting point for a research inquiry. It is where the practitioner-researcher will gather information to gain a greater and more thorough understanding of the area that is the focus of the research. It offers the opportunity to analyse what has already been researched, to identify whether there are any gaps in the knowledge that require further exploration, and to examine different theoretical positions that have been used to interpret the result[s]”.

The role of local authority was to build democracy and promote socio-economic development. The white paper on local government was emphasizing the vision of a developmental State. Local government should always be an equal partner in intergovernmental processes affecting those activities for which it carried legislative or financial responsibilities. Furthermore, as democratically elected bodies, local councils should always be consulted as the primary representatives of local communities’ interests, when policies and programmes were being developed or reviewed. Working relationships between local government and other spheres are most effective when based on negotiated agreements.

In this country, LED was linked to the concept of developmental local government; and local economic development was understood as the local initiatives driven by the local stakeholders. Local government has identified the key principles underlying LED: Poverty and unemployment were the main challenges facing South Africa. LED strategies must, consequently, prioritize job creation and poverty alleviation.
There are four different approaches to intergovernmental relations. These approaches are: the constitutional/legal approach, the democratic approach, the financial and normative-operational approaches to intergovernmental relations, in particular.

2.2 Approaches to governmental relations

There are several approaches to a discussion on the relationships among the different spheres of government; and these will now be considered.

2.2.1 The constitutional/legal approach

According to Hattingh (1998:11), the constitutional/legal approach is very comprehensive; and a detailed discussion of this approach would demand a thorough study and analysis of all legislative provisions and regulations by central, provincial and local governments, which could have any bearing whatsoever on directives in respect of the relations between governmental bodies.

2.2.2 The democratic approach

According to Hattingh (1998:11-12), this approach tends to emphasize regional and local government’s “right to self-determination” – to the extent of regarding such governmental bodies as autonomous institutions. As a consequence, protagonists of this approach are opposed to the centralization of authority; and they strongly favour greater devolution of power to subordinate authorities. The term “autonomy” creates visions of independence, notably in regard to the actions of subordinate governmental bodies.

Parnell and Pieterse (2002:83) add that institutionally transforming the spatial grid of apartheid and introducing financially accountable, integrated development depends on an active, autonomous, but accountable sphere of local government. The notion of “wall to wall” local government means that every South African would have direct access to democratically elected representatives involved in the management of the local area.

2.2.3 The financial approach

According to Hattingh (1998:13), financial relations come into play between two or more tiers of government – when money is transferred from one to the other, by means of payment, donations or subsidies, or when authority authorizes a lower authority to levy or expend funds for some or other purposes. Nevertheless, the importance of financial relations between governmental bodies should not be underestimated.

Van Der Waldt and Du Toit (1997:163) add that the government of the day can achieve its objectives effectively and efficiently, only if there are sound financial relations between all the government levels. The reason for this is that second and third-tier government levels are, to a large extent, dependent on the central government for their funding.
2.2.4 The normative/operational approach

The normative or operational approach utilizes all the pertinent norms to analyse and evaluate the total operational reality of governmental relations without over-emphasizing one aspect of governmental relations at the cost of another (Hattingh, 1998:14).

2.3 The principles of co-operative government and intergovernmental relations

2.3.1 The principles of co-operative government

It is clearly stated in the new Constitution of the Republic of South Africa which governments are constituted as national, provincial and local spheres of government, which are distinctive, interdependent and interrelated. All spheres of government must observe and adhere to the principles of co-operative government and intergovernmental relations. According to the White Paper on Local Government (1998), “…all spheres of government are obliged to observe the principles of co-operative government put forward in the Constitution. Co-operative government assumes the integrity of each sphere of government. But, it also recognizes the complex nature of government in modern society.

No country today can effectively meet its challenges, unless the components of government function as a cohesive whole. This involves: collectively harnessing all public resources behind common goals and within a framework of mutual support. Rationally and clearly dividing between them the roles and responsibilities of government, so as to minimize confusion and maximize effectiveness”.

One function of co-operative governance is to ensure that the three spheres of government fulfil their specific roles. It encourages healthy debate to address the needs of the people they represent by making use of the resources available to government. The system of co-operative government would pertain to all three spheres of government, since they are distinctive, interdependent and interrelated. There is a need for clear and effective communication and closer co-operation among the spheres of government, in order to achieve the objectives stated in the new Constitution.

It is the responsibility of the national, provincial, and local governments to achieve the objectives of the Intergovernmental Relations Framework Act, (Act No 13 of 2005). This harmony should be achieved by the settlement of intergovernmental disputes, in terms of section 40 (1), to avoid intergovernmental disputes when exercising their statutory power or performing their statutory functions.

According to Ismail, Bayat and Meyer (1997:139), “Co-operative government is an innovative concept to resolve problems related to intergovernmental relations. It attempts to address the difficulties experienced by most large bureaucracies in co-coordinating their government functions and streamlining their administrative activities. In order to monitor
and regulate the relationships between the three spheres of government, the competency of each is stipulated in the new Constitution”.

In terms of the Intergovernmental Relations Policy of Cacadu District Municipality (2008:5), “...the primary objective of co-operative government is, therefore, to provide effective and efficient government. Co-operation between the three spheres of government must, therefore, be geared towards sustainable, integrated delivery of public goods and services and the effective implementation of legislation. These overall objectives are to be achieved by an intergovernmental system that ensures mutual consultation on policy and legislation, co-ordinated strategic planning and accountability for performance and expenditure in terms of legislation”.

Malan (1997:101) writes: “No sphere of government can function effectively without co-operation with others, because of the interdependency and interrelatedness of some governmental functions. [These issues comprise] spill-overs in services, scarce resources, poor economic conditions and popular accountability, as well as grassroots pressure. There is a conceptual difference between co-operative government and intergovernmental relations. Co-operative government is a fundamental philosophy of government (i.e. a constitutional norm)”.

2.3.2 Intergovernmental relations

According to the White Paper on Local Government (1998), “Intergovernmental relations are the set of multiple formal and informal processes, channels, structures and institutional arrangements for bilateral and multilateral interaction within and between [the] spheres of government. In South Africa, a system of intergovernmental relations is emerging to give expression to the concept of co-operative government contained in the Constitution. A system of intergovernmental relations has the following strategic purpose: To promote and facilitate co-operative decision-making; to co-ordinate and align priorities, budgets, policies and activities across interrelated functions and sectors; [to]ensure a smooth flow of information within government, and between government and communities, with a view to enhancing the implementation of policy and programmes”.

The perspective on intergovernmental relations is to facilitate and co-ordinate the implementation of policy. The IGRF Act is to establish the intergovernmental structures, such as the President’s co-ordinating council, the national intergovernmental forums, the provincial intergovernmental forums, and the municipal intergovernmental forums. The role of the forum is to spread information to relevant stakeholders in time, so that all stakeholders are on-track, and are able to contribute to service delivery. The challenge of the local government is to put the aims of the IGRF Act into practice, to ensure a co-ordinated and integrated approach to service delivery.
Taylor (2003:297) states that “...one of the biggest problems in the experience of municipalities has been adjusting to their new development mandate in terms of setting up suitable structures, divisions and procedures within the municipality itself, to make it capable of responding to LED appropriately”.

According to Working together for development (2006), “Inter-governmental relations promote relationships among a wide range of stakeholders, through multi-spheres dialogue. This includes liaison with local government, provinces, and sector departments, as well as other state and non-state actors, to promote service delivery, economic growth and social upliftment. Intergovernmental relations are intended to promote and facilitate co-operative decision-making and make sure that policies and activities across all spheres encourage service delivery and meet the needs of citizens in an effective way. Although each sphere has different roles and responsibilities, our Constitution recognizes that the spheres cannot work independently of each other”.

2.4 Developmental local government and approaches for development local government

2.4.1 What is development local government?

According to the white paper on local government (1998), “Developmental local government is 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 [to] improve the quality of their lives”. Breitenbach and Phago (2006:481) argue that “the developmental state is then an interventionist state, which is perhaps consistent with the multi-dimensional fabric of development as a concept. It could be geared more emphatically towards economic growth (capital accumulation) or social (welfare) upliftment”.

The concept of developmental local government emanates from the fusion of social interventionist policies, such as the Reconstruction and Development Programme and the economic strategies of the Growth Employment and Redistribution Programme. The idea of developmental programmes was introduced by the white paper on local government with the intention of working together with local communities to meet their needs and improve their quality of life.

The RDP mandate was intended to instigate public deliberations for developmental conditions to overcome the inequalities of the legacy of apartheid. Local authority was the principle instrument of racial supremacy in this country. The mandate of local municipality is to address inequality, as recognized at the core of South Africa’s development agenda.

2.4.2 Integrated development planning and budgeting

The Local Government Transition Act created the development of the integrated development planning. This means a plan aimed at the integrated development and management of the area of jurisdiction of the municipality concerned, in terms of its powers
and duties, and in terms of the Local Government Transition Act (Act 209 of 1993). It has been made a legal requirement for municipalities to produce an integrated development plan, according to the Municipal Systems Act. The IDP should be regarded as a part of the mainstream planning process of municipalities. Planning at the local authority level was unconcerned and technical.

Plummer (2002:38) writes that “the IDP is the primary tool for local government planning in local strategic and holistic development interventions. It is thus necessary for municipal councils to instigate participatory planning processes with civil society and private sector stakeholders, in order to articulate their short-, medium- and long-term goals. As such, through the IDP, municipalities develop a strategy to achieve their development objectives, including the mobilization of resources and capacity, [together with] the desired approach to service delivery (and partnerships for services)”. 

According to the White Paper on Local Government (1998), “integrated development planning is a process through which a municipality can establish a development plan for the short, medium and long term. The main steps in producing an integrated development plan are: An assessment of the current social, economic and environmental realities in the municipal area, which is the current reality. A determination of community needs through close consultation. In effect, integrated development plans are planning and strategic frameworks to help municipalities fulfil their developmental mandate.

They enable municipalities to align their financial and institutional resources behind agreed policy objectives and programmes. They are a vital tool to ensure the integration of local government activities with other spheres of development planning at provincial, national and international levels – by serving as a basis for communication and interaction”.

According to Geyer (2006), “All the planning in the world will count for nothing, if there is not enough money to pay for it. Not only that; if spending money is not planned (to suit the income) it is unlikely that much will be achieved. Quite apart from the legal requirement to do so, it makes sense to integrate the municipal budget process with other integrated departmental planning. This also helps in the longer-term financial planning required by IDP”.

In terms of Working together for development (2006), the IDP process is a good example of IGR in practice, because the IDP plan is a government-wide expression of development commitments aligned to a number of national and regional objectives. A local IDP is a strategic tool. A credible IDP requires skills and capacity. The ability to manage its implementation at intergovernmental level is a mutual challenge across all the spheres. This is the core of the challenge of co-operative governance; and it finds strategic expression in the work of the IGR forums.
Ideally, municipal IGR and IDP co-ordinators should lead the policy analysis and co-ordination process, to ensure regional and local cohesion. There is a need for performance-evaluation, in order to determine whether the objectives and priorities of the policy, the Constitution and the legislation are met by municipalities through the implementation of the IGR and the IDP”.

2.5 The nature of local economic development

There is an assumption that LED would increase employment opportunities, as well as the local tax, by making the city business climate more attractive to mobile capital. Unemployment is the main contributor to individual and household poverty.

LED strategies have been developed to address this crucial issue. Nel (2001:1005) has defined LED as: “The processes in which local governments or community-based organizations engage to stimulate or maintain business activity and or employment. The principal goal of LED is to stimulate local employment opportunities in sectors that improve the community [by] using existing human, natural and institutional resources”.

Cashdan (2002:168) writes that “municipal LED in South Africa does not rely exclusively on competition for investment. Many retrenched workers have resorted to informal sector survival strategies; and some LED initiatives aim to support these individuals, and to assist the establishment of small and micro-enterprises. Support for the informal sector may be a more promising pro-poor approach to LED, than investment incentives for large firms. However, South Africa’s small business support programmes have made little progress (partly due to reliance on conservative private lenders); and doubts have been raised internationally about the impact of small business support on unemployment; and hence, poverty”.

In terms of the Urban Development Framework (1997:37), “Local economic development contributes to the creation of employment and to an environment conducive to investment. LED approaches are associated with attempts to promote the satisfaction of basic needs to bring about empowerment and to allow for greater local level self-determination. For LED to be successful, the process must include the participation of local, political, community and business actors in the economic and social development of their urban area or region. It must also be built on a common vision for the short, medium and long term; and [it] must identify and emphasize local comparative advantages”.

Good governance is one element for the success of local economic development. It is imperative for local government to form partnerships with other stakeholders, such as the private sector, community-based organizations, non-governmental organizations and local communities. Participation and partnerships are the keys to the success of LED. The relationship of partnership is creating unequal distribution of powers among stakeholders.
Therefore, the community structures need to be well organized, so that they challenge the decisions taken by the local government. One of the requirements for the success of LED is economic environmental and social renewal.

It is argued that municipalities are strategically well-placed to undertake local long-term planning in the area of poverty alleviation, particularly in association with the private sector, NGOs and CBOs. Moreover, it is a function of local governments to generate and manage local projects, whose aims are to address the inequalities between citizens, as well as mediating the public good through good governance (Rogerson, 2003:58).

Abrahams (2006:187-88) states that “local economic development refers to the process of creating wealth through the organized mobilization of human, physical, financial, capital and natural resources in a locality. The aim of local economic development ultimately, is to produce higher standards of living, [to] improve the quality of life, [to] alleviate poverty, [to] create more and better jobs, [to] advance skills, and [to] build capacity for sustained development in the future”.
CHAPTER THREE

The Research Methodology

3.1 Introduction

Research methodology is divided into two distinct categories: qualitative analysis and quantitative analysis. Some researchers are using both methodologies at the same time; and this process is known as mixed methods, or triangulation. Many authors argue that qualitative data are verbal, the methodology is qualitative. Quantitative data are data in the form of numbers (or measurements) – and qualitative data – are data in the form of numbers (most of the time, though not always, this means words) Punch (2000:3).

According to Maxwell (2005:112), “triangulation [entails] collecting information from a diverse range of individuals and settings, using a variety of methods. This strategy reduces the risk of chance associations and of systematic biases, due to a specific method; and it allows [for] a better assessment of the generality of the explanations that one develops”.

Sullivan (2001:20) states that, “... qualitative research basically involves data in the form of words, pictures descriptions or narratives. Quantitative research uses numbers; and it counts and measures things. In most cases, the difference between qualitative and quantitative methods is that “qualitative analysis” captures and discovers meaning, once the researcher becomes immersed in the data. Concepts are in the form of themes, motifs generalization, and taxonomies.

Measures are created in an ad hoc manner and are often specific to the individual setting or researcher. The data are in the form of words from documents observations and transcripts.

The research design is used with the purpose of obtaining answers from the research questions; and the case study is the appropriate design to discover factors about the role of intergovernmental relations, particularly in LED processes. The case study is chosen because the pre-research reading found that there are many types of case study, such as historical case studies, which depend heavily on records, documents and interviews, observational case studies, oral history, situational analysis and clinical case studies.

The research design is seen as the planning structure for the implementation and testing of the mooted hypotheses.

Blaikie (2010:37) cites Kerlinger and Pedhazur wrote, in 1973, that “Research design is the plan, structure and strategy of investigation conceived, so as to obtain answers to research questions and to control variance. The plan is the overall scheme or program of the research. It includes an outline of what the investigator will do – from writing the
hypotheses and their operational implications to the final analysis of the data. The *structure* of the research is more specific. It is the outline, the scheme, the paradigm of the operation of the variables”.

### 3.2 Research design and methodology

It is important, when contemplating research, to consider both the research design and the research methodology.

#### 3.2.1 The research design

There are many research designs that are available to the researchers; for example, the historical study. One of the research designs to be used in the research is a case study design. In designing research, one attempts to understand and grasp the basic logic of a research project. Research design and research methodology are not the same. Research design is a plan or structural framework of how one intends to conduct the research process, so as to solve the research problem and the questions.

Cooper and Schindler (2003:146) define “research design as the plan and structure of investigation, so conceived as to obtain answers to research questions. The plan is the overall scheme or programme of the research. It includes an outline of what [the] investigator will do – from writing [the] hypotheses and their operational implications – to the final analysis of the data”.

A structure is a framework, organization, or configuration of the relations among the variables of a study; a research design expresses both the structure of the research problem and the plan of investigation used to obtain the empirical evidence on the relations of the problem.

Yigidis and Weinbach (1996:89) add that “…a design is a plan for conducting research. It is implemented attempt to find answers to the researcher’s focused questions, and to test the hypothesis or hypotheses that were formulated. The literature review pulls together what is already known about the research problem and the methods that have been used to study it. It, thus, suggests to the researcher what specific research methods and strategies are best suited to conduct an inquiry.

The design of a research study is the response to a series of decisions about how best to answer focused questions and to test [the] hypotheses.

Bless and Smith (2000:63) said that “the case study is an intensive investigation of a single unit. This unit can vary from individual people, families, communities, social groups, organizations and institutions, to events and countries. A case study is a research methodology common in social science. It is based on an in-depth investigation; it researches a phenomenon within its real life context. Case studies should not be confused
with qualitative research; and [they] can be based on any mix of qualitative and quantitative evidence”.

According to Groenewald (1986:44), “The description of the case study indicates that this design may avail itself of a variety of data sources. The study of a community may conceivably include direct observation, interviews, questionnaires and the analysis of official and unofficial documents. Hakim (1987:69) wrote that case studies are useful designs for research on organizations and institutions in (including very small firms) workplaces, schools, trade unions, bureaucracies, studies of best practice, policy implementation and evaluation, industrial relations, management and organizational issues, organizational cultures, processes of change and adaptation, extending to comparative studies of nations, government and multinationals”.

3.2.2 The research methodology

The researcher will use the qualitative method, which is not generalizing and being intensive; but a very detailed study involves the collection of large quantities of data from a small amount of information and settings. There is a difference between the qualitative and quantitative methods. When the data are numerical, the methodology is quantitative. A mixed method consists of a combination of the two, known as triangulation.

According to Henn, Weinstein and Foard (2006:156), “In organizational research, for instance, studies frequently focus on a single agency or a small number of departments or employees within the agency”. The research methodology is chosen because the researcher will conduct an investigation at the Cacadu district Municipality. The main aim of intergovernmental relations is to facilitate the performance of the local government in the area of service delivery.

The perspective on intergovernmental relations is to facilitate and co-ordinate the implementation of policy. Research methodology refers to the methods, techniques, and procedures that are employed in the process of implementing the research design or the research plan.

According to Hakim (1987:27-28), “The great strength of qualitative research is the validity of the data obtained: individuals are interviewed in sufficient detail for the results to be taken as true, correct, complete, and as being a believable report of their views and experiences. Its main weakness is that small numbers of respondents cannot be taken as representative, even if great care is taken to choose a fair cross-section of the type of people who are the subjects of the study.

The other great strength of qualitative research is in the study of motivations and the connections between factors. The question ‘why’ cannot always be asked or answered directly; and it may involve a variety of circumstantial and contextual factors creating links or choices between unrelated matters”.

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Proctor (1997:154) maintained that “qualitative research does not pick out small differences quite as well as does large-scale qualitative research. Nevertheless, qualitative research can detect minor problems that are not apparent in a quantitative study. Another limitation is that qualitative studies do not provide samples that are representative of the target population of the research. In terms of the sort of data produced, small sample sizes and free-flowing discussion can lead qualitative research projects along many different avenues of thoughts”.

Influential or dominant characters within a discussion group can also lead the group off on tangential discussions, or could bias the group’s view. There is also the problem of the discussion leader’s competence. The usefulness of qualitative research depends very much on the skills of the researcher. The qualitative research will be utilized in the study of the population and the sampling, in order to use a sample as a data-collection method.

The selected persons will be interviewed, according to the method that is chosen by the researcher. Samples are frequently used to obtain the true value in a population. For this reason, various types of sampling procedures have been designed.

### 3.3 Population and sampling

#### 3.3.1 Population

Blaikie (2010:172) stated that “a population is an aggregate of all cases that conform to [the] same designated set of criteria. Population elements are single members or units of a population; they can be such things as people, social actions, social situations, events, places, time or things. The researcher is free to define a population in whatever way is considered appropriate to address the research questions. For example a population might be defined as the citizens of a country at a particular city, people of a particular age, all the issues of a newspaper published over a twelve-month period, only the Saturday issues of this newspaper during this period, or only articles in these newspapers that report domestic violence”.

Brynard and Hanekom (1997:43-44) added that “…for the purposes of sampling ‘population’ does not refer to the population of a country, but to objects, subjects, phenomena, cases, events or activities. Consider the following example of “population”: Individual human beings, such as university students; organisations or institutions, such as commercial banks or government departments or universities; social activities or events, such as abduction, robbery or murder; cultural objects, such as television programmes”.

The intention is to interview the LED manager at the CDM, the former portfolio councillor, who is now a director of LED at Cacadu District Municipality, LED managers at the local municipalities within CDM, or LED practitioners of all the nine local municipalities and the sector departments, such as the manager of the department of local government and traditional affairs, as well as the different stakeholders, such as the managers of these
agencies, the Eastern Cape Development Corporation, the Industrial Development Corporation, and other organisations that are directly involved and participate in the IGR structures of the CDM.

The interviewees are selected because are the representative sample of the population. The population is stratified into a number of non-overlapping subpopulation. Stratified random sampling is selected for data collection by interviewing the above mentioned staff within the local economic development unit in the Cacadu District Municipality. The chosen people are homogeneous in terms of the understanding the role of inter-governmental relations in the LED. The interviewees are able to give accurate information, as Local economic development practitioner’s, managers and former portfolio councillor of the LED unit in the Cacadu District Municipality.

Mason (1996:91) states that a relationship is where the sample is representative of a wider population or universe. This usually involves trying to select a sample, which is representative of the total empirical population, which one may wish to study – in the sense that the sample displays characteristics like age, gender, ethnicity, class in a population of people in similar proportions and patterns to the total population – on which you wish to make a generalization. This requires, of course, that the parameters of the total population are known, as are some of the population’s key characteristics, and that these pieces of information constitute a sample frame, from which your sample can be drawn.

The sample will be drawn from the population that has been identified by the researcher, which is the LED unit of CDM and Local municipalities within the district. The qualitative samples are usually small for practical reasons that have to do with the costs, especially in terms of time and money, as well as generating and analysing the qualitative data.

3.3.2 Sampling

Mason (1996:83) has defined sampling and selections, as principles and procedures used to identify, choose, and gain access to relevant units, which will be used for data generation by any method. These units will belong to or relate to a relevant wider population or universe. The principles and procedures can be governed by alternative underlying logics, although the term sampling is very often associated solely with logic, derived from general laws of statistics and probability. According to Bailey (1987:83), “If done with care, sampling can be highly accurate. In addition, the savings in time and money should be obvious. But the sample has certain other advantages as well. Surveying an entire population would take much longer than a sample study, and time is often very important”.

In a survey, unlike an observation or document study, at least theoretically, the research is conducted at a single point in time, so that the opinions of all the respondents are comparable.
Sampling is divided into two categories: probability and non-probability samples. Each probability consists of four elements, such as simple random sampling, systematic sampling, stratified sampling and cluster sampling. Non-probability sampling consists of quota sampling, convenience sampling, snowball sampling and purposive sampling. Under the non-probability sampling, the purposive or judgemental sampling will be used as the main feature for getting information from the respondents.

The stratified random sample is chosen because, allowed the researcher to decide on the number of clients would like to have in the final sample. It has only got 5 persons from each of the smaller groups. The aim of the stratified random sample is to reduce the human bias in the selection of cases. As result the stratified random sample provide with sample that is highly representatives of the population being studied. It is assumed that there is limited missing data.

Punch (2000:209) writes that purposive or judgmental sampling involves selecting elements for the sample that the researcher’s judgments and prior knowledge suggests would best serve the purposes of the study; and would provide the best information. In some investigations, for example, this might take the form of choosing a sample that specifically excludes certain types of people because their presence might confound the research findings.

According to Brynard and Hanekom (1997:43), a sample of a population is used to simplify the research, since– it is easier to study a representative sample of a population than to study the entire population. The time required to study an entire population could be time-consuming, especially if the population is very large, or distributed over a large geographical area.

### 3.4 The research instruments –the interview schedule

According to Mouton (1996:144), “The key validity criterion for data collection is reliability. This is the requirement that the application of a valid measuring instrument to different groups under different sets of circumstance should lead to the same observations”.

Various types of interviews are found. These are unstructured, semi-structured and structured interviewing. Interviews may be conducted with individuals, often called key informants, or with more than one person at a time. The data will be collected through the use of the structured or standardized and unstructured methods, in order to get information. The unstructured interview allows the investigator to use his/her discretion and not to necessarily follow the sequence of the questions, as prepared by the researcher.

This will be done so when the factors that are given by the interviewees and with the purpose of getting more information from the respondents. These are the relevant people to be interviewed in the process of investigation. The questions will be phrased in a chronological order and easily understood. The investigator himself will administer the
interviews. Firstly, there is no funding that is available to pay the fieldworkers. Secondly, this should increase the knowledge of the investigator concerning the field of intergovernmental relations in the process of LED.

Behr (1983:145-6) stated that a structured or standardized interview is one in which the procedure to be followed is determined in advance. An interview schedule is prepared in which the pattern to be followed, the wording of questions and instructions, and the method of coding or categorizing the answers are all fully detailed. The preparation of an interview schedule is an exacting and laborious task, but to a degree it minimizes any errors due to differences in the techniques of different interviewers. In this type of interview, the series of questions to be asked is also prepared beforehand, but the interviewer is permitted to use his discretion and to depart from the set questions, as well as their order of presentation, as the situation demands.

Bailey (1987:174-5) wrote that there are advantages and disadvantages of interviews. The advantages are: flexibility, response rate, non-verbal behaviour, and control over the environment and the question order. Disadvantages are that interview studies can be extremely costly and time-consuming; interviews are often lengthy and may require the interviewer to travel miles. Other disadvantages include: interview bias, no opportunity to consult records, and less standardized question wording.

The questionnaires will be used for getting more information in other spheres of government involved in the process of intergovernmental relations in the planning process of LED, such as the provincial sector department and Nelson Mandela Bay. Certain parts of the questionnaires will be administered by the investigator and distributed through the post to the respondents to fill in. A combination of open-ended and closed questions will be drafted in the same form.

Burns (2000:426) states that a major disadvantage of mailed questionnaires is that the researcher is open to the vagaries of the informant’s interpretation and presentation of reality. This is a problem of the validity; but of course if the informant genuinely perceives events in the way stated, then their behaviour follows as a corollary. The researcher is deprived of an ethnographic context in which the informants in their reported perceptions occur, as they are not ever able to directly observe the informants in their everyday contexts.

Prior to conducting the interviews, the researcher does not know how many sessions are going to be needed, or what their length will be. After the collection of the data, they have to be analysed, since they are in the form of raw material, and need to be analysed, in order to for anyone to understand the meaning of the data.
3.5 Strategies for qualitative data analysis

According to Burns (2000:430), the purpose of analysing the data is to find meaning in the data, and this is done by systematically arranging and presenting the information. The data have to be organized, so that comparisons, contrasts and insights can be made and demonstrated. But the data are categorized – not just to count occurrences. Instead, they are categorized to permit analysis and the comparison of meaning within a category. There are three types of data analysis methods. These methods can be classified according to the number of variables to be analysed and tested. A univariate is where a single variable is being analysed. Univariate methods of analysis include estimation significance testing and trends using one sample test of degree of agreement between the distribution of observed values and the expected frequencies of the ordinal data.

The test is used for analysing before and after situations with nominal data. Therefore, the investigator will use only univariate (one variable) method for the analysis of the data after the collection of the data. The bivariate method is where some association is being measured between two variables simultaneously; while the multivariate method is where simultaneous relationships between three or more variables are being measured.

De Vaus (1986:97) wrote that, "...how we analyse data depends on what we want to know. If we simply wish to describe one characteristic of the sample at a time (e.g. sex, vote, or income level) we will use a univariate (one variable) method of analysis. If we are interested in two variables simultaneously, we will use a bivariate (two variable) method. For example, if we wanted to see if sex and voting preference were related (i.e. Do women vote differently from men?), we would use a bivariate method".

If our research question makes use of three or more variables, we would use a multivariate technique. There are three strategies for qualitative data analysis. These are memos, category strategies and connecting strategies.

According to Maxwell (2005:96), "...it is the data and rearrangement into categories that facilitate the comparisons between things in the same category and that aid in the development of theoretical concepts. Another form of categorizing analysis involves organizing the data into broader themes and issues. A code can be in letters A, B, C etcetera, but numbers are preferred, for example, 1, 2, and 3. Coding can be done twice; as pre-coding is done when designing the questionnaire".

Once the data are entered into the computer, they may be used even for open-ended questions. The software provides a powerful and structured way of managing all these aspects of analysis. At root, a CADQDAS program is a database, although it supports ways of handling text that go well beyond most databases. It enables researchers to keep good records of their hunches, ideas, and searches. Additionally, it analyses and gives access to data so that they can be examined and analysed.
At the same time, it is the responsibility of the investigator to read field notes and tape analyses directly. Graham (2007:106) states that “...in fact, one could argue that the prerequisite of really effective qualitative analysis is efficient, consistent and systematic data management. Such a requirement is an ideal job for a computer”.

3.6 Ethical considerations

As stated by Williams (2006:148), “Ethics are the rules of conduct in research”. Mouton (1996:238) had previously stated that the “...ethics of science concern what is wrong and what is right in the conduct of research”.

Ethics are developed as the codes of conduct to regulate the behaviour of the investigator. The collection of data should not be done at the expense of the interviewees. The investigators must adhere to the ethical principles, such as honour the rights of the participants and the privacy of the informers. The privacy of the participants in the interview process and honesty towards them are very important ethical principles. The purpose of the research project (on completion of the Master’s degree) will be revealed to the informers.

The right of the participants to refuse to participate in the research process should be respected by the study researcher. The devices, such as the tape recorder, for use in the interview, with the purpose of recording the conversation between the study researcher and the participants, can only be used with the express permission of the participants.

According to Henning (2004:73), respondents first need to give their informed consent to participate. This means that they must be fully informed about the research on which the interview is going to be based. They need to know that their privacy and sensitivity will be protected; and also what is going to happen with their information after recording. In a letter of consent, which is pre-drafted by the researcher, the participant gives consent to these and any other ethical issues that may be relevant. This all sounds easy to do, but it does in fact take time to go through all the procedures and to get the approval of the institution or organization in the name of which the inquiry is being conducted.

The consent to proceed needs to be accompanied by a letter, in which the organizations also give their consent.

“Inform consent give information about the research that is relevant to their decisions to assist you and do it in a language they are familiar with (i.e. do not get too technical). Get written consent, and if [the] participants are not competent (e.g. young children), obtain consent by proxy. One consequence of this is that participants have the right to withdraw at any time; and if one is using respondent validation, they have the right to withdraw what they have said too” (Graham, 2007:101).

The purpose of ethics is to avoid any harm coming to the participants, whether physical or psychological. It is easy to identify the physical harm. The desire of the informants to remain
anonymous should be respected. The questions being asked should not be insulting; and they should not be embarrassing to anyone. Walliman (2006:155) writes that “ethical research is aimed at causing no harm, and if possible producing some gain – not only in the wider field – but for the participants in the project. A prediction must be made by the researcher about the potential of the chosen research methods and their outcomes for causing harm or gain”.
Chapter Four
Presentation and Discussion of Findings

4.1 Introduction

The Constitution of the Republic of South Africa has created a new approach to the relations between the three distinctive, interdependent and interrelated spheres of government. The relations between governmental bodies can be classified into three basic categories, namely: intergovernmental, intra-governmental and extra-governmental relations (Adelman & Pisani, 1982, in Hattingh, 1998:19). The intention of this study was to examine the role of intergovernmental relations in the local economic development processes, with specific reference to Cacadu District Municipality. Local economic development offered local government, as well as the private and public sectors, an opportunity to work together to improve the local economic growth. This guided research report, and its field of study was restricted to the local government with specific reference to Cacadu District Municipality.

There were three main policy documents that dealt with local economic development in this country. These were the South African Constitution (1996), Local Government: Municipal Systems Act (2000), and the White Paper on Local Government (1998). However, there were also three legislative bodies, which assisted in the co-operative government affairs. Intergovernmental relations were viewed as being both vertical and horizontal. The White Paper defined intergovernmental relations as the set of multiple formal and informal processes, channels, structures and institutional arrangements for bilateral and multilateral interaction within and between the various spheres of government.

In South Africa, poverty and unemployment have been challenges. Local economic development was seen as one of the ways of decreasing poverty and creating jobs. LED was supporting the creation of businesses and factories within the municipal area. Local economic development should be part of the IDP; and the key stakeholders in a municipality should come together to make decisions concerning economic growth. It was the responsibility of local government to decide on LED strategies.

4.2 The role of intergovernmental relations in the Cacadu District Municipality’s local economic development function

In this regard, the IGRP of Cacadu District Municipality (2008:7) stated that “...in order to comply with legislative requirements and fulfil its obligations in terms of co-operative governance and intergovernmental relations, the Cacadu District Municipality shall participate in the Premier’s Inter-governmental forum and introduce the following internal
structures and systems: An inter-governmental forum, which complies in all respects, with the requirements of the Inter-governmental Relations Framework Act, 2005 (Act 13 of 2005)”.

The Cacadu DM had chosen to mainstream IGR. IGR was viewed as a strategic tool for management. While the office of the Municipal Manager (MM) was responsible for the overall IGR co-ordination, each section 57 manager was responsible for IGR within his/her line department. Consequently, the CDM does not have a dedicated IGR official or post. The functionality and impact of these IGR structures was open to debate.

In terms of the Intergovernmental Relations Policy of Cacadu district Municipality, a number of different forums had been established, each with its own specific terms of reference and objectives.

They fell into two distinct categories:

- The generic overarching forums;
- Sector-specific structures.

4.3 Overarching/generic forums in the Cacadu District Municipality

These were forums and structures that considered the entire range of activities in the Cacadu District Municipality, without a specific focus on LED. These included the Mayor’s, Municipal Manager’s and Chief Executive Officer’s Forums, as well as the District IDP Forum and the related structures.

4.3.1 District Mayor’s Forum

The Cacadu District Mayor’s Forum was established with the purpose of promoting and facilitating intergovernmental relations between the District Municipality and the local municipalities in the Cacadu District. It served as a consultative forum for the district municipality and local municipalities in the district – to discuss and consult with each other on matters of mutual interest, including: adhering to agreed procedures, and avoiding legal proceedings against one another. The CDMF consisted of ten members: the executive Mayor of the Cacadu District Municipality and the Mayors of the nine local municipalities.

It was an intergovernmental forum which complied in all respects with the requirements of the Intergovernmental Relations Framework Act, (Act 13 of 2005).

It was highlighted in the Intergovernmental Relations Policy of the Cacadu District Municipality that intergovernmental structures took decisions that were critical to the effectiveness with which the whole of government could deliver to the public. The CDM had established two technical support structures in terms of section 27(1) of the
Intergovernmental Relations framework Act. These were the Municipal Manager’s Forum and Chief Financial officer’s forum.

4.3.2 The Municipal Manager’s Forum

The Municipal Manager’s Forum (MMF) was composed of the MM of the Cacadu District Municipality and the municipal managers of the nine local municipalities within the CD. The responsibility of the municipal manager’s forum was to determine the agenda for the meetings of the Cacadu District Mayors’ Forum, to provide technical support and advice to the forum, to ensure the implementation of decisions of the forum, and to report on progress with the implementation of district priorities and programmes, as determined by the forum.

Other officials of the relevant municipalities, as well as any other person from the various spheres of government might be called upon to attend the meetings of the MMF when necessary.

4.3.3 The Chief Financial Officer’s Forum

The Chief Financial Officer’s forum (CFOF) was made up of the chief financial officers of the district and of the other nine local municipalities, as well as senior budget and treasury officials for both district local municipalities. Furthermore, other participants: municipal managers at the district and nine local municipalities were serving as ex officio members. Portfolio councillors for finance from the higher to the low levels of the Cacadu District Municipality, the Auditor General, the SALGA, the Department of local government and traditional affairs, provided MFMA implementation, in addition to the Institute of Municipal Finance Officers.

The aim of this forum was to promote best practice regarding financial management, to share information and knowledge, to provide opportunities for training, to introduce new products and services, to promote teamwork and capacity-building programmes and to provide assistance in the implementation of the MFMA.

4.3.4 The IDP Forum

The IDP Forum was important to LED because LED-related issues were discussed during meetings, particularly as they relate to the LED and Tourism programmes and plans. The IDP Forum was, nevertheless, overarching, since it considered the entire spectrum of activities in the CDM, and it was, therefore, placed with the other overarching forums.

The Integrated Development Plan (IDP) represented the framework within which the work of the Municipality would be implemented during a five-year period. It represented the business plan of the Municipality to deliver services according to a set of pre-determined
priorities. The IDP process involved extensive consultation with stakeholders, in order to identify the priorities and to finalise the service delivery plan for the specific five-year period.

For the purpose of consultation on the CDM’s Integrated Development Plan, three structures had been established, all of which were widely representative and included representatives from all spheres of government. These were:

- The steering committee (that guided the process);
- The IDP representative forum (where stakeholders met to consider priorities, strategies and service-delivery options);
- The sector alignment committee (where projects and budget issues were discussed with government sector departments).

Meetings of these structures took place on a regular basis during the IDP process.

4.4 Sector-specific forums

In terms of the Intergovernmental Relations Policy of the Cacadu District Municipality, the following forums had been established for specific purposes within the Cacadu District:

- The Cacadu District Health Authority (CDHA);
- The District HIV/AIDS Council;
- The District-Wide Infrastructure Forum;
- The LED Forum;
- The Tourism Forum.

For the purposes of this study, only those forums that related to LED will be discussed further. While infrastructure was an important component of LED, in the Cacadu District Municipality there appeared to be little interaction and co-ordination between the Infrastructure and the LED-related forums.

4.5 The LED-related forums and IGR structures

There were three major intergovernmental relations structures which existed for local economic development in the Cacadu district municipality. The following forums had been set up within local economic development space. These were the LED Forum, the District Support Team and the Rural Economic Development Initiative, while the Cacadu District Mayor’s Forum supported and endorsed the plans and outcomes of the other IGR structures.
4.5.1 The LED forum

According to IGR Policy (2008:16), this structure was made up of representatives of the Cacadu DM and all nine local municipalities in the area, as well as representatives of the following Provincial/National Government departments: Sport, recreation, Arts and Culture, Land Affairs, Economic Affairs, Housing and Local Government, Trade and Industry, Welfare and Agriculture. It, furthermore, included government agencies, such as the Eastern Cape Development Corporation (ECDC) and Small Enterprise Development Agency (SEDA), as well as private sector organizations, such as Agri-Eastern Cape.

The Chairperson of the LEDF was the portfolio councillor or portfolio head of the department.

This structure interacted four times a year (quarterly); and the LED forum was a platform for information-sharing, cohesion and networking. It was a platform for information-sharing with regard to funding, new projects and legislation which governed the local economic development matters. The focus may have changed over time, depending on the circumstances. Currently, the discussion is about renewable energy as a growing sector.

This structure did not keep minutes, as it was considered to be an informal structure. Therefore, the different representatives from government departments were not asked to take issues back to their principles. The objective was to maintain the local economic development forum as an informal organisation. The LED forum was just a platform for dialogue and was kept informal – to avoid chasing people away from the structure.

The main intention of the forum was to create a platform for information-sharing with regard to locally managed local economic development programmes and projects. Such issues might have included feedback on progress on projects initiated by the District and the local municipalities, to share and document best practices in terms of local economic development, to source best-practice case studies on specific issues pertaining to co-ordinated local economic development planning and the implementation of local economic development projects.

Where possible, the forum would invite role players involved in these best-practice cases to present their experiences and to give their advice.

The LED forum had several other objectives:

- To create a platform for information-sharing on relevant national, provincial and local government local economic development issues.

- To create a platform for sharing by strategic funders, e.g. DBSA, ECDC and commercial banks to district and local municipalities, as well as any other key stakeholders.
- To provide space for constant engagement between social partners in the growth and economic development of the district for the purpose of promoting integrated conceptualisation, planning and the implementation of local economic development projects.

- To encourage positive dialogue between the private and public sectors in the district for the purpose of promoting integrated conceptualisation, planning and the implementation of local economic development projects.

The Local Economic Development forum was regarded as a knowledge-sharing platform for both state and non-state actors.

The two other LED-related IGR structures, namely: the District Support Team (DST) and the Rural Economic Development Initiative (REDI) were operational institutions at the district level. They were the ones which provided value to what local economic development forums could achieve, and how best to take those kinds of activities that emanated from the LED forum, and to make them work. They were in fact operational and service models for delivery on local economic development through the district support team.

4.5.2 The Tourism Forum

Tourism is an aspect of local economic development, but a separate forum has been established to consider tourism issues in the District.

The tourism forum is composed of the following organisations, as members:

- The Cacadu District Municipality
- The Eastern Cape Tourism Board
- The Cacadu Regional Tourism Organisation
- The Nelson Mandela Bay Tourism
- SATSA
- The Development Bank of Southern Africa
- The Department of Economic Affairs, Environment and Tourism

The forum had as its objective the promotion of tourism in the District.

While the LED was integrated with the entire body of forums, the District Support Team interfaced with the District and Local Municipalities and the IGR sector departments.
4.5.3 The District Support Team

Thina Sinako was the convener of the district support team and was responsible for the rolling out of capacities. This was a critical agency within the LED facilitation, support and management system. The DST was an operational structure to the LED forum. The DST was also an operational institution for stakeholders’ engagement. It served as a platform for sharing among all the LED practitioners and the key role players. This platform addressed all the successes and challenges faced by the municipalities and sector departments and how they could jointly work together for better LED practices.

The monthly DST meetings dealt with matters of strategy, as well as keeping track of the programmes, projects and other activities underway. The modus operandi and scope of the work would be gradually developed, as the experiences of the DST evolved.

The DST’s task mainly centred on planning facilitation and support, implementation support and communication; and it involved the following:

- Joint strategic planning and programme development activities by the DST were identified in the plan agreed upon for this effort by partner institutions, as well as warranted by other pertinent strategic concerns that arose in the course of this shared task.

- Participation in provincial level meetings was concerned with local development planning, especially by officers from Provincial Departments and the ECDC.

- To support District and Local Municipalities with the development, review of their LED strategies and plans and Economic Growth and Development Strategies, as inputs into their Integrated Development Plans (IDP) and other longer-term strategic planning processes.

- This was where a deeper skill for co-ordination and technical facilitation should lie, to provide technical support and LED action orientation to the existing inter-governmental relations, as well as guidance and mentoring to development agents at the local municipality and at community levels.

The overall role of the DST was to increase the number of success stories in LED in the district and the need to analyse these success stories and create linkages between the local municipalities. The Cacadu DST was essentially meant to better organise government’s LED support efforts and to go beyond the knowledge-sharing dimension, and to retain a much-needed action orientation. In this way it would enhance the LED forum by facilitating combined planning and better co-ordination of inter-governmental programmes and projects. It was also in a strategic position to continuously propose critical learning areas, as well as to facilitate practice-based reflection and dialogue, and to support exercises
informed by lessons from its evolving experience in LED facilitation and support, which would further concretise the LEDF sharing process.

The DST was made up of the officials of the nine local municipalities within the Cacadu District Municipality, and by other stakeholders who would be increased if required.

A key aim of the DST was to understand the role that each sector department and local municipality was mandated to play. Through the inter-governmental relations there was no more ‘double-dipping’ of the same projects by different departments, and no duplication applications of funding for projects. Furthermore, the monitoring and evaluation of these projects was facilitated via the DST.

This was a platform for addressing and sharing various issues and co-ordinated efforts, for example, challenges on the ground, the skills needed to overcome, and the successes, as well as each municipality learning how best to practise LED.

The various members of the District Support Teams should be skilled in both generic technical facilitation and support skills, as well as those skills specific to their departmental mandates, all integrated to provide a comprehensive technical response to local development needs. Additional capacity development interventions would be rolled out by Thina Sinako, the District Municipality, and, where appropriate, by other state and non-state actors, including tertiary institutions, to further deepen the existing skills base.

In a nutshell, this institutional structure aimed to achieve enhanced integration and improved efficiency of the LED mechanisms that provided platforms for consultation, support planning, implementation, as well as monitoring and evaluation processes within municipalities.

4.5.3.1 The Objectives of the District Support Team

The following objectives have been identified for the District Support Team:

- To enhance the consistency and integration of government technical support for LED in the district.

- To strengthen the Integrated Development Plans and LED strategies developed at district and local municipal level, and to anchor provincial government participation in the implementation of those plans and strategies.

- To inform a strengthening of the development of an integrated provincial LED support system, inclusive of policy, institutional arrangements and resource allocations, within which district and local support could be rendered.
• To improve the quality of programmatic LED interventions at district and local municipal level, inclusive of planning, access to financial support, implementation and sustainability, as well as any monitoring and evaluation arrangements.

• Within an evolving integrated provincial LED support system, also to strengthen the effectiveness of the technical support provided by provincial government departments and entities.

• To improve the accountability of individual and joint entities working at and providing support to economic development both at district and local level.

• To enable the regular sharing of programme implementation information, joint planning and a more effective articulation of support for local initiatives, and to mobilize and co-ordinate the public sector support for LED in the local municipalities. There was a strong need for enhancement and the capacitating of institutions, as well as for LED facilitators.

• To host the learning experience and tool developed by ThinaSinako over the previous years.

• To drive a proper process of LED project generation and to bring in Local Action Teams into the LED process.

4.5.3.2 Membership to the District Support Team

The Cacadu DST had resolved to adopt a two-tier system of membership, which meant the core members and extended membership.

The core members were the Cacadu District Municipality, all nine Local Municipalities in the district, the Blue Crane Route Development Agency, the Kouga Development Agency, the Department of Local Government and Traditional Affairs, the Department of Economic Development and Environmental Affairs, the Eastern Cape Development Corporation, the Department of Agriculture and Rural Development, and also the Department of Social Development. Nominated representatives from Local Municipalities would also participate in DSTs to ensure that they remained grounded in local realities and that their strategic responses and tasks remained sufficiently responsive to such realities.

Extended membership included the Council for Science and Industrial Research (CSIR), the Small Enterprise Development Agency (SEDA), the Department of Land Affairs, the Eastern Cape Tourism Board and the Development Bank of Southern Africa.

The core members led the action planning process and were best positioned to dictate the pace of its implementation. This had already led to the packaging of two DST-related Local Government Support Funds (LGSFs) whose main aim was to assist municipalities in improving their capacity to stimulate, facilitate and support local economic development and projects which were now being rolled out – with the Cacadu District Municipality being
the lead beneficiary and driver. The funding was coming from the Eastern Cape Provincial Government and the European Commission as funding partner. They would also render additional support to the DM to better effect its role as convenor, and its secretarial responsibilities.

The extended membership would add value in programme and project-sharing and additional strategic assistance, when deemed necessary. This membership composition was not static; and it would be refined through experiences that would be emerging from the evolution of the DST.

In addition to promoting the effectiveness of collaboration and the accountability of its members, the DST would support the emergence of Local Action Teams and community-based development facilitators to carry out similar tasks at local municipal and community levels. It would also facilitate the accessing and application of technical support and financial resources from provincial government departments and agencies, as well as national agencies, private and civil society support agents and funders. The Department of Local Government and Traditional Affairs and the Department of Economic Development and Environmental Affairs were given the role of these entities in leading co-ordination between the spheres of government across provincial to local level, and within this, leading LED facilitation and support in particular.

The DLGTA and DEDEA would actively engage within all the relevant provincial structures, including the Economic Growth and Infrastructure cluster and Cabinet Committee, to promote a greater awareness of, and support for the DSTs as key components of the integrated LED support system of the province. There was another structure in the partnership between the Cacadu District Municipality and the Development Bank of Southern Africa, which was called the Rural Economic Development Initiative.

4.5.4 The Rural Economic Development Initiative

There was a partnership between the Cacadu District Municipality and the Development Bank of Southern Africa, and other major stakeholder in the region, which resulted in the formation of the Rural Economic Development Initiative (REDI). The Cacadu District Municipality was one of three pilots REDIs, situated in the country, together with Ugu District Municipality in Kwa-Zulu Natal and The Waterkloof Local Municipality in the Western Cape, all distinct in character and economic potential.

This structure was set up three years ago. An initial two-year partnership agreement was signed in July 2009 between the CDM and the DBSA. The idea was to build a strong strategic relationship between the municipality, and the local and regional stakeholders. This was aimed at catalysing an economic turn-around.
The primary driver of the rural economic development initiative was the Development Bank of Southern Africa, which initiated the programme and was the primary initial funder. The DBSA called quarterly meetings.

The Rural Economic Development Initiative was composed of the private sector, including the Agri-Eastern Cape, universities, chambers of business, the DBSA and the Cacadu District Municipality. It did not automatically include all nine local municipalities, but only those local municipalities that participated in a specific project that based in its area.

The generation of new programme and project concepts, in collaboration with key stakeholders, and the forging of new partnerships, remained of paramount importance to the programme.

The aim of the REDI was to assist the District Municipality to conceptualise and plan, to design and catalyse initiatives. The DM was trying to elevate local economic development to another level by looking at medium to long-term initiatives. Unfortunately, the LED was not about poverty alleviation initiatives alone, and it had to look at sustainable economic development. The CDM had to achieve those short-term initiatives which were: poverty alleviation and economic development initiatives. The District Municipality should simultaneously attempt to alleviate those activities that identified catalyst interventions which talked to medium-term and to long-term planning.

Consequently, the REDI was looking at macro-level interventions around local economic development space; while local economic development constitutes and concentrates on micro-development services in terms of small and medium-sized initiatives.

The REDI had both an overall, and several specific, objectives.

The overall objective was:

- Identifying and unlocking economic potential in the region aimed at catalysing economic turnaround.

The specific objectives were:

- Building strong, strategic relationships.
- Sustaining economic development interventions.
- Employment creation.
- The beneficiation of natural resources.

There were seven focus areas:

1. Agri-innovation;
2. Agro-processing;
3. Aquaculture;
4. Natural Fibre Clusters;
5. Agro-tourism;
6. Environmental restoration; and
7. Renewable energy.

The Rural Economic Development Initiative’s Programme Steering Committee constituted ten members, comprised of seven core members and three additional members that were included when required.

Agri-Eastern Cape, the Cacadu District Municipality, the Nelson Mandela Bay Municipality, the CSIR (Centre for Scientific and Industrial Research), the Nelson Mandela Metropolitan University, the Eastern Cape Development Corporation and the Development Bank of Southern Africa were the core members of the Project Steering Committee (PSC) in the REDI. The Blue Crane Development Agency, the Afrikaanse Handelsinstituut and the Department of Economic Development and Environment Affairs were co-opted for strategic input when required.

The Project Steering Committee met quarterly. The responsibility of the REDI PSC was to approve project-closing reports submitted to it.

The REDI managed to achieve some successes through IGR. Examples over a two-year period included the completion of a renewable energy policy allocation, the completion of the energy rapid assessment and audit, the nature-reserved rapid assessment and the socio-economic assessment of the district. A report was been completed on the agro-processing niche market that identified ten potential projects in the agricultural sector. The district municipality funded an aquaculture project and a natural fibre project.

The CDM was moving towards the implementation of ten agro-processing initiatives; and it was playing a critical role in the renewable energy initiatives in the province.

It was difficult at this stage to assess the bottlenecks among the government structures in the REDI and to determine whether the REDIs had delivered according to expectations, because the appraisal report had not yet finalised.

4.5.5 Project management teams

Project management teams (PMTs) were an institutional arrangement that was supposed to deliver on a specific mandate. Teams suggested diversity of expectations for the development of business plans, the monitoring and management of projects. Project
management was set up to deliver on specific problem statements, or to deliver a certain challenge. It was set up by a need that had been identified; or the opportunities identified in this case, could be job creation, disaster management, and the need to address social issues. It was set up for specific objectives. The terms of reference were developed during the establishment of PMTs for that specific aim.

4.6 The role of IGR in developing and implementation of the CDMs LED strategy

During the Cacadu District Municipality 2005/06 Integrated Development Plan review process, it became increasingly apparent that the district, as a whole, needed an integrated approach towards economic development. The district was moving away from planning for isolated local economic development projects. In the past, these projects had been designed in the absence of a common district-wide economic framework. Therefore, it was critical to the economic development of the district that a district-wide economic development framework be developed to co-ordinate and integrates all the current and future economic development initiatives.

This new broader view was then the preferred approach to sustainable job creation and poverty reduction in the district, as it promoted economic linkages and spin-offs. There was consensus amongst the district’s various stakeholders that a district-wide Economic Growth and Development Strategy, coordinated by Cacadu District Municipality, was critical if the district as a whole were to rise to the challenge of addressing the various developmental issues in the region. It was also becoming clear that the district municipality must play an active role in promoting economic development within the district.

In 2006, the Cacadu District Municipality adopted its Economic Growth and Development Strategy. The Economic Growth and Development Strategy (EGDS) included the objectives, pillars, related projects, institutional arrangements and the monitoring and evaluation framework.

Since its initiation, the LED strategy had been implemented by the different government role players through their specific mandates. Government stakeholders were influencing the implementation of the LED strategy and strived to avoid duplication of projects. Through the IGR activities, the CDM managed to identify projects that could be implemented within the capacity and means of CDM. These included a land audit, an economic intelligence system project and ten agro-process projects.

The EGDS is currently (2011) being reviewed. This review should refine the long-term growth and development strategy for the District, and should be based in part on the input and commitment of the local municipalities and the economic stakeholders.

The review of the EGDS is taking place within the District Support Team, where sector departments and agencies are participating. The REDI is participating in the process of the review of the CDMs EGDS. There is now an important IGR input to this process.
It is imperative for the LED stakeholders, and particularly the different spheres of government, to play a role from the start of the planning process.

4.7 The role of a District Municipality in supporting Local Municipalities with LED-related planning and implementation

The role of a District Municipality is to provide strategic support to its local municipalities. The District Municipality has adopted a developmental facilitation role to support local municipalities, and also to assist them in implementing LED initiatives. Development facilitation is a process in which the DM works with local municipalities and stakeholders to identify LED opportunities. It is a process of capacitating local municipalities, in order to become implementing agents of such initiatives.

Each institution has its specific legislative mandate. The Small Enterprise Development Agency, for example, has to deliver on its mandate to promote and strengthen small and medium-sized enterprises. The Department of Agriculture provides technical support to all the agriculture projects, which includes technical support and the mentoring of farmers and beneficiaries, as well as funding for emerging farmers. It also assists in the identification of economic opportunities in the agriculture sector.

A District Municipality has a key performance area with respect to LED, key performance number three, which is further strengthened by performance management of the eleven key outcomes of the presidency office: outcomes five, seven, eleven and twelve. Those are the outcomes that define the role of the local municipality and the district municipality. The responsibility and role of DM is not to implement projects, but rather to facilitate development. The duty of a district municipality is to work together with the stakeholders jointly. It may, for example, need to assist a local Municipality to apply for funding when a need arises.

By adopting a development facilitation role, the CDM is at the centre of co-ordination of the efforts of all the stakeholders to promote LED. The responsibility of the CDM is to facilitate the contributions by the LED stakeholders, particularly the other spheres of government, to promote economic development throughout the district. It is the duty of the CDM to co-ordinate and to facilitate the contributions of the sector departments, in order to maximise their impact, as well as to monitor, evaluate and to measure their performance, according to their legislative mandate.

Local municipalities in the Cacadu district benefited from inter-governmental interaction in LED. Examples of these are the implementation of craft enterprises, aquaculture, a pineapple initiative; and currently, the finalising the establishment of local tourism organisations in the district.

The co-ordination efforts of the CDM to support Local Municipalities takes place initially during the IDP processes, at the IDP forum, the Mayor’s forum and the Municipal Manager’s
forum. LED is specifically addressed at the LED forum, as well as through the other LED-related IGR structures.

The District Economic Growth and Development Strategy, which is currently under review, is a strategy for the district as a whole. The District Support Team is one of the initiatives that came out of the recommendations of the EGDS. This is one of the ways in which the CDM supports LED initiatives in Local Municipalities.

**4.8 Challenges with respect to inter-governmental co-operation in LED**

The various forums and IGR structures in the Cacadu District Municipality have met with some successes, but they also continue to face various challenges.

In general, private sector participation remains a challenge. Engagement with organised business has not been very successful. Black-owned businesses are not well organised, or do not participate in the established businesses chambers. All of this results in unsatisfactory engagement with the private business sector on issues that relate to LED.

Co-ordination and alignment among the three spheres of government in the IGR structures remains a challenge. The challenge lies particularly in understanding their different scopes of authority, and the extent and limits of assistance that they are supposed to offer to local government. The roles of many sector departments are not fully understood by some LED role-players.

Another challenge is a common institutional understanding of LED by all parties. Many of the stakeholders and individuals understand LED differently. In areas with high levels of poverty, LED is generally understood to refer to poverty alleviation only.

The delivery mechanisms for LED are also not clearly understood. There is currently no uniform approach, as this alignment has not yet been achieved. There is no consensus of LED practice which affects the total quality management practice of LED. The Thina Sinako programme is bringing the uniformity of LED practices to all parties. Ultimately, there remains a lack of capacity in the municipalities. There is no dedicated training on LED at tertiary level, so that new appointments often comprise inexperienced staff. Throughout the area of the District Municipality, the challenge is capacity-building of municipal officials, to better implement the core functions of a municipality.

In the smaller municipalities one official is frequently expected to handle several functions, not only LED.

There are still local municipalities within the Cacadu district without local economic development forums. Others do have LED forums, but no terms of references to guide the work of the forum. Without a well-established structure, clear terms of reference and a well thought-out programme, the forums are unlikely to draw LED stakeholders; and the public participation process will remain flawed.
There is also a perception that the CDM does not support those municipalities that are far away from the centre, such as the Bavians municipality. Bavians has a high level of poverty; yet, at the time of the research, there was only a single operational project (a tourism project) in the area of the Bavians municipality.

Concern has been expressed over the performance of the Mayor’s Forum. This is not an operational structure, but a consultative forum. The mandate is that the mayor’s forum should meet quarterly. The respondents are not happy with the Mayor’s forum, particularly since it held its last meeting a year ago. This year the Mayor’s forum failed to meet because of the lack of quorum, which may be interpreted as a lack of interest and commitment.

Apathy among LED stakeholders should be addressed. There is a need to have interesting issues to encourage participants to attend meetings of a forum or structure. This year, issues, such as renewable energy, fracking, the one-hundred billion rand government job fund, and others are the topics that are likely to draw participants to meetings. High-profile speakers, such as the MEC or Minister for Agriculture, would encourage farmers’ associations to attend meetings. Therefore, the trick in sustaining and keeping everybody interested in the forum is how to structure one’s topic, bearing in mind that the private sector does not have time to engage in time-wasting dialogue.

In the Cacadu District Municipality, the LED manager is happy with the composition of the District Support Team, but not of the LED forum; and the composition of this forum may need to be revisited. Finally, research and planning are long-term processes. It is unfortunate that politicians want to see quick results; and this long-term process of research and planning tends to frustrate them. Politicians want to be seen to achieve results; and they see the implementation of LED projects in the short term only.

This influences the LED practice by focusing on short-term planning, which is a shortfall in the LED system of Cacadu District Municipality. Late notification by Province of meetings and their expectation that the DM should make personnel available to attend such meetings on short notice does not assist matters.

4.9 Case study: Camdeboo Satellite Aquaculture Project

The purpose of this case study is to illustrate the impact of inter-governmental co-operation in the Cacadu District Municipality. The Camdeboo Satellite Aquaculture project (CSAP) is located in the Camdeboo Municipality in the north of the Cacadu district. It is part of the Graaff-Reinet small-town regeneration partnership. The initiative comprises the establishment of a freshwater fish facility and associated processing plant.

This project was initiated by the Blue Karoo Trust (BKT). The design of the project took place between November 2007 and June 2008. The BKT is the umbrella body under which five separate legal entities joined forces to develop and implement the CSAP. The five legal entities were: the Camdeboo Aquaculture Trust (CAT) and its role were conceptualisation
and design of the CSAP. CAT is to initiate planning, executing, monitoring, controlling, closing and evaluating each phase of the CSAP, and the project as whole.

The Ter Morshuizen Trust is responsible for all aquaculture training and mentorship. Camdeboo Women Trust (CWT) is to co-ordinate the local business networking with public, private and community, in order to develop commercially viable and sustainable projects, such as CSAP. The Sondelani Trust would provide trained labour to the CSAP. Light Attorneys would provide invaluable legal guidance throughout.

A decision was taken to develop the product and ensure its marketability prior to implementing the initiative. Financial support came from the IDC, the DBSA and Cacadu REDI. The market acceptance survey was funded by the ECDC and the UK Department of Environment Food and Rural Affairs, with financial support coming from Thina Sinako (a joint venture between the European Union and Eastern Cape Provincial Treasury). The CSAP was funded through the REDI programme.

There was the potential to co-fund the development of a business plan for the processing of freshwater fish in the district. The core project was to be co-funded by the IDC. The CDM was providing LED support to the CSAP. The implementation phase 1 of the CSAP was to be funded by the Department of Agriculture Forestry and Fisheries from National and Provincial level. The project thus had a high level of support at local, provincial and national government levels, as well as from the private sector.

Various partners from the different spheres of government had played a part in getting this initiative off the ground. The business plan for the project had been developed and approved by the REDI PSC. The business plan initially considered the feasibility of two options for processing and canning freshwater fish, namely: the utilisation of an existing facility or the construction of a new one, preferably in the Cacadu District. The latter option was selected; and the facility is now located in Graaff-Reinet.

It was the responsibility of the REDI PSC to extend the contract of the service providers responsible for the agro-processing study, and to include this business plan. In addition, the business plan would identify an appropriate business model. There were five options which were presented to the CSAP PSC in August 2011. Those options were ranked by the PSC in terms of suitability; and the business plan would proceed in terms of the ranked options.

A service provider has now been appointed to conduct a marketing survey and for the training of the beneficiaries.

The survey results showed that small fish were marginally better received by the market and fared well against the competitor (i.e. pilchards). The small catfish are the most suitable fish to farm. The beneficiaries are rural women. Twenty women will participate in the pilot project. These women are undergoing an extensive 18-month training programme in preparation for the pilot commercialisation phase. The first 20 beneficiaries were illiterate;
and as a result, the training was provided and started from ABET Level One. The Cape Peninsula University of Technology has a tourism component which empowered the women in canning freshwater fish; and Stellenbosch University provided the technical support for the project.

The objective of the initiative was commercially viable fish production through the establishment of aquaculture clusters, each consisting of a central management farm and a network of satellite farming systems. Each aquaculture cluster is designed to produce 1.166 tons of fish per month, and to provide employment to 500 people: primarily rural women.

The freshwater fish produced would be canned, in order to add value to the fresh fish. The fish would be sold at an affordable price. There was a growing gap, which was caused by the reduction of annual marine pilchard quotas. Aquaculture would develop products to replace the shortage of the pilchards caught; and this would be done by using freshwater fish.

This project was intended to address the protein shortage in South Africa, through the development of aquaculture, as an alternative rural development strategy. It had the potential to create jobs for rural women linked to the development of sustainable emerging farmers. Such an innovative project in an area renowned for stock farming could succeed only through the collaboration of various spheres of government.

4.10 Conclusion

Inter-governmental relations are still in their infancy; and much needs to be done to ensure that IGR contributes to the overall aim of economic development at local level. The CDM has an IGR policy in place; and a wide range of intergovernmental structures are in place. The impacts of the various forums and structures that relate directly to LED are, unfortunately, not consistent.

It appears that the LED forum is not contributing as much as was expected to economic development in the district. This may be because it is an informal structure with few guidelines against which progress could be measured.

By contrast, the other LED-related IGR structures, such as the Regional Economic Development Initiative and the District Support Team, have made real contributions in implementing viable LED initiatives, such as the Camdeboo aquaculture project.

The case study indicates that collaboration among various spheres of government has contributed to the successful implementation of an aquaculture initiative in the Camdeboo Municipality.
Chapter Five

Conclusion and policy recommendations

5.1 Introduction

In the previous chapter, the results and findings of the data collected in this study were reported. The research was based on looking at the role of inter-governmental relations in the local economic development processes of the Cacadu District Municipality. The primary aim of the research was to examine the role of inter-governmental relations in the local economic development processes of the Cacadu District Municipality. The main research question was whether inter-governmental relations have facilitated the performance of the local economic development with specific reference to the Cacadu District Municipality.

A number of objectives were set:

- To assess IGR in the Cacadu District Municipality;
- To examine the establishment of the intergovernmental structures, such as the LED forums and how these structures function;
- To examine whether all the relevant key stakeholders, particularly from the three spheres of government, have participated in the IGR structures;
- To identify and analyse the key features of LED, and to assess how efficient and effective inter-governmental relations in the district municipality have been implementing LED strategy;
- To assess and evaluate the role of inter-governmental relations in the performance of the local sphere of government in regard to local economic development in the Cacadu District.

In this concluding chapter, the results reported in the previous chapter will be discussed briefly—in terms of the identified aim and the objectives of the study. Recommendations will be suggested for future research. Lastly, the limitations of the study will be discussed and concluding remarks will be made.

In terms of the setting of the research, the researcher is in agreement that it is not advisable to conduct a research in the backyard within your institution and among friends or colleagues, unless that is action research.

5.2 The Main findings

The primary aim of this study was to examine the role of inter-governmental relations in the local economic development processes and to evaluate the effectiveness of inter-governmental relations in developing and implementing the LED strategy. The research has
indicated that IGR had in fact played a role and made a positive contribution to LED in the District and, those government departments and public entities appear to be committed to IGR to promote LED. The CDM’s LED strategy has been implemented, in collaboration with the different government role players through their specific mandate.

During the examination of the role of IGR in the CDM, the finding was that an IGR policy was in place, and that a wide range of IGR structures and forums had been established.

The findings are consistent with the findings of a study that was done by the Department of Local Government and Traditional Affairs (2009), which reported that the Cacadu District Municipality did have an IGR policy document in place. The policy outlined the intergovernmental systems and structures that needed to be established in the district; and to date, a range of these have been established, such as the Cacadu District Mayors’ forum, the Municipal Manager’s forum, the District Communications forum, the District IDP forum, the District Infrastructure forum, the LED forum, the AIDS Council and the District Health Committee.

It was recorded that meeting agendas were strategic in nature and that meetings were being attended by the mandated representatives.

The intergovernmental forums sought to bring together all the role players, and particularly the different spheres of government, according to the mandate of the intergovernmental relations system.

- The LED Forum
- The District Support team
- The Rural Economic Development Initiative

All three IGR forums included representatives from relevant government departments, such as the Department of Local Government and Traditional Affairs, the DEDEA, the DLA, the DBSA, and public entities, the CSIR, the SEDA, and the ECDC. The participation of these entities in the work of the LED structures was considered to be satisfactory.

The CDM had moved away from planning for isolated local economic development projects. The different stakeholders were participating in LED EGDS planning from the start. The role of the CDM was to provide strategic support to its local municipalities. The Camdeboo case study was a good example of such a successful local project that was proceeding with the support of a range of government entities, such the Cacadu District Municipality, the Department of Agriculture, Forestry and Fisheries, at the National and Provincial level, the Development Bank of Southern Africa, the Eastern Cape Development Corporation, the Industrial Development Corporation and the UK department of Environment, Food and Rural Affairs.
The LED forum is an informal structure that acts as a platform for information sharing and networking among the LED stakeholders. The LED forum encompasses the nine local municipalities, other LED practitioners and private sector organizations, like Agri-Eastern Cape, and agencies, such as the Eastern Cape Development Corporation and SEDA.

There are two major structures which are operational and attempt to make local economic development work. This is where the co-ordination of LED planning and the implementation of projects take place. These are the District Support Team and the Rural Economic Development Initiative.

The Department of Local Government and Traditional Affairs (2009) adds that: “Due to the fact that the DM has no dedicated IGR personnel, the constant demands made on it by province to attend IGR meetings cannot always be met. A proliferation of workshops and meetings would not assist in capacity building. There should rather be more co-ordination between the IDPs of the DM and the province, and more active participation by provincial officials in the compilation of the District and local municipality IDPs to bring about better co-ordination between the three spheres of government”.

5.3 Practical implications and policy recommendation for future research

The case study in Chapter Four has illustrated the effective role of IGR in the LED. While the CDM is moving away from a project approach to local economic development, this study has indicated that a District Municipality can play a role in supporting local municipalities by enhancing the co-ordination of planning and financial support. The collaborative efforts could be further enhanced by the participation of both government sector departments, as well as public entities. In the case of the Camdeboo aquaculture initiative, the government entities that participated included the Department of Agriculture, Forestry and Fisheries, ECDC, DBSA, IDC, CDM, CLM and UK DEFRA.

The findings of this study have showed that the challenge is a common understanding – not only of LED, but also an understanding of the roles and responsibilities and the limits of assistance by the different spheres of government, the different sector departments and agencies. Therefore, there is a need to include in the terms of reference of the different IGR structures the clear role of the various government departments and the public entities, regardless of their legislative mandates.

There be should be stakeholder training, in order to overcome the different views of LED. The District Municipality could play a role by working with the local municipalities to organise workshops on local economic development matters, and to make sure that the LED officers, politicians and other LED stakeholders distinguish between poverty alleviation and LED projects. For example, the Department of Social Development is assisting municipalities within CDM with funding on poverty alleviation projects, while the Department of Economic Development, Environmental Affairs and Tourism support LED initiatives.
The CDM should further play a role to ensure that effective LED forums are established in each of the nine local municipalities, as these are the key IGR structures at local level. Dedicated IGR personnel should be appointed in the District Municipality.

5.4 The limitations of the study

There were a number of limitations to this study.

One of the major limitations was that the role of IGR in local economic development processes has not been well researched.

Another major limitation was the poor response from line managers and LED coordinators in the local municipalities.

When the identified officials did not respond, by returning the survey questionnaire sent to them, the researcher tried to conduct telephone interviews; but even this was in vain, as everyone claimed to be too busy. It is possible that municipal officials are simply not interested in participating in surveys, and do not understand why such surveys are important. Another possibility is that officials are truly overburdened with work, and have to prioritise their time. Answering questionnaires from university students may not be high on their list of priorities.

The intention was to collect information and the opinions on IGR from the District and the Local Municipalities, as well as the relevant government departments and public entities. Because of poor cooperation, the survey was finally confined mainly to a few officials in the Cacadu District Municipality, one of which was previously the portfolio councillor for LED. Also, only two local municipalities participated in this survey, through LED officers and interviewing the advisor programme co-ordinator from Thina Sinako.

The only three other respondents were the local representatives of the DBSA, who generously supplied information on the REDI, and administrator of BKT, who supplied information on the CSAP. In addition, the LGTA has also generously supplied information on the IGR AUDIT Eastern Cape: District and Metro Municipalities.

5.5 Conclusion

The student considers that he has succeeded in answering the research question and responded to the aim and objectives that were set for this study.

The primary aim of this study was to examine the role of inter-governmental relations in the local economic development processes of the Cacadu District Municipality. The findings of the study have proved that the IGR policy is in place, and that IGR structures have been established by the CDM, with three specifically devoted to LED. The findings of this study are supported by the IGR Audit report that was conducted in 2009 by the DLGTA.
It is evident that the role of inter-governmental relations in the local economic development processes is being effectively implemented through the various IGR structures, particularly through the Rural Economic Development Initiative and the District Support Team. The findings of this study have revealed that the more traditional structure, namely the District LED forum, is simply a platform for information sharing.

The case study indicated the effectiveness of IGR in implementing an innovative and viable LED initiative at the level of a local municipality. It appeared that the Cacadu District Municipality has succeeded in using IGR to support LED in at least some of the local municipalities within its area of jurisdiction. Despite these successes, there remain several issues around IGR in the District Municipality that need further attention. These findings reiterate the need for capacity building among both government and non-government stakeholders, in order to achieve a common understanding of LED and clarity on the role of government departments and entities, as well as IGR, in the district LED processes.
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Annexure A

Questionnaire survey

THE ROLE OF INTER-GOVERNMENTAL RELATIONS IN THE CACADU DM’S LED PROCESSES

Interview with the LED Manager of the Cacadu District Municipality

Thank you for agreeing to this interview that relates to the roles and extent of inter-governmental relations in the Cacadu DM’s LED service delivery.

You have been identified as the primary source of information for this purpose. I may need to interview other government role players, but only if necessary. I may also ask you for copies of documents, such as the most recent Annual Report, if this is available.

I would like to ask you a range of questions under the following headings:

1. I need to understand the Cacadu DM’s formal IGR structures, which include the LED Forum;

2. I need information on other LED structures at the CDM that include the government’s role players;

3. I would like to understand the role of IGR in the Distract Management Areas (DMAs);

4. In conclusion, I need to understand the role of IGR in developing and implementing the CDM’s LED Strategy.

1. Understanding Cacadu DM’s formal IGR structures

1.1 What IGR structures exist for LED in the CDM, such as a LED Forum or a Tourism Forum?

1.2 Which government sector departments, public entities (parastatals) and local municipalities serve these LED structures? It would be easier if you could give me a list of these government LED role players.

1.3 Are there any Terms of Reference for these LED IGR structures?

1.4 If ‘Yes’, could you give me a copy of these Terms of Reference?

1.5 Are the roles and responsibilities of each sphere of government in the LED Tourism Forums clearly outlined in the Terms of Reference?

1.6 If ‘No’, how would the government role players know what is expected of them as members of these IGR Forums?
1.7 How often do the forums meet? Regularly (e.g. once every three months), or only when issues arise that need to be discussed?

1.8 How does the structure(s) work? I need answers to the following questions, in order to understand how these IGR Forums function.

1.8.1 Who chairs the LED and Tourism Forum meetings?

1.8.2 What types of issues are discussed at these meetings? Could you possibly give me one or more meeting agendas, to serve as examples?

1.8.3 Are the different IGR representatives ever asked to take issues back to their principals, and to report back to the next Forum meeting?

1.8.4 Could you possibly give me copies of minutes of one or more meetings of these Forums to give me an idea of the discussions?

1.9 Are you happy that the IGR structures (the Mayor’s Forum, LED/Tourism Forums) contribute towards more effective LED service delivery in the district?

1.10 If ‘yes’, could you give me any examples of such successes, such as instances of public-public partnerships, more effective funding flows, etc.?

1.11 Are you happy with the composition of the LED Forum; or do you believe that there are additional government sector departments or public entities that should participate? Please give examples.

1.12 Do you believe that all the different stakeholders are making a positive contribution to the work of the LED-related IGR Forums?

1.13 If not, could you give me some examples of those that should, but do not play a positive role or make any contribution?

1.14 Have you, as the CDM’s LED Manager, faced any other challenges with respect to inter-governmental co-operation in LED?

1.15 Could you possibly give me some examples (or preferably a list) of LED projects that have been implemented, or are currently being implemented, with the active participation and co-operation of the other spheres of government?

1.16 How do you see the role of a District Municipality in planning for and implementing LED initiatives in local Municipalities?

1.17 Do you have anything in writing that outlines the roles of District Municipalities with respect to the local Municipalities?
1.18 Are there any projects in local Municipalities that, in your opinion, have benefited from inter-governmental interaction in the LED or other Cacadu IGR Forum? If so, could you give me one or more examples of such projects?

2. Other LED structures at the CDM that include other government role players

I believe that there are other structures that address LED in the CDM, and which include other spheres of government, and I need to find out more about these. I will quickly go through the questions and you can then tell me whether you have any documents or reports that cover the information that I need. If not, I should be grateful if you could answer the questions below:

2.1 Can you tell me something about the old LEDI (LED Initiative) that has now become the REDI (Rural Economic Development Initiative)?

2.1.1 Who set up the LEDI/REDI?

2.1.2 Who is the primary driver of the LEDI/REDI?

2.1.3 Why was this structure set up? Can you tell me briefly what this structure is supposed to deliver?

2.1.4 Do you have the Terms of Reference of the LEDI/REDI?

2.1.5 Which organizations and government structures serve on this structure? (Ask whether these are listed in the Terms of Reference or in any other document that the LED Manager may give you.)

2.1.6 Does any information from the REDI get fed back to the LED Forum, and then the Mayor’s Forum? In other words, is there alignment among all these LED-related structures in the Cacadu DM? YES/NO?

2.1.7 Can you give me examples of successes that the REDI has achieved, particularly through IGR?

2.1.8 Can you give me examples of bottlenecks, where the co-operation among the government structures in the REDIs has not delivered the expected results?

2.2 What can you tell me about the Project Management Teams?

2.2.1 Who set up the Project Management Teams?

2.2.2 Who are the primary drivers of these Project Management Teams?

2.2.3 Why were these structures set up? Can you tell me briefly what these Teams are supposed to deliver?

2.2.4 Do you have the Terms of Reference of the Project Management Teams?
3. The role of IGR in the DMAs

I need to know how the Cacadu DM is managing the LED function in the District Management Areas (DMAs).

3.1 I believe that the DMA areas may be incorporated into the neighbouring local Municipalities. Is this true?

3.2 If so, when is this likely to happen (date)?

4. The role of IGR in developing and implementing the CDM’s LED Strategy

The Cacadu LED Strategy was developed during 2005/6, and adopted in 2006. I need to ask you a last few questions about the implementation of this strategy.

4.1 Do you believe that all the different government role players (sector departments, public entities and local municipalities) have played a meaningful role in implementing the existing LED Strategy?

4.2 Can you give me a few examples of where IGR worked well in implementing the existing LED Strategy?

4.3 Can you give me some examples of challenges or instances where IGR did not work well in implementing the LED Strategy?

4.4 Are there any plans to develop a new LED Strategy for the District?

4.5 If ‘yes’, when will this planning process start?

4.6 Do you believe that the different government stakeholders have a significant role to play in the planning of the new LED Strategy?

4.7 Do you believe that the other government LED stakeholders should play a role right from the start of the planning process, such as developing the Terms of Reference for the new LED Strategy?

YES, they should give input.

NO, this is the CDM’s role.
Annexure B

Reflections on the field work

The DM has managed to establish several IGR structures and District-wide IGF: IDP forum, LED forum, Tourism forum, Cacadu district Mayors forum and technical support structures: municipal Manager’s forum and chief financial officers forum. There are two major LED structures within the CDM: the District Support Team and the Rural Economic Development Initiative. The LED is integrated into the forums. DST is an IGR of sector departments and public entities. The District Support team and its objectives are to mobilise and coordinate the public sector for LED in the local municipalities. There is a strong need for enhancement of institutions, as well as LED facilitators. IGR is the interface with the LMs. Inter-governmental relations constitute a new phenomenon; therefore, other sector departments need a workshop, in order to understand it.

Meetings of the IGR structures had become more strategic. It was suggested that the structures should facilitate more bottom-up planning processes. The DBSA initiated partnership between CDM, DBSA and other strategic regional partners. The REDI approach comprises ongoing support for local economic development in the local municipalities.

Mainstreaming and the integration of REDI into district and local municipalities’ plans and programmes at political and administrative levels are required. Programme coordinator: strategic direction, day-to-day implementation and the management of the programme/projects and capacity building. REDI assisted in jobs fund applications.

The starting point of any discussion of IGR is the constitution. The Constitution specifies that the three spheres of government: national, provincial and local are distinctive, interdependent and interrelated. Although each sphere of government has different roles and responsibilities, the principle of cooperative governance recognizes that the spheres cannot work separately from one another. Thina Sinako is a programme for local economic development support. This programme was born out of collaboration between the European Union and the Eastern Cape Provincial government.

The intentions of this programme were to integrate and collocate for support. The European Union is the funding partner; and it provides grant funding for practice-driven demonstration and learning in LED under three types of funds. These are the local government support fund, (LGSF) whose main aim is to assist municipalities to facilitate and support local economic development; the Local competitiveness fund (LCP); and the financial innovation fund (FIF). Thina Sinako has currently seven active LGSF projects; two of them (DST conceptual framework) are directly targeted to the DST. The lead agents for implementation support after Thina Sinako phases out are: the DEDEA for LCF projects and the COGTA for the LGSF projects. CDM has developed the web-based Customer Relations
Management, which currently is progressing and soon needs to be populated. The main areas of projects supported by SEDA are tourism and agriculture.

Challenges

Co-ordination is a challenge for the three spheres of government. Alignment to the EGDS is a challenge. Resources, either human resources or finance, are a constraint. Certain sector departments are sending senior managers to the meetings, but without any authority to take decisions, while others are sending only an administrative clerk. Capacity building is a challenge to influence the CDM LED policy and EGDS by the sector department and public entities. There is no consensus of LED practice, which affects the total quality management practice. Thina Sinako is bringing uniformity to the LED practice.

Case study of Camdeboo Satellite Aquaculture project

This project was initiated by the Blue Karoo Trust (BKT). The design of the project took place between November 2007 and June 2008. The BKT is the umbrella body under which five separate legal entities have joined forces to develop and implement the CSAP. The five legal entities are these organisations: the Camdeboo Aquaculture Trust, the Ter Morshuizen Trust, the Camdeboo Women’s Trust, the Sondelani Trust and Light Attorneys.

There is a project called the Camdeboo Satellite Aquaculture project. This illustrates the impact of IGR on the local economic development. The aim of this project is to farm commercially viable fish production. This project is to address the protein shortage in South Africa. It is replacing the shortage of the pilchard fish catch by using freshwater finfish. The development of the fish processing facilitation business plan now has three canned freshwater fish in tomato sauce products.

This project is funded by Thina Sinako, the Department of agriculture, forestry and fisheries, the REDI funding programme; and it is co-funded by the IDC. The ECDC, the DBSA and the UK department of environment, food and rural affairs are also playing a role in funding the project – especially the feasibility study and the marketing survey. The role of the Cacadu district municipality in this project is to provide LED support.

Currently, the first 20 beneficiaries of the project, all women, are undergoing an extensive 18-month training programme in preparation for the pilot commercialisation phase. The Cape Peninsula University of Technology has a tourism component, which empowers the women on hospitality issues, and about canning freshwater fish. Stellenbosch University provides technical support to this project.
Annexure 3

Map of the Cacadu District


Note: Graaff-Reinet, the location of the Camdeboo Satellite Aquaculture case study, is situated in the north of the District, in the centre of the Camdeboo Local Municipality.