A STUDY ASSESSING THE FUNCTIONING OF LOCAL ECONOMIC DEVELOPMENT UNITS IN LOCAL MUNICIPALITIES WITHIN THE CHRIS HANI DISTRICT

By

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DECLARATION:

In accordance with Rule G4.6.3, I hereby declare that the above-mentioned treatise/dissertation/thesis is my own work and that it has not previously been submitted for assessment to another University or for another qualification.

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LIST OF ACRONYMS USED IN THIS THESIS

AIDS: acquired immune deficiency syndrome
ANC: African National Congress
ASGISA: Accelerated Shared Growth Initiative of South Africa
CHDM: Chris Hani District Municipality
COGTA: Cooperative Governance and Traditional Affairs
DBSA: Development Bank of Southern Africa
DPLG: Department of Provincial and Local Government
GDP: Gross Domestic Product
GEAR: Growth, Employment Acceleration and Re-distribution
HIV: Human Immunodeficiency Virus
IDZ: Industrial Development Zone
IDP: Integrated Development Plan
IPED: Integrated Planning and Economic Development
IYM: Intsika Yethu Municipality
LED: Local Economic Development
NGO: Non-Governmental Organisation
NGP: New Growth Path
PCD: People Centred Development
PGDP: Provincial Growth and Development Plan
RDP: Reconstruction and Development Programme
RSA: Republic of South Africa
SALGA: South African Local Government Association
SDBIP: Service Delivery Budget Implementation Plan
SDI: Spatial Development Initiative
SETA: Sector, Education and Training Authority
SMME: Small Medium and Micro Enterprises
ABSTRACT

The state has a task to find solutions to alleviate poverty and LED has been identified as part of the solution. The municipalities are mandated with Local Economic Development and that function has been located within an LED Unit.

Based on the above-mentioned issues it was regarded as fitting to conduct a study that would identify challenges contributing to the effective functioning of LED units with specific reference to Lukhanji and Intsika Yethu Local Municipalities in the Chris Hani District. Furthermore, the study will attempt to suggest recommendations to address the shortcomings.

The sampling method used for this study was purposive sampling. Data was gathered through structured questionnaires administered to 15 LED officials from the Chris Hani District Municipality and the Lukhanji and Intsika Yethu Local Municipalities. Relevant literature that focuses on Local Economic Development has been reviewed. Various recommendations have been made on the findings of the study.

It has emerged during the study that the municipalities within the CHDM perceive their role as that of being Implementer of LED policy instead of playing an enabling role as outlined in the LED Legislative Framework. There is a political will to support LED implementation at local municipalities within the CHDM. In the implementation of LED the LED units within the CHDM are faced with the following challenges:

- Insufficient cooperation among stakeholders
- Inadequate resources
- Political dimensions
- Poor LED planning, and
- Inadequate LED training
CHAPTER ONE: INTRODUCTION AND CONTEXT

1.1 BACKGROUND TO THE STUDY

“The local government white paper (1998) indicates that local municipalities are expected to be the implementing agents of Local Economic Development (LED) within their areas of jurisdiction. In addition they are expected to provide an enabling environment (Facilitator) for Local Economic Development to be realised.” Local municipalities thus have a crucial role to play, both as policy makers and as institutions of local democracy. “They are urged to become more strategic, visionary, and ultimately influential in the way they operate” (Rogerson, 2005:6).

Rogerson (2005:1) suggests that LED has the potential of realising community driven development and can take the form of Urban or Rural Development. The vast majority of people residing in the Chris Hani District are poor and living in impoverished conditions. In addition LED is perceived to be a panacea for Rural Development within the Chris Hani District and thus it is believed that it can contribute to the reduction of poverty. In order to make sure that the above goal is achieved the Local Economic Development Units of the Local Municipalities within the District are expected to be the drivers of LED. The researcher assumes that the municipalities are failing to perform their mandate of LED promotion. In addition it is assumed that there seems to be confusion on which approach to take, i.e. that of facilitator or of implementing agent.

In most cases LED is easily confused with poverty alleviation programmes i.e. food security programmes, and most municipalities are involved in these small scale projects that are not sustainable. With all these highlighted issues the researcher felt that there is a need for a study that will assess the functioning LED units within the Municipalities (Lukhanji and Intsika Yethu) in the Chris Hani District. The study will further recommend ways of improving the functionality of LED Units within municipalities.

1.2 PROBLEM STATEMENT

South Africa as a developing nation has a huge rural population scattered throughout the country and these communities are living under impoverished conditions with
very little development, if any, happening in these areas. The state has a task to find solutions to alleviate poverty and LED has been identified as part of the solution. The municipalities are mandated with Local Economic Development and that function has been located within LED Unit. The LED scholar Rogerson (2005:12-13) have identified the following as key issues pertaining to Applied LED in South Africa

- Most of the LED plans that are initiated tend to fail
- Most ventures, especially in small centres have limited private sector involvement
- “Politisation” of development
- Grant dependency
- Indecision on whether local authorities should the implementing agents or the facilitators
- LED being an unfunded mandate
- Need for training, facilitation and funds
- Poor planning by local government
- Capacity issues.

Based on the above-mentioned issues it regarded to be appropriate to conduct a study that would identify challenges contributing to the effective functioning of LED units. Furthermore, the study will attempt to make recommendations to address the shortcomings.

1.2.1 RESEARCH QUESTIONS

1. How are Local Economic Development Units within Local Municipalities in Chris Hani District functioning?

2. How can the functioning of Local Economic Development Units in local municipalities within the Chris Hani district be improved?

1.2.2. RESEARCH ASSUMPTIONS

The researcher is commencing with this study with the following assumptions (hypotheses):
• There is confusion regarding the roles and responsibilities among stakeholders dealing with LED

• Municipal officials charged with Local Economic Development within Local municipalities lack capacity

• There is confusion concerning the approach i.e. should Local Government to play a facilitating role or act as an implementing agent

• The implementation of LED is not being prioritised(re. resource allocation) in Local Municipalities

• There is a lack of political will to support LED at local municipalities

• Poor LED planning and coordination

1.3 RESEARCH AIMS AND OBJECTIVES

1.3.1 AIMS OF THE STUDY

The aim of the study is to assess the functioning of two Local Economic Development Units in Local Municipalities within Chris Hani District, namely in Intsika Yethu and Lukhanji local municipalities. The intention of the study is to make recommendations to policy makers involved in LED in order to improve the policy framework designed for LED within the district.

1.3.2 OBJECTIVES OF THE STUDY

• To investigate the extent of involvement of municipal LED officials in LED initiatives

• To investigate the capacity of LED officials

• To determine and examine the roles and responsibilities of the various stakeholders in LED

• To review literature related to LED

• To determine success factors for LED Implementation
1.4 SCOPE AND SCALE OF RESEARCH

The scope and scale of the research will be covering two local municipalities namely, Lukhanji and Intsika Yethu local municipalities that constitute the greater part of the Chris Hani District. The Chris Hani District Municipality is located within the centre of the Province of the Eastern Cape surrounded by the district municipalities of Amatole, Cacadu, Joe Gqabi and OR Tambo. It includes the following eight local municipalities: Emalahleni, Engcobo, Inxuba Yethemba, Lukhanji, Sakhisizwe and Tsolwana.

The researcher decided to focus on 2 local municipalities which constitute 25% of the study area, which is a fairly representative of the eight municipalities that constitute the greater CHDM. The fact that the District is rural to the East and urban to the West means that the study will be focusing on 1 municipality in the West (Lukhanji) and 1 municipality in the East (Intsika Yethu). The rationale behind this approach is the fact that there are equal disparities between the west and east. It was assumed that this can be attributed to the Apartheid systems of the past which promoted “Separate Development”.

1.4.1 BRIEF DESCRIPTION OF THE INTSIKA YETHU LOCAL MUNICIPALITY

Intsika Yethu Local Municipality (IYLM) is approximately 3616 km² in size. It has 23 wards, and is bounded by the Sakhisizwe, Engcobo, Emalahleni, Lukhanji, Amahlati, Mnquma, and Mbashe municipalities. Cofimvaba and Tsomo are the major towns and the rural residential component consists of 213 villages.

IYLM prides itself of having best agricultural resources in the Eastern Cape Province, with no less than three irrigation schemes viz. Ncora, Qamata and Bilatye, which are considered to be the biggest not only in the province but in South Africa. With its rich biophysical endowments in the form of rivers and plains, its pristine natural veld, valleys and unique landscape(for tourism), its rich heritage resources and its relatively good potential soils; Intsika Yethu should be to agriculture what “gold” is to Gauteng, “platinum” to North West, and “coal” to Mpumalanga.
It is incongruous that the area with such abundance of natural resources (water and land) remains trapped in abject poverty and high levels of unemployment (Intsika Yethu Local Municipality IDP, 2011-2012:11).

Intsika Yethu municipality remains one of the poorest and most underdeveloped municipalities in the country. The Intsika Yethu IDP document indicates that 76% of the population is poor with income levels of less than R1 500 per annum. People in the municipality live on less than a dollar a day. The Human Development Index for Intsika Yethu is 0, 46 compared to the national HDI of 0, 59.

The municipality has experienced improvements in access to basic services. People with access to piped water has improved from 18,5% to 35,5% between 1996 and 2001; access to electricity increased from 4,9% to 30,7%; and access to electricity improved from 11,9% to 70,9% over the same period. There have also been huge strides made in ensuring that communities have access to education, health and sanitation.

The improvement in access to infrastructure has positive implications for economic development. Access to electricity, for example, could be used as a catalyst to create rural-based value adding business opportunities and access to technology (computers and internet) in the rural areas. Increased access to telephones also makes it possible for communities to be accessible and for them to engage in various business activities that the municipality can facilitate.
1.4.2 BRIEF DESCRIPTION OF LUKHANJI LOCAL MUNICIPALITY

Lukhanji (Queenstown) is situated within the Chris Hani District of the Eastern Cape Province. It is made up of the combination of the greater Queenstown and surrounding farms and villages, Ilinge, Hewu/Whittlesea and Ntabelathemba.

Its central location with arguably the largest urban centre in the district attracts many people from abutting municipalities on a daily basis. Queenstown, the retail and commercial centre for a myriad of small towns in the Eastern Cape, such as Cathcart, Dordrecht, Sutterheim, Tarkastad and Elliott, is also an important link to Port Elizabeth, Umtata and East London.
Between 1996 and 2006, the Lukhanji economy grew at 2.1%, which is lower than that of the Provincial and National Economies (4.5%). This growth has been largely driven by Government spending (30.5%) followed by the Finance and Trade sectors each contributing about 20% towards the overall economic output of Lukhanji. Significant growth rates in the Construction (6.8%), Transport (3.4%) and Social Services (3.7%) fields have also contributed to local economic growth.

The majority of new business growth and investment within the District is likely to take place in Queenstown. This is already evident in the fact that demand for commercial properties is at an all-time high and the fact that there is a surge in the construction of new, albeit small, retail centres. The opening of Queenstown’s first casino in 2007 further underpins Queenstown’s status as a thriving economic hub and accordingly an increasingly good investment option for property investors.

In spite of Queenstown’s position as the economic powerhouse of the region, there appears to be a failure to contribute meaningfully to the creation of employment and poverty alleviation. Thus, socio-economic development remains a major challenge, as is evident from the following statistics for the Lukhanji Municipal area:

- The current unemployment rate is 41.1%.
- The number of households earning less than R1 500 a month is 45%.
- There has been a massive migration to the urban centres, with approximately 58% of the population residing in the urban areas within Lukhanji, and 16% in rural areas.

Lukhanji is a strategic and important economic sub-region in the Chris Hani district. It has the highest concentration of urban settlements, industrial activity, commerce, transport infrastructure services; regional service centres (offices of government and NGOs), social development services (tertiary schools, specialist health facilities, and other amenities).

Lukhanji had an estimated GDP of R2.7 billion by 2008. This account for over 48% of the district’s GDP of R5, 7 billion (Global Insight: 2008). These figures are based on constant 2000 prices. While the economy of Lukhanji has recorded some positive growth between the years 2001 and 2008, the growth has not happened at the same pace at which backlogs and poverty has grown. This tended to reverse the gains and
also pointed to the need for increased implementation of the existing municipal strategy for LED.

Lukhanji Local Municipality developed its Local Economic Development Strategy in 2008 and it was adopted by Council in September 2008. The strategy is adjusted to the Growth and Development Plans of the Province as well as of the District. The vision for the development of strategy is to position the Municipality as “the next major economic development node” (to East London and Port Elizabeth) in the Eastern Cape.

The LED unit is currently staffed with the IDP/LED Manager, an administrator and the SMME project coordinator. The municipality, being understaffed, leaves much to be desired as there are no Sector specialists employed by the municipality, yet it is an Economic Hub of the District!

The LED strategy requires collaboration with external stakeholders to form a committee that should provide meaningful and constructive participation to drive LED and the implementation of the strategy.

1.4.2.1.1 Strategic Objectives of the LED

The main strategic objectives that this Strategy aims to achieve are the following:

- Growing the local economy well in excess of 3,5% by 2012.
- Reducing unemployment below the current 41,1% by 2012.
- Increasing the number of households living above the poverty line.
- Improving access to the mainstream economy for the poor.
- Contributing towards an expanded municipal revenue base.

1.4.2.1.2 Strategic Priorities

In order to achieve the objectives of the Strategy, the following five economic development priorities or themes have been identified:

- Expanding the first economy
- Developing the second economy
- Building a knowledge economy
- Improving access to land and infrastructure
- Building LED networks and partnerships
LED ORGANOGRAM LUKHANJI MUNICIPALITY

- LED Manager
  - Research & Investment Senior Officer
    - Agricultural Senior Officer
    - Business & SMME Senior Officer
    - Tourism, Parks & Heritage Sites Senior Officer
CHAPTER TWO: LITERATURE REVIEW

2.1. INTRODUCTION:

The local government (i.e. municipalities) is the sphere of government that has been mandated with the implementation of Local Economic Development (LED). This responsibility within local municipalities resides with Local Economic Development Unit.

The fact that South Africa is facing major challenges like unemployment, poverty and illiteracy means that the government has to find various alternatives to remedy the situation. Therefore the concept of LED has been identified as one of the vehicles to address such challenges.

LED occurs when a wide range of stakeholders, which include the government, the private sector and civil communities act in partnership to develop strategies that will increase economic growth, sustainable development and economic development through decentralisation (Edoun & Jahed, 2009: unnumbered). Thus, local government has a mandate to respond to economic challenges and to improve the quality of life in SA.

Literature to be reviewed in this chapter includes, but is not limited to the following:

- The origins of LED,
- LED emergence in South Africa,
- The roles and responsibilities of various stakeholders
- The LED legislative framework
- LED governance
- Challenges facing LED implementation
- A review of the LED Strategy for Lukhanji local municipality
- A review of the LED Strategy for Intsika Yethu local municipality

A discussion of these topics is pertinent to the collection of data, the analysis of data and a discussion and analysis of this research as the topic seeks to assess the effective functioning of the LED Units in Lukhanji and Intsika Yethu Local Municipalities within the Chris Hani District.
2.2. WHAT IS LED?

Development is often equated with growth; with trickle-down effects on the poor. This effect does not necessarily take place (Reivert-Carnac, 2009: 31). The trickle-down effect is a favourite maxim believed in by most orthodox market-led economists. But development is currently accepted as development for the people, by the people and with the people. This means that people take initiative of and for their development by being actively involved through active participation in decision-making which in turn allows for self-reliance (Reivert-Carnac, 2009:32).

Defining LED has been an issue because of the complexity of the nature of the term. This is because there was no agreement about whether LED should have a competitive or social welfare approach. Besides, even government was unsure of the nature of LED and how and where they fitted in the concept. Thus, the role of government in LED has been confusing (National Framework for Local Economic Development in South Africa, 2006-2011:9). The desired outcomes of LED are agreed upon, but there is no real consensus about the role of government in the matter. According to Rogerson “A critical divide has been between those who believe local government should provide a direct solution by supporting projects for job creation and others who advocate for an indirect solution in the form of creating an enabling environment” (Rogerson, 2005).

In the light of the above-mentioned quotes, it is clear that LED involves a process by local governments, private sector-business, NGOs, NPOs and CBOs using locally existing resources in creating jobs, boosting the economy and subsequently alleviating poverty. Thus LED is rooted in building up the economic capacity of a local area in order to improve its economic future and the quality of life for all. It is meant to create an enabling environment for sustainable economic growth and subsequently for development. It is vitally important for public-private partnerships to be present in the process in order to generate employment opportunities, investment and completion (LED Framework, 2006:11).

2.3 INTERNATIONAL CONCEPTION

“LED is the process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment
generation. The aim is to improve the quality of life for all” – (The World Bank, 2002: p1).

According to Galsmier, as quoted in Rogerson (2005:1), globally the concept and development of LED Strategy is perceived as a locally based response to issues like globalisation, devolution, local level opportunities and crises.

Rogerson, (2005: 3) has pointed to the fact that globally; the scope of research on LED in the South is very limited. Rogerson further highlights that in the developing world the research relies on LED experiences in post-apartheid South Africa as a laboratory for experimentation, innovation and learning.

2.4 A SOUTH AFRICAN LED OVERVIEW:

“Local government has a key role to play in stimulating economic development through investment in infrastructure to draw in private investment and boost short-term economic performance” (Growth Employment and Redistribution: A Macroeconomic Strategy,1996:11).

According to Section 152 of The Constitution of South Africa (1996) we read:

“Objects of local government.-(1) the objects of local government are

(a) to provide democratic and accountable government for local communities;
(b) to ensure the provision of services to communities in a sustainable manner;
(c) to promote social and economic development;
(6) to promote a safe and healthy environment; and
(e) to encourage the involvement of communities and community organisations in the matters of local government.”

Local Economic Development in South Africa came into effect as a means of addressing economic disparities that were created by the past. Davids, et al (2005:18) pointed out that the new democratically elected government of South Africa had to play a part in addressing the ills (disempowerment, top-down approach etc.) of the apartheid government and it introduced the concept of People Centred Development (PCD). The fundamentals of PCD are that there should be participation
by people in development, social learning and that sustainability should be achieved and that development should empower people.

As suggested in the LED framework 2006-2011, LED has continued to evolve over a period of time. It is further indicated that its early conception was mainly associated with attracting industrial investment, but as time went by the scope has extended and it has taken a different form ranging from public sector led enterprises to private sector led flagship projects.

South Africa is somehow spearheading the process of LED within the Southern African region and the African continent (Rogerson, 2005: 16). LED is regarded as a radical shift from traditional political and economic expectations. This point is illustrated by the two different approaches to LED: a neo-liberal pro-growth and a welfarist, pro-poor approach. The pro-growth debate aims to respond to economic challenges and the pro-poor approach is regarded as a response to poverty. Accordingly, municipalities must focus primarily on growing local economies, thus they need local people to steer and create sustainable economic growth. However, not only should the focus be on economic growth but it should also be to emphasize economic development and improve the quality of life. Thus, LED is one of major strategies that will encourage economic development and poverty alleviation.

2.4.1 South African Historical Economic Policies: Promoting Economic and Social Development:

At the end (when the period of Apartheid ended) of an era, the new South African democratic government had a challenge of reconstruction, restructuring and rebuilding a free South Africa where all people from all walks of life could experience a free and fair South Africa. They were faced with changing the existing geographical inequalities, distorted economic policies, poverty, illiteracy, TB and HIV/Aids related illnesses. To do this, the government proposed these economic policies:

2.4.1.1 The Reconstruction and Development Programme (RDP)

The Reconstruction and Development Programme (RDP) policy was formulated in 1994 and its focus was on political, economic and social consolidation. The RDP was the ANC’s ideology of “a better life for all” (ANC RDP, 1994: 33). The RDP’s main priority was to restore South Africa’s economic and fiscal health to enhance rapid economic growth. The RDP reprioritised spending towards social development,
and was predicated on the key mandates of meeting basic needs, developing human resources, building the economy and democratising the state and society. It is thus not surprising that within the RDP policy, references were made to LED. The RDP focused more on locally-based initiatives and community-based development. In order to achieve development, this policy advocated empowerment and active involvement of communities in their own development (ANC RDP, 1994: 33).

However, the RDP faced many challenges, especially in achieving social objectives but made much progress towards reconstructing public finances. Its failure was largely due to insufficient growth. Consequently, robust change and the enhancement of major macro-economic variables had to be adopted (Faulkner & Loewald, 2009: 12).

2.4.1.2 Growth, Employment, Acceleration and Redistribution (GEAR)
1996 saw an emergence of a new policy, GEAR, and its aim was to provide a framework to attain macro-economic stability as a basis for economic growth. “The strategy focused on accelerating fiscal reform (including a faster fiscal deficit reduction programme to contain debt service obligations), further tariffs reform, public sector restructuring (including the disposal of non-strategic assets), continued re-orientation of expenditure towards service delivery to the poor and more consistent monetary policy (in order to prevent a resurgence of inflation)” (Faulkner 2009: 13).

GEAR was necessary for South Africa as a strategy to entice additional and keep the existing international investors. Thus it was a reassurance strategy indicated that South Africa can play in the global capital world, just like the rest of the developed nations. However, it was not only for the investors. The South African economy was boosted. The role of government was to facilitate market-led economic growth through trade liberalisation and infrastructure development i.e. IDZ, COEGA, SDI. This strategy was grounded within the neoliberal economic theories and policies. It was a macro-economic framework that focused more on fiscal discipline and global competitiveness (RSA Constitution: 1996:31). Subsequently GEAR adopted growth-oriented initiatives. Critically, GEAR was more focused on the growth of Gross Domestic Product (GDP) through competitive market models, but it failed to really
tackle social and environmental development. Thus growth that became imminent was really short term glory.

2.4.1.3 Accelerated Shared Growth Initiative of South Africa (ASGISA)  
2006 saw the launch of ASGISA as a result of government’s commitment to halve unemployment and poverty by 2014. Its focus was to halt unemployment and improve skills development. There was a growth average of about 3 per cent during the first decade of freedom. Since 2004 growth tended to exceed 4% per year, reaching about 5% in 2005. Prudent macro-economic policies have contributed to an economy capable of both sustaining and accelerating the growth trajectory. ASGISA “sought to mobilise coordinated government action and investment to enable the economy to reach growth levels at above 7 per cent, which was seen central to commitments to halve unemployment by 2014” (Robbins, 2010: 18). However, just like the other two policies, ASGISA seems to have died a silent death. This can be attributed to the fact that there was new a leadership (post the Polokwane 2007 ANC conference) within the ruling party. This new leadership came with political reforms like the introduction of new economic growth policies. This then meant that ASGISA had to be scrapped and give way for the new policies adopted at the Polokwane Conference.

2.4.1.4 New Growth Path  
2010 saw the introduction of the New Growth Path aiming to accelerate job creation. Despite improved growth, the economy remained one of the most inequitable in the World. Due to the inequalities that were created by the Apartheid regime in the mid-1900s, 40% of the national income went to the richest 10% of households. Subsequently, there was an increased rate of joblessness. The New Growth Path strategy has prioritised robust job creation. Therefore it has aimed at reducing unemployment levels in the country by 10 percentage points by 2020, down from the current rate of 25 per cent (New growth 2010:10). It will focus on six fixed priority areas to job creation: infrastructure development, agriculture, mining, manufacturing, the "green" economy and tourism.
2.5 CONTEXTUALISING LED IN SA:

Unemployment levels have been skyrocketing in South Africa in the Apartheid era and post-Apartheid era. In the Apartheid era people were employed on the basis of colour; being White afforded an advantage. Blacks were mostly employed in unskilled jobs with low wages, whilst Whites were employed in highly paid positions. Local economic development activities in this era were mainly attributed to industries, place-marketing, land development, infrastructure development and they were primarily beneficial to the poor whites.

Within the African context, South Africa has led the process of LED through advancing the processes of globalization (Rogerson, 2005: 17). The policy makers of the developing countries often tend to focus on knowledge-based economies. Thus, the development of developing nations is still dependent on the diversity of the country and its people’s buy-in. Therefore, in the post-Apartheid era South Africa engaged in many policies, especially economic policies, in order to foster poverty alleviation, reduce inequality and increase employment in the country.

Rogerson (2005: 34) states that LED in recent international debates has come up with two approaches: a market-led business approach and a market-critical approach of community development. The market led approach is concerned with the creation of an enabling environment for local economies to adjust to macro-economic reforms. The main emphasis of the market-led business approach is individual self-reliance, sustainable growth, entrepreneurship, competitiveness, reducing unemployment and the expansion of markets. On the other hand, a market-critical approach is more concerned with local self-reliance, sustainability, empowerment and participation.

Tourism in SA has received tremendous focus and attention, as it is an important engine for economic growth, community development and poverty alleviation. Pro-poor development will be achievable through local tourism and LED.

2.6 THE SOUTH AFRICAN LED POLICY AND LEGISLATIVE FRAMEWORK:

South African Constitution included LED as a mandate for municipalities rather responsibility (RSA Constitution, 1996: 18). Thus municipalities are facilitators of the LED programme. This does not mean that municipalities are the drivers and engines of LED, but with all the connections from all relevant stakeholders; LED should thrive
(DPLG, 2005). Besides, it is also noted in the White Paper on Local Government, (1998) that; “Local Government is not directly responsible for creating jobs. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities”. Consequently, LED encourages the creation of an environment conducive to engage all stakeholders, both from the public and private sector in ensuring a sustainable livelihood (White Paper on Local Government, 1998: 13).

The Local Government Transition Act 209, of 1993 also mandates metropolitan municipalities to take an active role in promoting local economic development by formulating local integrated development plan (Transition Act, 1993:14). The Local Government Municipal Structures Act 1998(83) (3) also states that district municipalities must seek to achieve integrated, sustainable and equitable social and economic development of its area. South African LED is strategically linked with the municipality’s IDP as such. In order for LED activities and strategies to be achieved; they should be co-ordinated within the context of the municipality’s IDP. The Rural Development Framework also sees LED as a strategy for rural governments (Nel, 2000:34).

IDP is a process by which municipalities prepare a five year strategic plan but it should be reviewed annually in consultation with local stakeholders including local community representatives (Local Municipality Systems Act, Act 32 of 2000). Thus, IDP is intended to promote intergovernmental planning (from National, Provincial and Local governments). Therefore, the IDP is illustrative of how the municipalities will achieve job creation, sustainable development, stakeholder partnerships, infrastructure development and services rendered to residents of the municipality.

In the National Framework for LED: Stimulating and Developing Sustainable Local Economies (2006: i) it is argued that “all economic development takes place at the local level and Local Government must influence the shape and direction of local economies if the national economy is to attain the goals set for it and if it is to grow and create a better life for all its residents”. This policy has outlined the way forward in its context. It has taken into consideration the issues of public and private partnerships and as such encourages networking with the private sector for more
investments to benefit local people. This means that a more inward investment attraction is lobbied for (LED Framework, 2011).

2.7. LED GOVERNANCE

According to the 1998 White Paper referred to in paragraph 25 in Guidelines “The core concept related to LED governance used in the guidelines is that of Developmental state” This is defined as “Local government find sustainable ways to meet their social, economic and material needs and to improve the quality of their lives ” (Hindson & Vicente, 2005: 28). What can be deduced from this definition is that the state/government should play an enabling role for the LED to be realised.

Dough Hindson and Valerie Vicente (2005: 28) point out the fact that the guidelines should not be about the ways in which government should perform to create an enabling environment but should focus on interactions amongst various spheres of government involved in LED. The guidelines suggest that in the “developmental state” government should play an enabling and interventionist role in the implementation of LED in South Africa.

Although guidelines are clear on the approach, i.e. that of enabler and interventionist it still does not explain to what extent these enablement and interventionist roles of the state or government should be.

2.7.1. Enablement

“Internationally a strong trend in state involvement in LED has been to shift from direct intervention to enablement, the latter term understood as a process in which government creates a favourable environment and provides support measures to help all public and private actors contribute to the best of their ability to lead LED than to provide itself” (Hindson & Vicente, 2005: 28).

Burges et al, as quoted by Hindson & Vicente (2005: 28) categorises enablement on various aspects i.e. political, market and community enablement and further point out the fact that the roles will differ according to sphere of government. Although local government is a local sphere of government, it has various spheres i.e. district and local spheres of government. The guidelines do not outline the roles and
responsibilities of various spheres within local government in creating the enabling environment for the LED implementation in South Africa.

2.7.1.1. Political Enablement:

The emphasis here is on the transformation of local government in its structure and functions to improve relations between the municipality, the market and the community (Hindson & Vicente, 2005: 28). Furthermore, they state that this can be achieved through political and administrative decentralisation, democratization and reforming institutional arrangement.

As suggested by Rogerson (2005: 351), political enablement includes devising anti-corruption policies and practices within local government. He further defines corruption as the misuse of public funds for private gains. It can be committed by politicians and civil servants to enrich themselves through misuse of public power entrusted to them. Corruption is one of the stumbling blocks in the implementation of LED. Therefore various strategies to combat corruption should be devised by putting emphasis on a strong political will at leadership level of local government as a prerequisite in striving to fight corruption (Rogerson, 2005: 351). This can be achieved through transparency and making local government accountable to the public.

As a part of political enablement the state has to provide public goods i.e. infrastructure, which are critical for providing a favourable environment for Business and Entrepreneurial and Community Development. Rogerson (2005:346) maintains that local governments are realizing that they do not have adequate resources, skills and organisational foundations to meet the local economic development needs within their areas of jurisdiction.

Furthermore, he points out the fact that government is starting to realise that service delivery may be achieved through partnership / involving other role players. Good governance which is one of the critical factors for political enablement can be achieved through partnerships by local government, the private sector, non-governmental organisations and community based organisations. As pointed out earlier by Rogerson, the process forming these partnerships should be transparent (Rogerson, 2005: 347).
2.7.1.2. Market and Business Enablement

"Market and Business enablement refers to the facilitation and promotion of formal and informal Business Sectors and Entrepreneurs to provide market solutions for the production, distribution and exchange of goods and services" (Hindson & Vicente, 2005: 29). The fundamental role to be played by local government here is to create a supportive economic, legal and regulatory framework, identify market failures and devise remedies. Again the role of local government should be about playing a facilitation role, as indicated by the guidelines that the state should not be directly involved. But it is suggested the government’s role should increase as the economic development and market relations expand (Hindson & Vicente, 2005:29).

Rogerson (2005: 347) observed that the government has realised the need to involve the private sector in the provision of public services (“out-sourcing”). The government is taking this approach because private sector involvement mobilises resources but private sector involvement on its own is not a solution, hence the need of partnerships between the private sector and the government. It is significant in this partnership that roles and responsibilities are clearly outlined and risks involved are identified. However, the role service delivery lies solely with local government.

The most crucial role of government is to protect consumers from malpractices such as over-pricing. They also need to enforce health standards and offer subsidies so as to ensure access to services by the disadvantaged (Rogerson, 2005: 347).

2.7.1.3. Community enablement

One of the fundamentals of good governance and implementation of LED is that local government must ensure participation by local citizens in the development of projects. It is vital that the community is involved or consulted during the initial phases of such development.

Rogerson (2005: 348) has pointed to the fact that community participation recognises the need to transform government through cooperation and collaborating with various stakeholders in civil society. It is also highlighted that decentralisation of power is important in order to ensure that participation by locals can take place.
Although community participation is one of the fundamental pillars for good governance and local economic development, it has been observed that over a number of years and initiatives in development participation by locals has been missing and as a result effective community participation has not been realised.

The scholars of economic development suggest that participation; especially in African countries has been “symbolic” rather than “genuine”. The “genuine” participation implies real influence, while the former is manipulated or controlled participation intended to ratify, rather than influence official behaviour. In most countries participation has been symbolic due to the fact that participation is a political process and an act which involves power sharing and decision making. Power sharing is associated with the balance of forces among interacting parties. The tendency is that those in power are not willing to share power with citizens. Evidence suggests that there has been minimal participation in the Eastern and Southern regions of Africa, which raises the question whether popular participation is practical and achievable in Africa (Rogerson, 2005: 349).

Ideally and conceptually Hindson & Vicente (2005: 30) shared the same sentiment when it comes to community participation as they stress the significance of community participation through initiation, planning and implementation of their own projects according to the principles of self-determination, self-organisation and self-management.

(Luke et al 1998, 30) points out the fact that more politically powerful stakeholders are usually not open to collaborative problem solving and tend to advance their narrow interests and the fact that those who have the most to lose will be least likely to support significant changes, thereby making collaboration difficult. They suggest that before the planning process of any initiative, those who represent the community leadership must be consulted and convinced of the need for a change. In order to avoid premature decisions those who represent the economic development leadership in a community first need to understand the scope and possible impact of development. Furthermore, they suggest that meeting those actively involved in economic development as a good start. The leaders should make a commitment to undertake a comprehensive economic development programme (solicit buy-in and support).
2.8. THE ROLES OF VARIOUS SPHERES OF GOVERNMENT IN LED

“One of the Guidelines underpinning the South African LED Framework, 2006 – 2011 is that promoting robust and inclusive local economies require a concerted co-ordinated action plan of all the spheres of government focusing on / centred on the application and localisation of the principles espoused in the National Perspective”.

Most aspects of local government fall under the National Department of Cooperative Governance and Traditional Affairs. The main role of national government is that of the coordination of public policy and investment programmes. There is a dedicated Chief Directorate dealing with LED which is tasked with the following:

- Development and review of national policy, strategy and guidelines on LED
- Provision of direct hands-on support to provincial and local government
- Management of the Local Economic Development Fund
- Management and Technical Support for Local Economic Development Planning
- Assistance on LED capacity Building (SALGA, 2010, 10)

As pointed out by Hindson & Vicente (2005: 32), the role of national government is to ensure access to loans. This can be done directly through the banking charter and through legislation to permit the establishment of local and savings credit banks. Although this appears on the guidelines the national government has never achieved this.

2.9. THE CHALLENGES FACING LED IMPLEMENTATION

“Despite actions laid down in the Local Government Municipal Systems Act, 2000, Act 32 of 2000, South African municipalities continue to operate without having their authority and progress regarding LED implementation assessed” (Malefane, 2005: 157). The assessment that is being referred to by Malefane includes reviews of the contribution of the organisational structure such as identifying strengths and weaknesses, which in turn could lead to the achievement of organisational objectives and efficiency.
The absence of municipal internal control systems and monitoring and evaluation mechanisms, which could have been helpful to municipalities, makes the situation worse. This in turn leads to progress in implementing municipal programmes and projects not being recorded, documented and verified. The failure / lack of availability of records mean that there are no lessons / best practices for LED implementation in South African municipalities (Malefane, 2009: 157).

2.9.1 The Lack of Common Understanding of the Role of LED and LED Processes

Although the definition and substance of LED has been hotly debated in South Africa since the birth of democracy in 1994, based on the recent published municipal IDP’s (Integrated Development Plans), it is evident that there is no one common approach toward the development of an LED Strategy (SALGA, 2010: 12).

According to GTZ (undated, unnumbered) the fact that South Africa is struggling with the concept of LED means that there is no consensus on what LED is and what is not. In spite of this LED has become a buzz word often used for community development, poverty reduction, SMME promotion, regional planning or local development in general. This leaves the implementers at both local and district municipality level confused and unable to develop and implement an effective and efficient LED strategy.

The main area where there is divergence is what constitutes an effective and sustainable LED strategy and the role of the district and local authority in the strategy. The policy makers have started to realise that the existence of a LED plan or strategy does not automatically mean that LED will be realised. The policy documents / legislative framework pertaining to LED are contributing to the confusion, due to the fact that they do not clearly spell out how practitioners at local level are meant to practise, interpret and implement or apply various policies (SALGA, 2010: 12).

There is confusion on whether LED should focus on poverty alleviation within poor communities or the focus should be on the competitive advantage of the local
economy as a whole. In addition, there is no clear relationship between the LED and IDP processes (GTZ, undated, unnumbered.)

2.9.2 Current Municipal Structural Planning for LED

The South African municipal structures are based on both bureaucratic and divisionalised forms of organisational structuring. The challenge with such structures is that they manifest themselves in a system by which LED implementation becomes a function of a particular unit within the municipality. This then means that municipal structures have a significant influence on the system by which LED is implemented by municipalities. This system is not effective due to the fact that it does not recognise the rate at which delivery has to take place, it’s rigid and too specialised, and as a result it fails to achieve the integration of municipal programmes. Its approach is control based instead of innovative oriented. Because it is rigid it fails to identify LED as a cross-cutting intervention within municipalities (Malefane, 2009: 165).

The failure by municipalities in realising LED as a cross-cutting intervention means that it fails to provide communities with diverse economic development opportunities. This then means that opportunities are sourced from a single municipal unit / department. As a result this system of implementation leads to fashionable economic development patterns e.g. tuck shops, carwashes in townships and subsistence farming projects in rural areas and these projects are not sustainable (Malefane, 2009:165).

2.9.3 A Lack of Planning Resources and Capacity

The smaller municipalities do not have in-house skills or resources to purchase or out-source external skills that are required to develop, manage and implement LED plans. In addition they lack economic, business and generic planning skills. This leads to poor quality LED Plans, which are characterised by:

- A focus on projects
- Unrealistic targets and
- Inability to identify drivers of economic development and opportunity.
This can be attributed to little or no oversight over the qualitative elements of LED plans, and as a result there is little feedback for local authorities regarding the real reason why LED initiatives have not achieved desired outcomes (SALGA, 2012: 16).

“Moreover, in the majority of municipalities including metros and secondary cities as well as some other spheres of government, the requisite capacities to develop and implement development strategies is not in place (e.g. business intelligence systems, LED expertise, infrastructure investment, planning, programme management and stakeholder management capabilities, etc.) Hence strategic and planning integration within government entities at all levels as well as between spheres and agencies of government remains a major challenge, significantly impacting on the efficiency and efficacy of development initiatives” (DBSA, 2009, 12).

2.9.4 The Inability by Municipalities to Define an LED Strategy within the IDP Process:

The legal planning document or blue print of municipalities is the Integrated Development Plan (IDP) which must contain a LED section. LED is therefore seen as part of the wider development planning of the municipality. If the municipalities were correctly interpreting their LED role as facilitators and enablers, this linkage would be more significant, but the fact of the matter is that in reality does not always reflect this outcome (SALGA, 2010: 16).

The tendency, particularly in smaller municipalities faced with poverty, a lack of access to basic services like water, sanitation, housing, etc. the focus tends to be more on service delivery rather than effective LED strategies. This in turn has resulted in municipalities interpreting “pro-poor” development planning as meaning the delivery of services such as water, housing, and community based garden projects, etc. rather than creating an enabling environment for business to thrive and thus realising LED. This different understanding of LED is worsened by the integration of the LED process with the broader IDP process. Most elements or components of the average IDP is made of tangible goods and services that a particular municipality will deliver directly to its citizens. It is therefore suggested that the LED strategy be formulated independently of other IDP issues, with emphasis on alignment of the plans (SALGA, 2010: 16).
2.10 The Role of Local Government

The DPLG, 2005 Guidelines on the Implementation of LED suggest that district and metropolitan municipalities should assume a leading role in the stimulation and development of the local economy. They further suggest that they must be a nucleus for planning and networking, ensuring that municipal policies and practises are conducive to business, thus leading to the growth of NGO’s and co-operatives.

The challenge with this approach is that if it is not monitored and interpreted correctly it can lead to a top-down approach as in most cases district municipalities tend to impose development initiatives to local municipalities. One of the dangers of the top-down approach is that those initiatives lack local ownership and as a result they become unsustainable.

One of the fundamental and critical roles of local government is to make national and provincial resources accessible to local participants of LED. The district and metropolitan municipalities are expected to make use of policies and other legislative frameworks developed by national and provincial spheres of government. The district and metropolitan municipalities have a responsibility to influence policy positions developed by national and provincial players. This is based on the fact that they are the people in the real situation; they know what is relevant and understand the competitive advantage of their areas (Hindson, 2005: 34).

Local government’s role is to facilitate capacity building and skills development of the locals. This can be achieved through establishing links with Sector Specialist Academics, Institutions of Higher Learning, SETAS, labour centres, etc.

As pointed by Hindson & Vicente (2005: 6), the guidelines lack the coherence needed to guide municipalities towards the implementation of LED. The guidelines are vague and they lack details on what exact roles municipalities should play. There is an assumption that the district municipalities are in touch with what is happening at their respective local municipalities. They lack the understanding that local municipalities are autonomous from the district municipality and as such their role is an advisory one.
2.11. LED UNITS

DPLG (2005: 12) suggests that LED units should be set up at all the spheres of government to such an extent that they are even established at local municipalities. The guidelines (DPLG, 2005: 12) further suggest that these LED units should report to municipal managers and that they should perform their duties in close collaboration with local stakeholders. Contrary to this, though, the guidelines (DPLG, 2005: 13) do not state clearly what LED units should do or their relationships with other support agencies such as Local Economic Development Agencies (LEDA’s), Small Enterprise Development Agencies (SEDA’s), etc.

In order to promote LED some local authorities have established LED Units or Departments. These units may be attached to the planning or engineering department, whereas in some municipalities they are stand-alone units. Depending on each municipality, they can give LED a high profile, but it may not be a high priority compared to service delivery especially at small rural municipalities (Hindson & Vicente, 2005: 39).

COGTA (2012: 9) suggest the following in terms of the functioning of LED units within municipalities:

2.11.1. Proposed functions:

I. Act as a knowledge bank and champion on economic issues within the municipal space.

II. Mobilise internal stakeholders and develop a cohesive internal vision and understanding of LED, for example, the executive managers for technical and community services, the CFO (incentives), officers appointed to advance the empowerment of women, youth and persons with disabilities, the communications officer, urban planning, health inspectorate, etc.

III. Coordinate the development and implementation of the LED strategy framework and the annual implementation plan;

IV. Coordinate the implementation of LED projects in the municipality;

V. Stakeholders management (done in partnership with Thusong Service Centre Managers and the Public Participation Manager of the municipality);

VI. Investment promotion;
VII. Improve access to business advisory services by coordinating the availability of economic support services provided by government and public entities to local stakeholders, in collaboration with Thusong Service Centre Managers;

VIII. Provide advice to and network with businesses and/or individuals that are interested in starting a business;

IX. Monitoring of and evaluation of the impact of economic strategies within the municipality;

X. Mobilise communities, and vulnerable sectors such as women, young people and people with disabilities in particular, to become economically active;

XI. Provide secretariat services to the LED Technical Committee, the LED Reference Group as well as the LED Stakeholder Forum.

2.11.2. Competency/skills requirements of the LED Unit as a collective

COGTA (2012: 9) suggest the following competencies in terms of the LED unit. The core competencies that should be considered include:

- Development facilitation skills
- Investment facilitation skills
- Planning and policy development skills
- Monitoring and evaluation skills
- Project management skills
- Economic profiling and strategy development skills
- Business promotion skills
- Secretariat skills
- Management and leadership skills

“Whilst different size municipalities, different competitive advantage within municipalities and financial status of municipalities will impact on the placement and final structure for LED within respective municipalities, it is advised that the following be considered:

- There should be a direct link between the LED unit and the IDP/SDF unit of a municipality to ensure an alignment of strategies;
- There should be a direct link between the LED unit and units created for the advancement of youth, women and persons with disabilities;
• The LED Manager (strategic level) should be appointed at a level that will (i) allow for sufficient skills to be attracted and (ii) allow for sufficient authority to influence senior and/or executive managers within and outside the municipality.

• The LED coordinator should focus on stakeholder mobilization, in particular liaising with social partners and mobilizing and coordinating provincial and national public sector support for economic development initiatives in the municipality in collaboration with Thusong Service Centre Managers.

• The LED Officer(s) should focus on the implementation of the LED Implementation Plan (project facilitation, support and monitoring).

• The LED unit should be able to influence strategic planning and business processes within Directorates / Departments such as technical services, financial services, and community services.

• There should be a clear distinction between staff responsible for coordinating support or project managing poverty alleviation projects with regard to LED officials responsible for LED facilitation.

It is recommended that municipalities consider the creation of internship positions for students who have majored in economics/development planning within the LED Units to boost capacity. It is, however, important that mentoring of such interns is sufficient to ensure natural benefit, (COGTA, 2012: 10-11”).

2.12. Conclusion

LED has become a widely practiced policy in most countries according to its history of development is in North America and Europe. It has modest and mixed outcomes in the countries of the South. In South Africa, LED has evolved significantly in the post-apartheid regime. It has been a growing feature and a standard practice for economic development in the country. South Africa re-entered the global world after 1994. Consequently it was affected by the effects of globalization. The SA government has followed neoliberal policies in developing its economy; notably GEAR. This direction was largely due to global pressure as well as the high unemployment rate of the country.

The development of LED in South Africa has thus followed the traditional theories of LED. It was further mandated by the RSA Constitution that municipalities should
promote social and economic development. This responsibility is an obligatory one; it was also established in the White Paper on Local Government of 1998. There have since been some Acts and Frameworks that speak to the social and economic development by local authorities by promoting LED projects. The framework for LED is a comprehensive policy.

However, the success of these projects has been rather disappointing, to say the least, considering the number of local municipalities in the country. However, there have been some constraints in the implementation of LED. Firstly there is the issue of its meaning, secondly, funding, thirdly support and capacity, fourthly resources, fifthly the issues of scaling, sixthly the issue of small rural municipalities versus large metropolitan cities, and finally, the lack of monitoring and evaluation.
CHAPTER THREE: METHODOLOGY AND RESEARCH METHODS

3.1. INTRODUCTION

This chapter provides details of the research design, the methodology adopted and analysis used in the study. The sample, sampling procedure, data collection procedures and limitations the researcher faced are also discussed. In addition, this chapter explains how data was captured and analysed, and it discusses ethical issues associated with the study and the steps to maintain ethical standards.

3.2 RESEARCH APPROACH

Based on the subject matter of the study it needed a qualitative approach. The reason is that it is based on problem solving and probing. The nature of the study is such that it intends to examine the problem deeply and in detail. In addition the study is designed in such a way that it intends to find ways of remedying the situation at these affected local municipalities. Therefore for studies of this nature the qualitative research approach is applicable. According to Babbie and Mouton (2001:53) qualitative research attempts to study human action from the insider’s perspective. Qualitative research becomes a detailed study with thick description, enquiry in depth, direct quotation capturing people’s personal perspectives and experiences (Absolom, 2005:13). According to McRoy as quoted by De Vos (2002:79) the qualitative research paradigm in its broadest sense refers to research that elicits participation accounts of measuring, experience or perceptions. The qualitative research method is particularly appropriate when gathering socially dynamic information related to human behaviour and the interaction between people. As De Vos, et al (2005:269) note, those undertaking qualitative research have an amazing choice of designs. This, for instance, enabled the researcher to adapt the interview guides to the literacy levels of all the respondents.

3.3 RESEARCH DESIGN

Research design is the planning of scientific enquiry and designing a strategy for finding out something. (Babbie and Mouton, 2001:72). According to Thyer (1993:94) as quoted by De Vos et al (1998:77) a research design is a blueprint indicating the overall conduction of the study. It is composed of a number of steps. Thyer states that methodology is an operational framework within which the facts are stated so
that their meaning may be clear. Bless & Higson-Smith (2000:63) argue that it relates directly to the testing of hypotheses, it is a specification of the most adequate operations to be performed in order to test a specific hypothesis under given conditions.

The research paradigm that seemed applicable to study is interpretivist. This is based on the fact that this study seeks to find solutions on how to improve the functioning of the LED units of local municipalities within the Chris Hani District. The frame of reference for an interpretivist paradigm is participant based rather than observer based.

3.4 RESEARCH ASSUMPTIONS

The Researcher commenced the study with the following assumptions (hypotheses):

- There is confusion over roles and responsibilities among stakeholders dealing with LED.
- Municipal officials charged with Local Economic Development within Local municipalities lack capacity.
- Confusion over the approach i.e. that local government needs to play a facilitation role or act as an implementing agent.
- LED not being prioritised (concerning resource allocation) in local municipalities
- There is a lack of political will to support LED at local municipalities.
- There is poor LED planning and coordination

3.5 SCOPE AND SCALE OF RESEARCH

The research scope and scale focused on two local municipalities namely, Lukhanji and Intsika Yethu municipalities that form a part of the greater Chris Hani District. Chris Hani District Municipality is located within the centre of the Province of the Eastern Cape surrounded by the district municipalities of Amatole, Cacadu, Joe Gqabi and OR Tambo. It includes the following eight local municipalities: Emalahleni, Engcobo, Inkwanca, Intsika Yethu, Inxuba Yethemba, Lukhanji, Sakhisizwe and Tsolwana.
The researcher decided to focus on 2 local municipalities which constitute 25% of the study area, which is fairly representative of the eight municipalities that constitute the greater CHDM. The fact that the district is predominantly rural to the East and mostly urban to the West means that the study will be focusing on 1 municipality in the West (Lukhanji) and 1 municipality in the East (Intsika Yethu). The rationale behind this approach is the fact that there are equal disparities between the west and east. It is assumed that this can be attributed to the then Apartheid systems which promoted “Separate Development”.

3.6 SAMPLING AND POPULATION OF THE STUDY
The sampling method that was used for the study is purposive sampling. “This type of sampling is essentially to do with the selection of units: which may be people, organisations, documents, departments etc. with direct reference to the research questions being asked, (Bryman, 2008: 375). According to Bless & Craig Higson-Smith (1995:83 Non-probability Sampling refers to cases where the probability of including each element of the population in a sample is unknown. Purposive sampling is a non-probability sampling. De Vos (2002:207), Purposive sampling is based entirely on the judgment of the researcher in that a sample is composed of elements that contain most characteristics, representative or typical attributes of the population. This type of sampling gives the researcher a chance of selecting cases with a specific purpose.

The researcher used LED officials both administrative and political as they are directly involved in LED implementation and the functioning of LED units at their respective municipalities.

The researcher collected data from open-ended structured questionnaires that were administered to relevant LED officials, LED portfolio heads, community development practitioners and municipal managers. The target number of officials to be interviewed was 15, consisting of officials from the Chris Hani district municipality, the Lukhanji local municipality and the Intsika Yethu local municipality. The researcher managed to interview a total of 12 respondents from the said municipalities.

The following criteria were used to select participants for the study:

• Perceived roles and responsibilities of individuals within the municipalities
The extent of involvement of Individuals on LED Implementation

Mandatory obligations of the municipalities.

3.7 DATA COLLECTION INSTRUMENTS
Because the research approach to the study was qualitative, the tools that were used to collect data were questionnaires that were based on written responses to clearly defined questions. Structured interviews with officials dealing with LED within the local municipalities were conducted. “Structured Interview is usually a face-to-face encounter supported by a questionnaire. The questionnaire is carefully planned and structured” (Olsen, 2012: 34).

The researcher also scrutinised government documents i.e. LED Strategies, IDP documents of each municipality, reports, minutes of the meetings, etc.

3.8 DATA ANALYSES
The data for the study was analysed according to different themes provided in the questionnaire, such as the matrix and contingency questions. For data analysis different perceptions about the research topic were provided together with similarities and differences based on the objectives of the research topic. The data was analysed on a qualitative basis.

This data was analysed according to Absalom’s thesis which states stating that when analysing data from individual questionnaires the responses that are valued to be same will be grouped together. To Absolom (2005: 19) this process is an “Interpretive process that involves searching through the questionnaire and synthesising information into patterns, themes and trends”.

The data was also categorised and grouped according to the purpose and themes.

3.9 VALIDATION OF DATA
In order to ensure validity of the data gathered during the research the researcher used respondent validation. “This is a process whereby a researcher provides the people on whom he or she has conducted research with an account of his or her findings. The aim of the exercise is to seek corroboration or otherwise of the account that the researcher has arrived at” (Bryman, 2008: 377). This method was selected due to the fact that this study is participant based.
3.10 LIMITATIONS OF THE STUDY
- The availability of the respondents was a minor hindrance to the study
- Incomplete questionnaires
- It is too time consuming to administer the questionnaire, respondents became impatient
- The respondents’ approach to answering questions were defensive at times

3.11. ETHICAL STANDARDS
The study observed the following ethical considerations:

3.11.1 Voluntary Participation
The respondent’s permission to participate was obtained before the research commenced.
Bless & Higson-Smith (1995:100) argue that participation in research should be voluntary and people can refuse to divulge certain information about them. As stated by Babbie & Mouton (2001:28) a basic rule in social research is that participation should be voluntary. The researcher provided all the necessary information in clear, intelligible and user-friendly language. At the outset, the researcher informed participants about the study, then sought consent and arranged interviews at suitable times for the participants. Participants were requested to sign a consent form, agreeing to participate in the study.

3.11.2 Right to privacy
According to Bless & Higson-Smith (1995:100) social research often invades a person’s privacy and an interviewer may want information of a private nature or a scientist may need to observe people in situations that are harmful or at least uncomfortable to participants. People should not be subjected to research of such nature unless they have agreed to it.

3.11.3 Informed consent
The respondents were informed of the objectives of the study so that they could decide whether they wanted to participate or not. According to Kvale (2007:27) informed consent entails informing the participants about the overall purpose of the investigations and the main features of the design, as well as of possible risks and benefits from participation in the research projects. Informed consent further involves
obtaining the voluntary participation of participants and informing them about their right to withdraw from the study at any time.

3.11.4 Anonymity

All information that was collected would be kept confidential. The respondents were allowed to remain anonymous if they wanted to. All the information would be analysed and generalised and not be attached to any particular respondent. Bless & Craig Higson-Smith (1995:100) states that social scientists are usually more interested in grouped data than individual results. Thus, the names of participants can be omitted altogether or respondents can be identified by number instead of by name.

3.11.5 Confidentiality

Confidentiality implies that only the researcher and possibly one or two staff members are aware of the identity of the participants and have made a commitment to safeguard the identity of the participant. According to Babbie and Mouton (2001:34) the researcher can identify respondents in a survey but essentially promises not to do so publicly. The extent of the limits of the confidentiality also needs to be explained. Names and other identifying details need to be replaced by codes. In order to meet these requirements, interviews were conducted under conditions of privacy, in private boardrooms of the municipalities. Confidentiality was emphasized and the opportunity for participants to ask questions and to clarify issues was made available to all of them. Holloway & Wheeler (1996:46) suggest the following:

- Change minor details so that informants cannot be recognised.
- Provide participants with pseudonyms (or let them choose a pseudonym). Only the researcher should be able to link participant’s pseudonyms with their real names and identities on the tape recordings and transcripts carrying their stories.

Confidentiality is a separate issue from anonymity but also very important. Confidentiality implies that only the researcher and possibly a few relevant people (i.e. the supervisor, promoters and translators) should be aware of the identity of participants.
Bless & Higson-Smith (1995:100) argue that social scientists should accept the responsibility for protecting their participants. Many researchers have been strongly criticised for having reached very interesting findings at psychological or physical cost to participants.

De Vos et al (2000:306) argue that the principle of confidentiality implies that the dignity of interviewers should be respected.

3.11.6 Integrity

De Vos et al (2000:307) state that interviewers should not raise false expectations, and interviewees should be treated with absolute honesty. From the outset it should be explained to them that the relationship will hold little or no benefit for them other than they will have the undivided attention of a patient, on-critical listener.

3.11.7 Individualisation

According to De Vos, et al (2000:307) people need to be recognised; accepted and allowed to create a unique life world. The principle of individualisation is based on acceptance and recognition of the uniqueness of every interviewee with regards to nationality, religion, race, personal background. The principle also implies that interviewers should meet interviewees at their level and accept them in their life world.

3.12. CONCLUSION

This chapter has covered the research design and methodology that will be used by the researcher. The research instrument was selected and ethical standards for the study were applied.
CHAPTER FOUR: RESEARCH FINDINGS

4.1 INTRODUCTION

The aim of this chapter is to present the research findings, the findings are grouped according to the following themes:

- Policy/planning LED framework
- LED institutional set-up/ arrangements
- LED capacity and resources
- Political will and support for LED

4.2 RESTATEMENT OF THE RESEARCH QUESTIONS

- Assess how Local Economic Development Units within local municipalities in the Chris Hani District are functioning?
- How can the functioning of Local Economic Development Units in local municipalities within the Chris Hani district be improved?

4.3 PROFILE OF RESPONDENTS

Structured interviews were conducted with the LED officials in the LED units of Lukhanji and Intsika Yethu local municipalities and Chris Hani District Municipality. The officials included sector coordinators, municipal managers, portfolio heads of IPED and the LED managers of the respective municipalities. The aim of the interviews with the LED officials was to gain some insight into how they understand the LED processes. The interviews were held face to face with the officials in different sessions.
4.3.1 Respondents Representation

Figure 1: Respondent’s Representation by Municipality

The majority of the respondents were from the Chris Hani district municipality at 46.6%, followed by Intsika Yethu local municipality at 33.3% and lastly by Lukhanji local municipality at 20%.

4.3.2 Gender Representation

Figure 2: Gender Representation

The majority of the respondents were males at 60% and females were at 40%
4.3.3 Educational Qualifications of the Respondents

Figure 3: Educational Qualifications

The majority of respondents' qualifications were: a degree at 40%, followed by National Diplomas, Honours and Master's Degrees at 20% respectively.

4.3.4 Designation of Respondents

Figure 4: Designation of the respondents

The majority of respondents that participated in the study were sector managers at 46, 6%, followed by LED managers at 20%, IPED directors and portfolio heads at 13,3% respectively and lastly municipal managers at 6%.
4.4 POLICY / PLANNING LED FRAMEWORK

- There seems to be a general understanding of the concept of LED by all the respondents interviewed. The level and broadness of understanding differs from individual to individual, depending on the hierarchy or level of the individual within each municipality and the experience and exposure of an individual to LED. Although there seems to be an understanding of the concept of LED by the respondents, none have indicated the role the municipality has to play in the implementation of LED.

- There were mixed views when it came to their understanding of economic development. Most respondents seem to understand economic development as growth. Some respondents understood economic development in terms of economic boom achieved through sectors contributing to the GDP of the region or the country. On the whole there was a general consensus that economic development is about growth and improving standards of living through the reduction of unemployment.

- The highlight in the responses was that economic development encourages business initiatives where people are developed in their business initiatives in order to ensure sustainability and job creation. The respondents further indicated that in the centre of economic development is the role of the municipality. The responses were clear that local economic development is economic development at local level initiated and owned by local people.

- The respondents pointed to the fact that LED is regulated through various pieces of legislation such as the RSA Constitution 1996, the Municipal Structures Act, and the White Paper on Local Government (1998). LED strategies are aligned to the national, provincial and local spheres of government through policies such as the PGDP and the IDP.

- All the respondents interviewed indicated that their municipalities are relying on LED strategy as policy guideline for LED implementation. It was further discovered that all the LED strategies have not been reviewed in the past 2
years and their 5 year term had lapsed. But on a positive note though, all the LED strategies were being reviewed.

- The majority of the respondents indicated that planning is crucial for LED. One of the responses was: “Yes, in order for LED to have a significant impact, proper planning needs to be undertaken. This will ensure that proper and effective programmes and projects are designed for a specific area or community, to address the needs of that community”. As indicated earlier on, all the municipalities concerned have LED Strategies or Plans in place.

- The mechanisms used by municipalities to enforce LED implementation include Annual Service Delivery Budget Implementation Plans (SDBIP), LED Standing Committees, and monthly and quarterly progress reports. On probing the effectiveness of the said mechanisms on LED implementation the majority of the respondents suggest that these mechanisms are effective due to the fact they are legislated i.e. standing committees are established as compliance to Municipal Systems and Municipal Structures Act and SDBIP are a compliance to the Municipal Finance Management Act.

4.5 LED INSTITUTIONAL SET-UP/ ARRANGEMENTS

- The respondents indicated that there is a full staff compliment at LED units at both Chris Hani District and Intsika Yethu Local municipality.

- The LED units are consisting of sector coordinators, which include agriculture, tourism, SMME, Cooperative heritage and forestry development. The sector coordinators are reporting to the LED Manager.

- The Lukhanji Local Municipality, which is the hub of the district economy does not have fully fledged LED unit in terms of human resources. The LED units of all the municipalities concerned are attached to Integrated Planning and Economic Development Directorates which report directly to the office of the municipal manager.

- The respondents indicated that there are forums dealing with LED implementation within their respective municipalities. These forums are consist of government sector departments, government parastatals,
community based organisations, non-government organisations and black emerging entrepreneurs.

- The respondents have indicated that they are struggling to rope in the established business sector to be part of the LED Forums. When probing why the established businesses are not coming on board it was indicated that there is a history of bad relations and mistrust between the municipalities and the private sector. These emanate from issues of rates, poor service delivery by the municipality and the fact that these forums or platforms are used to advance the political agendas of municipalities.

- The functions or mandate of LED Forum include the following:
  
  - Planning and Implementing high impact projects and programmes
  - Facilitation of LED initiatives
  - Monitoring the implementation of LED strategy, and
  - Improving co-operation and coordination among stakeholders

- As already indicated, LED forums within the district are dysfunctional and respondents attribute this to a lack of clear terms of reference of the forum and the fact that there are many forums trying to address same issues.

- The functioning LED structures or forums are guided by the national LED framework, the IDP, the LED strategy of a particular municipality, and council resolutions.

- It was indicated that apart from the LED forum there are sector forums seated at the district level. It is at these forums that issues pertaining to each sector are tabled and discussed. These sector forums are held on a quarterly basis.

4.6 LED CAPACITY AND RESOURCES

- As stated earlier on by the respondents, LED is mainly about stimulating the local economy. It is commonly reported both in the media and in academic sources that a major constraint in service delivery in local municipalities is a lack of capacity. The respondents were asked to comment on capacity issues within their units.
The respondents interviewed indicated that their LED units are funded through equal share from national government and relevant provincial government departments. It was further indicated that LED units are funded through grants and donor funding agencies like the European Union and GTZ.

Although there is allocation for LED Implementation on the Municipal Infrastructure Grant none of the respondents interviewed indicated that their LED unit claimed its share. On establishing why the LED units are not claiming their share it was indicated that the technical services department who is the custodian of the fund is not willing to assist LED Units to access the fund.

It was indicated that there are technical requirements (MIG guidelines) that are to be adhered to in order to access funds. The LED units are not familiar with the requirements as they are very technical.

All the respondents interviewed indicated that they had not attended any LED training in the past 12 months.

Furthermore, the majority of the respondents indicated that since they have been recruited at their jobs they have never received in-job training or induction on LED. Upon establishing why they had not attended training it was found that the Annual Service Budget Implementation Plan has no component for personal development. In addition, it was indicated that there’s no budget available to train staff. It was also indicated that the skills development facilitation units within the municipalities are ineffective.

The respondents indicated that they have inadequate financial resources to implement LED due to the fact that LED is an “unfunded mandate”. It was also indicated that the LED personnel needs to be capacitated. The respondents indicated that there are certain posts to be filled in LED Units and that the current personnel gets constant training on aspects such as computer skills, project management and gets regular updates on the latest trends in LED.

In terms of office space and equipment the majority of the respondents are satisfied with their office equipment and amenities. The Lukhanji local
municipality is not sharing the same sentiment as they are lacking in every aspect i.e. human, financial and physical resources.

4.7 POLITICAL WILL AND SUPPORT FOR LED

- The majority of respondents interviewed indicated the LED Unit comes second after the Infrastructure and Basic Services department on priorities of municipal key performance areas. One of the respondents said, “Out of the 5 key performance areas the LED function occupies the second position. The main key priority of the municipality is basic service delivery e.g. water, sanitation, etc. and infrastructure provision. The municipality cannot build the local economy and businesses cannot function where there are no basic services and infrastructure in place. Hence the LED occupies the second position.”

- The majority of the respondents felt that the LED unit is strategically placed at the Integrated Planning and Economic Development Directorate. Their argument is based on the fact that LED receives all the necessary support it deserves from the council. Furthermore, it was indicated that the LED unit is a stand-alone unit that is not incorporated into the community service department as is the case with other municipalities.

- One of the respondents felt that LED is not strategically placed and suggests that it would have been strategically well placed if it was under the office of the strategic manager. The office of the strategic manager is tasked with strategic functions i.e. municipal planning (IDP). Therefore, if LED was placed there it would receive more attention.

- The majority of respondents have indicated that their municipalities do budget for LED during the IDP planning process. The respondents indicated that LED does receive both capital and operational budget from the municipality. It was also indicated that the LED units allocation, especially for capital projects, increase during every financial year.

- The respondents have alluded to the fact that there is no dedicated politician for LED but there is a portfolio head for the Directorate Integrated Planning
and Economic Development where LED is attached. The respondents also indicated that the Portfolio Head is hands-on regarding LED programmes and initiates plans and is providing guidance when needed. The respondents also indicated that there is a standing committee (political structure) on Local Economic Development where LED issues are discussed at a political level.

- The respondents have alluded to the fact that at times there is negative interference by politicians in the implementation of LED.

- The respondents indicated that the changing of politicians, either through being recalled or reshuffling, hampers implementation of LED as the new politician has to go through the process of understanding of the Portfolio. This then means that the LED officials have to learn to adapt to methods of the newly deployed politician. One of the respondents said, “the chopping and changing of politicians affects consistency, for example, my previous portfolio head has been recalled and has been replaced by another councillor who is clueless on LED, this then means I have to take this councillor on board”.

4.8 CONCLUSION

This chapter presented the findings, of the research questions as outlined in chapter one of the research. The summary and implications of the findings will be outlined in chapter 5. All the issues that had to be investigated have been reported in this section.
CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter presents a summary of the findings of the study, based on the results and analyses of the data in the preceding chapter, a summary of the conclusions is made and recommendations are suggested.

5.2 RESTATEMENT OF THE RESEARCH PROBLEM

The Local Government White Paper (1998) indicates that local municipalities are expected to be the implementing agents of Local Economic Development (LED) within their areas of jurisdiction. In addition they are expected to provide an enabling environment (as facilitator) for Local Economic Development to be realised. “Local municipalities thus have a crucial role to play, both as policy makers and as institutions of local democracy and are urged to become more strategic, visionary, and ultimately influential in the way they operate” (Rogerson, 2005:6).

The state has a task to find solutions to alleviate poverty and LED has been identified as part of the solution. The municipalities are mandated with Local Economic Development and that function has been located within the LED Unit. The LED scholar, Rogerson (2005: 12-13) have identified the following as key issues pertaining to Applied LED in South Africa:

- Most of the LED initiates tend to fail
- Most ventures, especially in small centres have limited private sector involvement
- “Politicisation” of development
- Grant dependency
- Decision on whether local authorities should the implementing agent or the facilitator
- LED being an unfunded mandate
- Need for training, facilitation and funds
- Poor planning by local government
- Capacity issues.
Based on the above issues it was seen fitting to conduct a study that will identify challenges contributing to the effective functioning of LED units. The study will further attempt to highlight recommendations to address the shortcomings.

5.3 RESTATEMENT OF RESEARCH AIMS AND OBJECTIVES

5.3.1 Restatement of aims of the study

The aim of the study is to assess the functioning of two Local Economic Development Units in local municipalities within the Chris Hani District, namely in Intsika Yethu and Lukhanji. The intention of the study is to make recommendations to policy makers involved in LED so as to inform the policy framework designed for LED within the district.

5.3.2 Restatement of objectives of the study

- To investigate the extent of involvement of municipal LED officials in LED initiatives
- To investigate the capacity of LED officials
- To determine and examine roles and responsibilities of the various stakeholders in LED
- To review literature related to LED
- To determine success factors for LED implementation

5.4 SUMMARY OF FINDINGS

Although there seems to be an understanding of the concept of LED by the respondents, none have indicated the role the municipality has to play in the implementation of LED. This finding confirms one of the hypotheses i.e. that there is confusion among the local government officials on the role they have to play in the implementation of Local Economic Development.

The mechanism used by municipalities to enforce LED implementation includes Annual Service Delivery Budget Implementation Plans (SDBIP), the LED Standing Committee, and monthly and quarterly progress reports. On probing the effectiveness of the said mechanisms on LED implementation, the majority of the
respondents suggest that these mechanisms are effective due to the fact they are legislated i.e. standing committees are established in compliance to the Municipal Systems and Municipal Structures Act and SDBIP is a compliance to the Municipal Finance Management Act.

All the respondents interviewed indicated that their municipalities are relying on LED strategy as policy guideline for LED implementation. It was further discovered that all the LED strategies had not been reviewed in the past 2 years and that their 5 year terms had lapsed. This in turn has negative effects on LED planning and implementation which is one of the key success factors for LED implementation. This finding confirms one of the assumptions of the study that there is poor planning for LED implementation at municipalities.

The respondents have indicated that they are struggling to rope in the established business sector to be part of the LED Forums. When probing why the established businesses are not coming on board it was indicated that there is a history of bad relations and mistrust between the municipalities and the private sector. These emanate from issues of rates, poor service delivery by the municipality and the fact that these forums or platforms are used to advance the political agendas of municipalities. The private sector is one of the main drivers of LED implementation. Therefore their absence in the LED forum weakens and negatively affects LED implementation within these municipalities. This finding confirms the assumption that there is confusion over roles and responsibilities among stakeholders dealing with Local Economic Development within municipalities.

The majority of the respondents indicated that since they have been recruited to their jobs they have never received in-job training or induction on LED. Upon establishing why they have not attended training it was found that the Annual Service Budget Implementation Plan has no component of personal development. In addition it was indicated that there’s no budget available to train staff. It was further indicated that the skills development facilitation units within the municipalities are ineffective. This finding confirms one of the assumptions of the study; that municipal officials charged with LED implementation lack capacity in terms of LED skills and knowledge.

The respondents have alluded to the fact that there is no dedicated politician for LED but there is a portfolio head for the Directorate Integrated Planning and Economic
Development where LED is attached. The respondents also indicated that the portfolio head is hands-on regarding LED programmes and initiates plans and is providing guidance when needed. The respondents also indicated that there are standing committees (political structures) for Local Economic Development where LED issues are discussed at a political level. This finding proved the assumption that there is no political will to support LED at local municipalities wrong. However, it was also revealed that there is negative political interference at times, which hinders LED implementation.

The respondents indicated that they have inadequate financial resources to implement LED due to the fact that LED is an “unfunded mandate”. It was further indicated that the LED personnel need to be capacitated. The respondents indicated that there are certain posts that need to be filled in LED Units and that the current employees get constant training on aspects such as computer skills and project management and get regular updates on latest trends on LED. These findings confirm the assumption that; LED is not prioritised in terms of resource allocation at local municipalities.

5.5 RECOMMENDATIONS

One of the focus areas (research questions) of the study was to find ways on how the functioning of LED units can be improved.

5.5.1 Capacity Building of LED Officials

The implementation of LED and function of the LED units can be improved by constantly offering relevant and effective capacity building workshops for LED officials. It would be helpful if these workshops can be held twice a year at least so that LED officials can refresh their insights on current trends in LED implementation. Training and re-training is important otherwise skills may be eroded. It is recommended that the skills audit of LED officials is conducted on a regular basis. The skills audit findings will inform intervention needed to build the skills base of LED officials. The affected municipalities can approach the Local Government SETA to access funding for training. In addition they can approach COGTA to seek funding for the capacity building of municipal LED officials.
5.5.2 Proper Planning

Planning is fundamental for LED implementation as it ensures that there is optimal use of resources. The planning for LED requires involvement by all the relevant stakeholders which include government and government parastatals, the private sector, NGO’s and CBO’s. Municipalities should ensure that they develop implementable Local Economic Development Plans or strategies. These strategies or plans should be reviewed on an annual basis. The LED plans should be aligned to the municipal 5 year IDP. It is vital that there is alignment on all the 3 spheres of government in terms of LED implementation. This can be achieved through the sharing of information by all the spheres of government. This can also be achieved by ensuring that municipalities are represented at all platforms of LED from local to national Level.

5.5.3 Stakeholder Cooperation and Coordination

The cooperation of local entrepreneurs with local leadership and relevant government department allows better results in the implementation of LED. The sharing of ideas that accrue assists in the management of the activities that belong to the collective. This can be achieved through constant communication, strengthening collaboration with other sectors, meaningful involvement of the private sector and the sharing of ideas and commitment by all role players in LED.

5.6 CONCLUDING REMARKS

The aims and objectives of the study have been achieved as all the issues that needed to be investigated have been fully covered. It has emerged during the study that the municipalities within CHDM perceive their role as that of being implementer of LED instead of playing an enabling role as outlined in the LED Legislative Framework. There is a political will to support LED implementation at local municipalities within CHDM. In the implementation of LED the LED units within CHDM are faced with the following challenges:

- Insufficient cooperation among stakeholders
- Inadequate resources
- Political dimensions
• Poor LED planning
• Inadequate LED training

It is recommended that a study focusing solely on the improvement of LED units and LED implantation be commissioned. The researcher hopes that this study will be a positive contribution to the body of knowledge.
Reference List


Constitution of South Africa (1996) doc

Chris Hani District Municipality Integrated Development Plan (2012-2017) doc


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Lukhanji Local Municipality integrated development Plan (20011- 2012) doc


The Role of Local Government in Rural and Local Economic Development - SALGA.... SALGA LED Position Paper: Key issues in LED in South Africa and
a potential role for SALGA ...


World Bank (2002) doc
**Faculty of Business & Economic Science**

**Questionnaire**

**Introduction**

The Faculty of Business and Economic Sciences unit (NMMU) is currently conducting a study on how Local Economic Development Units effectiveness can be improved in the Chris Hani District, with specific reference to Intsika Yethu and Lukhanji local municipalities. Further research is required to investigate why LED Units at local municipalities are ineffective; in addition the study seeks to find ways of how this can be solved. Therefore the researcher kindly requests your co-operation and participation in this research and guarantee anonymity and confidentiality to those respondents that require it.

**SECTION A: BIOGRAPHICAL DETAILS**

Name of the Municipality:

Name of the respondent:

Gender:

Designation:

Highest qualification:

**SECTION B**

1. POLICY/PLANNING LED FRAMEWORK

1.1 Please explain briefly your understanding of concept of LED?

1.2 Does your municipality have policy guidelines or documents on LED, and have they been reviewed in the past 2 years? Please elaborate.

1.3 Is planning crucial for effective implementation of LED in your municipality? Please explain.
1.4 Does your municipality have an LED strategy or plan in place? If it exists, has it been reviewed and implemented? Please elaborate.

1.5 Are there any mechanisms in place in the municipality to enforce LED implementation? Please explain.

2. LED INSTITUTIONAL SET-UP/ ARRANGEMENTS

2.1 Who is involved in the LED unit (Organogram) in your municipality? Please explain.

2.2 Please explain briefly the location of the LED unit within your municipality?

2.3 Is there any existence of forums or structures dealing with LED in your municipality? Please expand.

2.4 What is the composition of the LED structure or forum in your municipality? Please explain.

2.5 What are functions or mandate of the LED structure in your municipality? Please explain.

2.6 Is there a framework guiding the functioning of the LED structure or forum in your municipality? Please explain.

3. LED CAPACITY AND RESOURCES

3.1 Please explain briefly how the LED unit is being funded in your municipality?

3.2 Does your LED unit claim its share from the Municipal Infrastructure Grants Fund (MIG)?

3.3 Has there been LED training given to LED officials in the last 12 months? Please elaborate.

3.4 Are the resources adequate for the implementation of LED in your municipality?

3.5 Is there a dedicated office space with adequate resources for the LED unit in your municipality? Please elaborate.

4. POLITICAL WILL AND SUPPORT FOR LED

4.1 Of the 5 performance areas of your municipality, on hierarchy of priorities which position does LED occupy? Please elaborate.
4.2 Is the LED unit strategically placed in your municipality? Please expand.

4.3 Does your municipality budget for the LED unit? Please elaborate.

4.4 Is there a dedicated political official for the LED unit? Please explain.

4.5 Has the dedicated politician received any training related to LED? Please elaborate.

4.6 Is there sufficient political support for LED implementation in your municipality? Please elaborate.

5. Please suggest ways on how implementation of LED unit can be improved in your municipality?

Any other Comments or suggestions
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Thank you for your Cooperation