THE LOCAL ECONOMIC DEVELOPMENT OF THE
INKWANCA LOCAL MUNICIPALITY: CHALLENGES AND
OPPORTUNITIES OF THE MUNICIPALITY

by

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<td>Chris Hani District Municipality</td>
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<td>DEDEAT</td>
<td>Department of Economic Development and Environmental Affairs and Tourism</td>
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<td>DLGTA</td>
<td>Department of Local Government and Traditional Affairs</td>
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<td>DLP</td>
<td>Department of Provincial and Local Government</td>
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<td>DST</td>
<td>District Support Team</td>
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<td>ECDC</td>
<td>Eastern Cape Development Corporation</td>
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<td>EPNP</td>
<td>Extended Public Works Programme</td>
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<td>EXCO</td>
<td>Executive Committee</td>
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<td>IDP</td>
<td>Integrated Development Plan</td>
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<td>Small Enterprise Development Agency</td>
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<td>SLA</td>
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ABSTRACT

This research study aims to make recommendations on how the Local Economic Development (LED) of the Inkwanca Local Municipality can be made effective. The researcher has conducted a qualitative research study through the use of interviews as the data collection tool, in order to obtain information from specific population members of the concerned local municipality on LED issues. The participants of the research included municipal officials, community project members and the official from the Department of Social Development.

The study consists of five chapters:

- Chapter 1 is the introduction chapter where the whole project background is outlined.
- Chapter 2 consists of the literature review, where various ideologies on the concepts of LED have been discussed.
- Chapter 3 describes the methodology used to conduct the research and outlines the route that was taken in acquiring the required data.
- Chapter 4 consists of the findings of the study. This chapter presents these findings in different themes and covers responses given by coded participants. Moreover, Chapter 4 also discusses the aims and objectives of the study, and states that the research findings have achieved the aims of the research in the analysis of data.
- Finally, Chapter 5 consists of the summary of the study background, challenges of the study and some recommendations by the researcher.

The conclusion is that the presumption of the research problem has been confirmed by the study. The Inkwanca Local Municipality does need some urgent intervention in order to enhance the LED of the area. Recommendations for LED challenges and opportunities acquired from the findings provide direction on how the LED of the Inkwanca Local Municipality can be made effective in order to reduce poverty and the unemployment rate in the area.
Genuine appreciation and gratitude are expressed to all who have assisted me in the completion of this study. A number of persons played an important role in this research project, namely:

- Dr Fawzy Basardien for his supervisory support in this study.
- Dr Janet Cherry for her support and guidance in this study.
- My husband Thando Potso and son Loyiso who stood by me throughout the study and often sacrificed quality time with me to enable me to work on my research.
- My two friends Lungile Penxa and Babalwa Magoqwana who enormously assisted me to put together this study.
- To municipal, government department’s officials and community members who agreed to participate in the study.
- All authors and other referencing material that has been used during this study.
DEDICATION

I dedicate this work to the Almighty God who strengthened and gave me direction when I felt like giving up, if it wasn’t for His grace I would not have done it.
CHAPTER 1: INTRODUCTION

1.1 Introduction

This chapter focuses on the description of the background of the study, explains the aims of the research and also outlines the research problem and the scope in which the research will be undertaken.

1.2 The Background to the Study

The concept of Local Economic Development (LED) has been difficult to define and a challenge to provide a way in which to achieve successful LED implementation. As different meanings have been given by different categories of the population, the concept is complex. For most rural inhabitants of South Africa, LED is about project-based development initiated by government to fight against poverty. In urban areas, the main focus of LED is to create and own mega businesses to enhance economic independence, which will have a major impact on economic growth of any area. In South Africa and in other countries abroad, LED is perceived as the main catalyst for economic growth in small areas; the aim is to improve the livelihood of previously disadvantaged communities (Rogerson, 2010:4). In an attempt to pursue LED, the South African government embarked on various programmes that aim to improve the lives of South Africans and it has formed structures that will achieve set goals for development.

The national government elected the local municipalities as the main drivers of LED initiatives, since they are in a better position to access their communities. The local municipalities are primarily accessible and convenient actors to offer growth, and are in collaboration with different sector departments, such as the Department of Agriculture, Department of Social Development, Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) including other stakeholders such as the Eastern Cape Development Corporation (ECDC) and Small Enterprise Development Agency (SEDA). In collaboration with all the sector
departments, each municipality has a responsibility to establish and champion their LED strategy to be able to meet the expectations of the National LED Framework.

‘The National Framework for LED in South Africa aims to support the development of sustainable local economies through integrated government action. This government action is developmental and stimulates the heart of the economy which comprises those enterprises that operate in local municipal spaces’ (DPLG, 2006). The National LED Framework is simplified at the level of local municipality through the establishment of an Integrated Development Plan (IDP), which serves as a yardstick for guiding and measuring the development progress of a particular area. This means that each step taken to develop each municipal area must be aligned to the IDP document addressing the priority targets of each area for LED.

This research focuses on the Inkwanca Local Municipality which is situated in the Chris Hani District Municipality in the Eastern Cape Province. The Inkwanca Local Municipality is situated in the Molteno area; it is a small uneconomical town and appears to be very dry and very poor. The decision to conduct the research in this area was made when considering the difficulties experienced by LED practitioners in the Chris Hani region. However, challenges have occurred due to the lack of cooperation by the Inkwanca Local Municipality in the affairs of the LED, organised by the District Support Team. This area has been identified as under-developed. The IDP assessment report showed a slight improvement in the gap between LED planning and budgeting. All the plans were set in place, but the municipality has neither any financial nor human resource capacity to implement these plans (IDP assessment report, 2013). Furthermore, in a presentation by the municipal LED coordinator of the Inkwanca Local Municipality, this area is characterised by a very high rate of poverty (Inkwanca Ward session, 2012). Due to various factors, such as a high rate of HIV AIDS, high rates of unemployment and illiteracy, only 28% of households earn between R1 600 and R3 200 per month (Global Insight, 2010). One must bear in mind that all these factors hamper economic growth of the area.

In order for any community to be economically vibrant, the local municipality has to activate a very strong LED strategy. If the municipality is weak in terms of its LED programme, it becomes difficult to save communities from the tragedy of poverty. In this context, the researcher has adopted the definition of LED granted by the
National LED Framework which states that LED is a ‘deliberate intervention to promote economic development in a specific area that is not the national area from a very small neighbourhood through to a fairly large sub-national region’ (DEDEAT, 2008). This means all activities that will promote economic growth should be funded, facilitated and disseminated to the communities. They should also be proposed to the political leadership of the area, since any kind of development requires a political buy-in with full participation of willing communities and the surrounding sector departments.

The researcher argues that the Inkwanca Local Municipality’s problems result from a dysfunctional LED and many other challenges, which are outlined in this study. The focus of the research question is on how best the LED of this area can be made effective and recognising challenges and available opportunities is thus very important. The Inkwanca Local Municipality has failed to prioritise LED in their budget by not hiring fully-fledged LED personnel and in supporting existing projects.

In the presentation made by the LED Manager at the Ward Plans session in 2012, it was shown that even in the existing LED initiatives in the area, only a few are flourishing due to lack of: financial support, integrated development of the surrounding sector departments, commitment of the communities and the necessary political support. LED in most areas of the Chris Hani District Municipality (CHDM) is not approached in a collective form. Funders such as government departments usually disburse funds for small projects without even referring to the Integrated Development Plan of the municipality, and this often leads to failure of projects.

Another challenge is that the method of funding does not allow communities to own development programmes in their local space, and as the programmes are not initiated by them, there is less or no impact incurred. Therefore, it is in this context that the LED programme of the Inkwanca Local Municipality will be assessed through this research. The impact of different government initiatives will be assessed in line with all aspects that are stated in the National LED Framework. Another reason which gave rise to the study is that the Chris Hani District Support Team has been busy formulating local action teams in the surrounding local municipalities, but has had no positive contribution at all from the LED unit of the Inkwanca Municipality. It will be significant to conduct this research in that area, in order to come up with propositions to address these challenges.
1.3 The Research Problem

The problem is that the Inkwanca Municipality is facing challenges in implementing LED initiatives. The indicator of this problem is the high rates of unemployment and poverty in the area, and a lack of a visible impact made by government initiatives in the area. Other problems are: a lack of financial commitment by the municipality for the LED programme and the poor participation of the Inkwanca Local Municipality in the Chris Hani District Support Team structure that drives LED in the region.

1.4 Research Aims

- To assess the Inkwanca Municipality’s LED Framework;
- To identify challenges of the municipality in promoting economic growth in the area;
- To identify opportunities within the area that will promote LED;
- To identify which LED activities are suitable for the area so that effective methods can be applied;
- To Identify the LED successes that have been achieved in this area;
- To identify the strategies in which the municipality and the community can cooperate for the implementation of the LED programmes.

1.5 Scope and Scale of the Research

This research focuses on the Inkwanca Local Municipality which is situated in the Chris Hani District Municipality in the Eastern Cape Province. The Inkwanca Local Municipality is situated in the Molteno area. The research will specifically focus on the LED staff of the municipality, government department officials that have existing LED initiatives in the area and community members of the existing projects. To acquire lived experiences of project owners, the researcher will also focus on the government official of the Department of Social Development who is responsible for driving LED in this area, the Inkwanca Local Municipality official and local municipality in Sterkstroom.
This chapter describes the background of the study that is undertaken by outlining the research aims, research problem and scope of the study. It is therefore anticipated that the researcher’s main concern is to find out how the LED of the Inkwanca Municipality can be made effective by recognising the challenges and opportunities facing the Inkwanca Local Municipality. The views of different authors on the concept of LED are therefore discussed on the next chapter to provide direction to the study.
CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This chapter consists of summaries of various ideas and conceptualisations on LED and also some issues that need to be considered when dealing with the subject. In this chapter, the researcher reviews literature on LED. A brief theoretical framework is included in and it is crucial to consider that the researcher's opinion will not be revealed until Chapters 4 and 5.

2.2 Literature Review

Since the 1994 democratic transition, there has been a radical transformation in the nature and organisation of development planning in South Africa. One of the most important shifts is related to the rise of LED and an integral part of reshaping place (Grant & Dollery, 2010). The LED programme is based on the theories of development that have given rise to the Millennium development goals. As a developing state, South Africa has to meet targets that are put in place by the United Nations, one of which is to ensure that by 2014 the poverty alleviation target will have been achieved. Over the long term, the concept of development implies increased living standards, improved health and wellbeing for all and the achievement of whatever is regarded as a general good for society at large (Thomas, 2000:23).

The improvement of living standards requires a commitment of each nation state through public and private structures that are available to enhance local economic development. In his foreword, the Member of the Executive Council (MEC) of Local Government and Traditional Affairs, Mlibo Qoboshiyane, stated that LED is one of the key performance areas of local government in terms of the 1996 constitution of South Africa and the Municipal Systems Act of 2000 (Thina Sinako, 2011). However, municipalities in the Province, both at district and local level, continue to encounter challenges on how best to lead, facilitate and support LED at these levels. He further states that levels of state management are also caught in the same trap and are
unable to consolidate and sustain an efficient system to support local development (Thina Sinako, 2011).

In 2008 an attempt was made to mitigate the above-mentioned challenges through development of a conceptual framework spelling out the responsibilities of different institutions (for example, government and partners) to resource and facilitate support of LED. A related Local and Regional Economic Development (LRED) strategy framework for the Province was developed. This was led by both the Department of Economic Development and Environmental Affairs (DEDEA) and the Department of Local Government and Traditional Affairs (DLGTA) in cooperation with municipalities and other stakeholders across the Province. The main purpose of this strategy was to improve the performance of economic development by ensuring that necessary systems, resources and capacities were in place and were well coordinated. It is hoped that such resources are used efficiently and that duplication by departments doing similar work on LED in the same area should be prevented. In support of this structure, in each region of the Province there is a District Support Team (DST) that will run and monitor this vision (Thina-Sinako, 2011).

All the above structures are aimed at supporting the local communities of the Eastern Cape Province. For example, the DST monitors and supports project implementation and gives financial support where it is necessary using available government funds. Since municipalities are the main organisers of development in their areas, the municipalities are supposed to inform the DST on progress by their jurisdictions. However, they are inactive when it comes to participating in these structures. LED strategies for the municipalities are not established and most of them face the challenges referred to by Rogerson (2010). Some of the challenges are provoked by the fact that until 2006 there have been no national guidelines to assist the local authorities in pursuing LED. Even though structures have been formed to encourage LED and many departments have the LED component as their mandate, the situation has not changed and this research seeks in depth what is happening in the Inkwanca Municipal area.

In an attempt to achieve LED, Rogerson (2002) introduced a different way of putting LED into practice through the concept of tourism-led LED. The tourism sector was identified as one of the priority areas under the Integrated Manufacturing Strategy in
Tourism contributed to a rise in employment, and there was also a positive increase in the GDP from 1998 to 2002 (Monitor, 2004). Even though tourism is one of the country’s biggest priorities, it is ignored as an LED activity. The roots of tourism stem from the Reconstruction and Development Programme (RDP) that had aimed to improve economic growth and redistribution of wealth in order to improve the livelihood of the previously disadvantaged population (DEAT, 1995). Since job creation and economic growth are the main aims of LED, it is important to take tourism seriously so that it will achieve these goals. This means that principles pertaining to an ideal tourist-friendly country should be taken seriously in order to succeed in attracting tourists and external investment to South Africa (Rogerson, 2002).

The Greening Summit on Sustainable Development funded the ‘Responsible Tourism Handbook: a Guide to Good Practise for Tourism Operators’ (DEAT, 2003). This handbook stipulates the principles to be followed by participants in the tourism industry, in order to undo the unfairness of past. The government has the responsibility to empower new black tourism practitioners. In so doing, the government has to ensure that acceptable standards are being followed by black businessmen, so that tourism can bring about economic growth. Coles (2003) asserts that if more cities are regenerated through tourism-based efforts, investment and new business in the country will be attracted, and this will be an outcome of LED.

Internationally, many strategies have been established in order to achieve tourism-led local economic development. Swarbrooke (2000) suggests a strategy that can be undertaken to achieve tourism-led LED to maximise tourism in order to ensure high and sustainable growth rates. This would increase tourist spending in South Africa, and so enhance the economy. Rogerson (1997) argues that there is a need to encourage tourists to stay longer, with the intention of increasing revenue so that transformation and black economic empowerment are achieved. Some critics of the idea have argued against this optimism of tourism’s enhancement to LED. The argument raised by Lootvoet and Freund (2004) is that in the Durban this idea never worked for the majority of groups living in the highest levels of poverty. The focus has been on macro businesses which only benefitted the big cities, but neglected the poor and leaving them worse-off. At this point, an important question for the research
would be: How far has the Inkwanca Local Municipality gone in terms of enhancing LED through Tourism initiatives?

Nel and Binns (2001) agree with the fact that LED became a remarkable subject in South Africa just after the apartheid regime and increased in popularity around the year 2000. This is when the ruling party admitted that its development policy had not been effective. The local government authorities had been given the mandate to run LED, which is key to job creation (Trevor, 2000). Nel and Binns (2001) noted that legislation is difficult in the process of LED in South Africa, as some local authorities lack the necessary knowledge of relevant LED legislation. Nel and MacQuaid (2000) support this statement by asserting that policy making in LED has ignored community-led development initiatives and also those of the private sector. This has resulted in local government being selected as the main driver at local level, since issues of unemployment had to be addressed in this country after so many people became unemployed after the apartheid regime. Thus, local government had to work together with communities towards improving the socio-economic conditions of the country. This means that local authorities have to grow and provide an environment that is enabling for LED through active involvement with communities (Nel and Binn, 2001).

According to Nel and Binn (2001), in order to achieve the main goals for local economic development, there are milestones to be achieved by the local authorities. For example, the development of infrastructure, preservation and extension of current businesses is very important. In addition, development of human resource will bring capital to a particular area, encourage independent communities to establish small, medium and micro enterprises and create opportunities that will attract external investment (LED News, 2000). The role of the municipality will be to coordinate, facilitate, stimulate and assist with entrepreneurial development. This role requires financial support and commitment in building skills (Harrison, 2000). Even though the mandate of municipalities is explicit in terms of what they have to do in LED, financial resource remains a challenge in achieving this. The Department of Provincial and Local Government (DPLG) made limited capital donations towards LED programmes (DPLG, 2000a).
The municipality should have a support staff for LED, consisting of an LED coordinator, LED consultant, community development trust team and a management team. Another element is to work with non-profit organisations that will implement projects undertaken by the municipality, as they are in position to receive funds from sponsors and this could contribute towards financial resources (DPLG, 2000a). Formulation of relevant partnership arrangements is important in order to receive assistance with regard to funding and other services. The funding of LED is imperative, since unfunded initiatives cannot succeed.

The RDP felt strongly that funding should reach the poorest areas for projects which can create jobs and alleviate poverty (Harrison, 2000). In spite of all the planning anticipated for local economic development, Ferreira (1997) notes that there are still many challenges pertaining to the implementation of LED, especially in small rural areas. These are: a shortage or lack of trained staff to run the programme and bankruptcy. Nel (1999) noted that initiatives that seem to be viable are the ones from private companies. The existing financial support is insufficient when looking at the demand. For example, it was reported by LED News (2000b) that, out of 827 projects which applied for funding between 1999 and 2000, only 48 applications were supported.

An important point to note is that municipalities do not accumulate enough funds from rates and services to cover the needs of LED, as in some communities there is still a need to focus on roads and basic services (Emdon, 1997: 24). Consequently, Mukhopadhyay (2000) disqualifies the idea of giving local government the responsibility of LED since they do not have required financial capacity and it is primarily not their role to solve the problems that belong to the national government. Rogerson (1998) believes that provincial and national authorities should support and guide local government in order to avoid this failure in terms of training local staff and council committee members. The afore-mentioned challenges lead to projects that are successfully planned but are not funded, and also lead to poor management of these projects. Ngcobo (2000) states that many projects in South Africa fall below the lines of just focusing on survival, instead of building them to be sustainable business initiatives. The changing legal environment makes it difficult for the municipalities to comply within the implementation of LED strategies, and also the new policies tend to favour big cities instead of the former homelands that need
special attention and action (Nel and Binn, 2001). Even though many challenges have been raised it is clear that South Africa is doing remarkably well in changing from state-owned developments to those initiated and owned by communities (Nel, 1997: 72).

The financing of LED is very crucial, and one of the endeavours of South Africa in LED can be drawn from a case study of the Gijima programme in KwaZulu Natal. The importance of looking at this programme is to learn some lessons about LED implementation which can be linked to a successful or unsuccessful LED by the Inkwanca Municipality. This programme was initiated after an unsuccessful experience of the government’s LED funding programme, which was introduced between 1998 and 2000. This fund supported poverty relief projects, but there was no sustainability in terms of success for these projects with regard to the post-funding period (Marais, 2010). The design or planning of these projects was quite poor, and local business expertise was not available. In addition, there was a narrow focus on the public sector, with limited or no partnerships or relevant stakeholders for appropriate advice. Consequently, funding was discontinued. The dominance of the State’s role in LED, lack of sector-based focus and lack of implementing capacity have been noted as big setbacks in running LED. There is no evidence of a successfully implemented pro-poor project with economic viability (Meyer-Stamer, 2002).

The Gijima programme was donor-based and the prerequisites of the programme led to a supply-driven approach to LED, which is one aspect that was neglected in the research. As noted by DEDT (2007), the aims of the Gijima programme were to promote pro-poor LED, build the capacity of local government officials to be able to implement LED and also increase local competitiveness by building partnerships. The Gijima programme gave special consideration to focusing on planning and implementation phases. It is noted that the application process for funding LED was not user-friendly in a sense that the language and the requirements stipulated are not easily understood by uneducated rural inhabitants who want to take part in LED projects. Therefore, expertise of consultants in the application process has been used, but no skills have been transferred to the local municipality officials or the community; this behaviour is continuously affecting LED negatively. Major
challenges exist around planning and sustaining a good quality implementation process, especially when noting that local government authorities have not used some of the ideas of the consultants (Marais, 2010). Most projects had poor quality business plans, in that funds became available for a product that had not been evaluated. There was an inappropriate risk assessment process, which could be blamed on lack of capacity to determine worthy investment ideas. There was positive feedback on the fair and free evaluation and selection of applications.

The focus on pro-poor projects was not clearly-defined. It was also noted that, due to low skills, most of these projects did not have the capacity to compete equally (Marais, 2010). It was also noted that applicants applied for partnerships to qualify for funds, instead of doing so to access markets. The strengthening of partnerships is very important in the implementation of LED, and there should be a combination of public and private sectors. Marais (2010) argues that there is lack of commitment from core partners, and this hinders the success of the programme. In addition, access to markets and the availability of economic infrastructure are very important for the achievement of LED in the Gijima programme. In general, opportunities for the poor should be unleashed and a strong technical support is required to succeed in local economic development.

This chapter outlines the available literature in the discipline of LED and has discussed various ways through which LED can be achieved. It also covers a case study that serves as the lived experience, and describes the importance of different aspects of LED such as planning, funding, monitoring and capacity-building. Tourism proved to be the significant industry in driving LED in South Africa and across the world. At this stage, the researcher only focused on the views of the authors since it is appropriate for the researcher to voice an opinion and discuss further the literature and research findings in the data analysis section of the report.
CHAPTER 3: METHODOLOGY

3.1 Introduction

The research followed a qualitative approach that is defined as ‘a type of research which is concerned with discovering people’s life histories and everyday behaviour’ (Silverman, 2005:1). The reason for choosing this approach was to receive the explanations and interpretations of the research participants, as they are the ones affected and understand the problems very well. Hence, the research was descriptive and explanatory.

An interpretivist paradigm was adopted. It is important in this research to identify the interpretation of LED in the respondents’ own localities, as this concept means different things to different commentators. Gomm (2004:7) argues that interpretive researchers are primarily interested in investigating how people experience the world and how they make sense of it (Gomm, 2004:7). Investigating the challenges and the opportunities of LED in the Nkwanca municipality has provided the researcher with important information. This research has followed a phenomenological research methodology. The purpose of the phenomenological approach is to gather ‘deep’ information and perceptions of the research participants through inductive, qualitative methods such as interviews, discussions and participant observation (Lester, 1999:1). Patton (1980, cited in Magwaza, 1995:51) argues that a phenomenological approach attempts to understand a particular phenomenon in its own terms and context.

There are two main types of phenomenological approach. The first version is derived from the European tradition of thought, and the other ‘new phenomenology’ has a North American origin (Crotty, 1996, cited in Denscombe, 2003:104). The former version of phenomenology is influenced by philosophy and could be regarded as the original version, because its founding father is from this discipline (Crotty, 1996, cited in Denscombe, 2003:104). This form of phenomenology can operate at a more ordinary level. For example, it can address issues such as bullying at school.
The second version of phenomenology emanates from social phenomenology. For example, disciplines such as sociology, psychology, education and so forth are applicable here. This kind of phenomenology is more concerned with describing the ways in which humans give meaning to their experiences (Denscombe, 2003:104). This phenomenology focuses on matters such as experience and an interest in everyday life (Denscombe, 2003:104). However, it is argued that it is not practical to separate these two forms of phenomenology; rather these two forms are often intertwined (Denscombe, 2003:104-105).

For the purposes of this study, the second type of the phenomenological research methodology was followed. Phenomenological research deals with people’s perceptions, attitudes, beliefs, feelings and emotions (Denscombe, 2003:96). In other words, phenomenology is concerned with human experience. It is indicated that phenomenology prefers to concentrate on getting a clear understanding of things directly from people’s experiences (Denscombe, 2003:98). Phenomenology is also described as particularly related to how social life is constructed by those who participate in it (Denscombe, 2003:99). When doing research, phenomenologists focus on trying to depict relevant experiences in a genuine manner (Denscombe, 2003:101). One of the crucial benefits of a phenomenological approach is that it deals with things in depth (Denscombe, 2003:101). Denscombe argues that good phenomenological research involves a detailed description of the experience that is being investigated (Denscombe, 2003:101). Another feature of this approach is that phenomenologists concentrate on how experiences are constructed or how people perceive experiences (Denscombe, 2003:101).

### 3.2 Data Collection

The researcher collected data about the framework, policies and the implementation models that are undertaken by the subjects in pursuit of development. Semi-structured and group interviews were used to collect the data for the study. Semi-structured interviews have helped to obtain lived experiences of individuals on the problem issue. A semi-structured interview is ‘a series of open-ended questions based on the topic areas the researcher wants to cover’ (University of Surrey). It
consists of a series of broad questions and may have some prompts to help the interviewee. The open-ended nature of the questions defines the topic under investigation and provides opportunities for both interviewer and interviewee to discuss some topics in more detail (University of Surrey: 56). In addition, semi structured interviews allow the researcher to prompt or encourage the interviewee if they are looking for more information or are interested in the information given by the researcher. This method gives the researcher the freedom to probe the interviewee to elaborate or to follow a new line of inquiry. The data collection instrument works best when the interviewer has a number of areas to be addressed, which is exactly the case for this study (Ibid).

The group interviews helped obtain much information in a short space of time. Silverman (2004:177) defines a focus group as 'a way of collecting qualitative data which involves engaging in a small number of people in an informal group discussion, focused around a particular topic or certain issue'. The reason for choosing these data collection techniques is that they have been suitable for this type of research. In addition it has been shown that when using the qualitative research approach and phenomenological research interviews – whether structured or unstructured – focus groups are appropriate for data collection.

For the purposes of this research, the way in which data was collected was through semi-structured interviews, where there was an interaction and a free flow of information between the researcher and the research participants.

Data Collection Tools:
- Field notes
- Pen, and highlighter
- Writing Pad
- Telephone

Research Population
The study involved the officials of the Inkwanca Local Municipality, the official from the government department and members of community involved in the local economic development project.
There were eight participants, and the breakdown according to institutions they belong to appears in the following table:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Number of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inkwanca Local Municipality</td>
<td>3</td>
</tr>
<tr>
<td>Department of Social Development</td>
<td>1</td>
</tr>
<tr>
<td>Community project</td>
<td>4</td>
</tr>
<tr>
<td>Total:</td>
<td>8</td>
</tr>
</tbody>
</table>

The Researcher’s experience in LED initiatives was funded and managed by the DEDEAT.

Non-probability was used for the purposes of this research. In non-probability sampling, purposive sampling was used. Neuman (2003:213) argues that purposive sampling is appropriate in three situations: Firstly, it is used to select unique cases that are especially informative; secondly, it is used to select members of a difficult-to-reach or specialised population; and thirdly, it can be used to identify particular types of cases for in-depth investigation (Neuman, 2003:213). For this research purposive sampling was chosen; the second situation was more applicable to this research, as most of the research participants were working people. It was very difficult to reach them, with most of them working long hours and having social commitments over weekends. In addition, the researcher chose purposive sampling since it is said to help when selecting cases with specific purposes in mind (Neumann, 2003:213). The researcher’s main purpose was to gain factual information about the operations of the local economic development programmes in the area, in order to be able to justify what has been said in the literature about the area.

Snowball sampling has also been used, as some participants were referred by others, and also through choosing those who were well-informed on the subject matter: They are beneficiaries of local economic development initiatives under the Nkwanca Local Municipality and officials of the municipality. Ashley Crossman states that 'snowball sample is a non-probability sampling technique that is appropriate to use in research when the members of a population are difficult to locate. A snowball sample is one in which the researcher collects data on the few members of the target
population he or she can locate, then asks those individuals to provide information needed to locate other members of that population whom they know’ (About.com). The sampling method used is good to get the specific people needed, but there was a risk of bias as the municipal officials were asked about their operations and others were very difficult to reach.

3.3 Interview process

- Before the interview stage, the researcher had to produce a letter to the respondents. This letter had a university letter head and a stamp, and indicated that the research was conducted for academic purposes. This helped to provide clarity for people who raised concerns prior to participating in the study.
- Prior to the interview, the researcher gave the participants an overview of the study and distributed consent forms to fill and sign in order to make their participation official.

The researcher conducted interview questions in both Xhosa and English.

3.4 Challenges of the study

Due to unforeseen challenges, the researcher found it very difficult to follow the initial plan of the research exactly. It is often difficult to adhere to a plan in qualitative study, as content of answers can change during discussions. Sometimes a participant will say the opposite of what is expected, which can also make the data collection process interesting. Interviews were not recorded, but the researcher took notes manually during interview sessions. The reason for this change was the budget constraint. For easy reference, questions that were asked have been attached as Appendix F. The timing of the study was very difficult since the Inkwanca local municipality was faced with a protest of its community members against lack of service delivery by the municipality. As mentioned by one of the participants, this conflict seems to have been politically motivated. The community of Molteno complained about the fact that the appointed Mayor is from Sterkstroom and they do not receive attention for their needs in their own area. The anger of the community
was directed towards any municipal member, government official and even at each other as community members. As a result, this affected collection of information for the research study. As an alternative, the researcher held interviews at a project in Sterkstroom, as there was more peace in that area than in Molteno.

According to the findings articulated in Chapter 4, the study has achieved its aims and objectives, although the collection of data was not an easy task; it was very hard to reach some of the participants. There were challenges in accessing the target participants for the interviews, especially the Municipal Manager who was said to have been very busy. This led the researcher to source information from other municipal officials. The bureaucratic processes that had to be followed had an impact on the collection of data. The non-availability of the Municipal Manager prevented the acquisition of information; it may also have caused delays for the study and might have led to grey areas in terms of the exact strategic and operational plans of the municipality to address the aforementioned challenges. In general, the political unrest that occurred in the area does say a lot about the research matter itself. It confirms the fact that the municipality and the community are not in harmony and shows that indeed there are serious disputes with regard to the local economic development of the area. Some of the causes might have even not transpired in the findings due to sensitivity and delicacy.

In addition, the challenge of finance limited the researcher in terms of interviewing larger number of participants in order to acquire more data. However, the background of the researcher and the working relations between the researcher and the municipality were advantageous to the study. The municipality cannot depend on external funds for its own local economic development. The researcher recommends that the provincial department of local government should request funds from the national government to be granted each financial year, specifically for LED implementation. In this way, the municipality will be able to own the programme and fully account for the progress of its LED.

This chapter outlines the method of research that has been used to collect data for the study. The research approach is qualitative, and in-depth interviews have been used to acquire information. Key questions that were used for the interview have been presented in this chapter. Furthermore, a way in which findings will be
interpreted has been described, and the following chapter states the findings of the research.
CHAPTER 4: RESEARCH FINDINGS

4.1 Introduction

Chapter 4 consists of the findings of the qualitative research study that was conducted in the community of the Inkwanca Local Municipality.

The research findings are categorised into the following themes:

- Challenges of local economic development
- Achievements/successes of LED
- Available opportunities to implement LED
- Recommendations, monitoring and partnerships

Participants of the study are numerically coded; for example, municipal officials are referred to as Municipal Official One, Municipal Official Two and Municipal Official Three. Interview questions were almost similar for the participants from the same institution, but differed sometimes due to different responses that triggered pursuit of interesting information discussed at that particular moment. Three participants from the municipality were asked the same questions and came up with almost the same answers most of the time. However, there were slight differences in their answers and on the follow-up questions asked. The project members were grouped and interviewed at the same time. They were asked specific questions about matters concerning their project operations. The municipal officials were interviewed individually at different times. The other participant is from the Department of Social Development and is referred to as the Department Official.

When asked about the LED strategy, all participants from the municipality agreed that there is an approved LED strategy in the municipality. They stated that it was reviewed early this year, having been approved by the council three years ago. LED programmes are in line with the strategy. For example, the following Tourism, Small, Micro and Medium Enterprise (SMME) development and agricultural industries are outlined in the LED strategy as priorities, and the municipality is doing some work in pursuit of these priorities for their LED in spite of ongoing challenges hindering progress and success. Municipal officials commented that the process of strategy
development involved the sector government departments, the district municipality and the community structures, including businesses and the management of the Inkwanca Local Municipality; this implies that this has been a fair process for everyone since all key parties were involved.

4.2 Challenges and Recommendations

Municipal Official One mentioned that the municipality has been providing technical support to the community on LED projects through the staff members of their LED unit. However, this has been a challenge since some of the resources such as transport for the LED unit staff is still lacking; this made it difficult to monitor some of the projects – especially those at the periphery. Other challenges that hinder the implementation process of LED projects in the area are shortage of water and electricity. According to Municipal Officer Four, the municipality has communicated the issue of electricity with Eskom. Eskom has organised a company named ‘Dorpa Farm’ to install wind turbines to generate energy for the town and its surrounding communities (including farms). Water remains a very big problem for this municipality and has a negative effect on the running of the project. Another crucial challenge – reported by municipal officials – is a lack of funding for the implementation of LED strategy.

The municipality does not have funds to implement LED, but depends solely on external funders such as the district departments and the Chris Hani District Municipality. Indeed there are up-and-running initiatives which are funded by the Department of Social Development; for example, the Siphesihle Bakery Cooperative. The Bakery was initiated by women who used to sell fish and meat from their homes during the ‘Vukuzenzele’ (rise and act) programme, which encouraged South African citizens to start earning meaningful income in order to reduce unemployment in the country (Twala, 2002). Members of the bakery project united and started a mini-business which was then funded by Social Development with R500 000 in 2010. This project produced bread, fat cakes, buns and cakes to order. When the project started, these women used a gas stove to bake as they did not have electricity. The funding was utilised to purchase baking utensils, such as an oven, and also to renovate a building that was donated to them by the Public Works Department.
This project started with 15 members who were trained by the Bakels Company. They received basic baking skills and the training was undertaken at no cost to the project. The number of members decreased as the time went on; project members do not earn salaries for the work they are doing since there is not enough profit to pay salaries after production expenses. As mentioned by project members, they use the money from sales to buy more inputs and also for transport to and from the project site. The only way they live is by taking home a loaf of bread each day. This situation forces other project members to quit, especially when they find better jobs. Therefore, there is no impact on the community in terms of changing livelihoods. In addition to the lack of salaries, two participants mentioned that they are short of stock for their baking, and also that there is an amount of R21,000 still in their business account. However, they do not have access to this account, as their cheque book is held by the Department of Social Development in Sterkstroom. The Department also holds other project documents, such as their business plan; this resulted from alleged incorrect utilisation of funds when installed ventilators were installed at the work site. The project members showed discontent about the matter since they believed that the installation of ventilators was part of renovations in the business plan, and should have been funded. Disagreement between the funder and recipient of the LED fund is very common, especially during the implementation stage, and can thus cause serious impediments to the progress of LED. In cases like these, the municipality’s ability to solve problems is limited as the Service Level Agreement (SLA) is normally between the project beneficiaries and the funder – and the funder draws up the SLA.

One item which the project members would like to have is a bakkie, so that they are able to deliver products to retailers in Molteno and to other shops. They are currently delivering bread on foot to the closest shops, and making use of a hired vehicle to deliver bread to crèches and the community. The endeavour by community members shows willingness and commitment towards development, albeit they are limited by the aforementioned problems. For this particular project in the Inkwanca Local Municipality, there is a market available but lack of resources remains challenging. This project does have customers who order and buy from them daily, but they stated that there is not enough income to run the business. In this initiative, the municipality has been supporting the project by providing free water, rates and
electricity. However, the general challenge of the supply of these resources makes things difficult to continue. The project members recommend a supply of a generator to support them when there is no electricity to enable them to keep this project going. Capacity building for the project members is still needed, especially for financial management skills. They say they do have a good record-keeping system, but it also needs to be improved and aligned to professional office work. In this regard, the municipality should approach the stakeholder – for example, SEDA – to intervene and help with capacity building of the project members.

Municipal Officials One and Three suggest that the municipal officials’ capacity must be increased towards their responsibility of implementation of their responsibility. Officials stated:

‘There is no fully-fledged structure in the LED component of the municipality. Only three personnel members are available instant of five staff members as outlined in the organogram. There is no head for the LED section in this municipality which then explains why sometimes it will be difficult to oversee the whole work pertaining to LED issues’. [sic]

Moreover, cooperation and commitment of beneficiaries is of vital importance as most of the time, after the funds have been injected, conflicts arise which are due to lack of common commitment and cooperation. For example, Participant Five stated that:

‘There are instances where there have been conflicts in these projects in the main after the disbursement of the funds. These conflicts are caused by misunderstandings among project members and personal issues that have nothing to with the project per se, bullish behaviour of other project members especially those who are the project initiators. The conflict had a potential to cause a rift between members but through the intervention of the official/s the matter was resolved and the project is fully operational.’

Other projects facing the same situations do not survive these conflicts. Municipal Official Three has a different perspective on what causes these conflicts and lack of cooperation. According to him, people who initiate these LED programmes lack
commitment and do not last long, because they treat a project as a job contract for two to three months and then quit. They do not see it as a business opportunity that can grow sustainably. He added that the project holders tend to focus mainly on registration and acquiring funds, with no clear structure for the sharing of benefits in the project. This then causes conflict, especially when the project has progressed from the ground. An example that was brought forward by Municipal Official Three mentioned the ‘Brick Project’. This project was registered through the Extended Public Works Programme (EPWP) and funds were given by the Chris Hani District Municipality for water tanks and brick-making equipment. The aim of this project was to produce bricks and supply these to the construction businesses and also sell bricks to community members.

The project members in this project discriminated against each other in the distribution of stipends, and the municipality had to intervene through SEDA in order to give guidelines on how to distribute stipends. Racial boundaries still shape the development of this municipal area, and it has been noted by municipal Official Three that the Tourism and Agriculture sectors are predominantly white, whilst the SMME industry is dominated by the black race and their participation is minimal. In an attempt to address challenges of unemployment and poverty, Municipal Official Three mentioned that they have engaged MEC, Mcebisi Jonasi of the DEDEAT, and he has recommended that a strategy for commercial agriculture be developed in order to shift focus from small projects and build an income-based environment through an informed strategy in agriculture.

The Department of Economic Development and the ECDC (Eastern Cape Development Corporation), together with the local municipality, have been tasked to pioneer this initiative. A study will be undertaken in order to investigate the relevant opportunities that will be suitable and achievable in the area of agriculture. Municipal Official Two added that theft of stock is another challenge that hampers progress in the LED initiatives of this municipality. Insufficient human resource capacity is also a challenge and the LED unit of this municipality does not have a coordinator; this is one of the contributing factors to the slow rate of development in the area. For example, a livestock development project, Lismo Farm which was funded by the CHDM, closed down after experiencing theft of livestock. There are approximately 20 SMMEs that have been registered but lack capital to operate their businesses and
have to put up with poor infrastructure – such as roads that are not finished by tenders since they do a poor quality job.

The unrest in the community tends to rise, especially as there are few skilled members of the community who can be employed in the building trade. Community members become upset with the municipality for not contracting local contractors for tenders in this area, but this is because the level of skills and literacy is another challenge for this municipality, and this problem prevents the municipality from progressing. The study was conducted at a time when there was political unrest among community members; they were complaining about lack of development and service delivery from the municipality and this anger even prevented the Department of Economic Development MEC giving his public address during his Executive Committee (EXCO) outreach. As the Molteno community members were angry, other government service delivery sessions had to be held in Sterkstroom, and this further revealed the root of development challenges which prevail in this municipality.

One of the developments worth observing in this study is the Ouma’s Rusks factory that has been in Molteno since 1939 – during the great depression era. This is a big factory that produces and supplies rusks and other food products. There have been about 321 jobs created in this factory. The researcher was involved in the funding of the water purification system and supporting its implementation and has been assured that the project spends the funds in compliance with the approved business plan document. This document stipulates that the main objective of requesting the funds is to purchase and install a water purification plant. The municipality took note of the challenge of not having clean water for the smooth operation of the factory, which was threatening to close down and relocate to another place. This would have meant that many locals of the Inkwanca Local Municipality could lose their jobs. The municipality took quick action and asked the DEDEAT in the Eastern Cape for assistance in funding this project. In response, the Department funded the factory with an amount of R2 m for the purchase and installation of a water purification plant. With this assistance, the municipality managed to avoid unemployment and sustain income in economic growth. This once again indicates that the municipality is mindful about the development of its community, and although there are still challenges remaining.
Another achievement is that this municipality has been identified as one of the best municipalities for supporting the paving project within the district. This suggests that the municipality is committed to their obligation to the local economic development of their community, and that they do their best, although the impact is minimal. Other achievements are the jobs that have been created through the Extended Public Works Programme, although most of these jobs tend to be temporary.

4.3 Monitoring of LED Initiatives at Nkwanca

All participants stated that LED initiatives are being monitored by the funders and the local municipality. However, Participant Three said that the municipality does not have full control over LED initiatives. He stated that:

‘The municipality lacks the control of revenue and also the control of management of funds by project beneficiaries. The municipality tries to control but in vain since most of the time they are not the ones who have funded these projects. They do not have sufficient capacity to input meaningfully on the project and it would be better if they were funded by the local municipality and not external funders.’

When asked about the monitoring of the project, project members said that the Project Steering Committee (PSC) meetings and site visits are being undertaken by the local municipality and that project members and the funder frequently meet so that members are able to voice their challenges in those settings. The PSC is the committee that consists of the project beneficiaries, the funder and all other stakeholders (the local municipality and other relevant stakeholders) who have a significant role to play in the successful implementation of the project. The aim of this committee is to drive the implementation of the project and account for its funds. For the bakery project, it has so far been difficult to actually attend to the challenges outlined in the PSC meetings.

The PSC of the water purification plant was constantly monitored and did very well in terms of following the implementation plan stipulated in the business plan document. The researcher has monitored the funds that were injected by the Eastern Cape DEDEAT and this experience raised hopes of good cooperation between public and
private sectors. It has been stated by one department official that “in general, there is a low level of compliance in these LED initiatives, especially by youth project beneficiaries who seem not to take the issue of compliance with the funder seriously. However, the picture is different with reference to women and food security projects with reference to compliance and commitment”. Knowledge of the legal framework is necessary for the success of the project and peaceful operations. Funders therefore have a responsibility to ensure that the implementers concerned are familiar with and abide by the agreement.

4.4 Opportunities at Inkwanca Local Municipality

**Agriculture:** There is plenty of land and also farms available in the area, even though challenges concerning these opportunities have been outlined above. One of the municipality’s endeavours towards utilisation of these opportunities is to assist the Nyibiba Dairy Farm with water and feed for the livestock. In this project about 2 000 cows were provided by the CHDM. The support of the district municipality for this area provides good opportunities. The LED Unit asked for assistance from the CHDM and they have committed to granting funds for barley. However, the issue of transport arose. The Department of Agriculture funded seeds for one of the community projects, but Official One mentioned that there have been no tractors or machinery to process the lucerne. The proposed commercial agriculture strategy by MEC Mcebisi Jonase has the potential of working in favour of the local economy of Inkwanca by providing income-based job opportunities.

**Tourism:** The installation of wind turbines will popularise the route that passes through Molteno and Sterkstroom and will serve as a tourist attraction and create more opportunities for the Bed &Breakfast owners, which will then have a positive impact on the economy of the area. There are also continuous EPWP programmes which have the potential to boost the economy. In order for opportunities to be successfully utilised, one participant implied that challenges will have to be recognised. It seems as if all participants share the same sentiments regarding the development of this municipality. One department official added: “I think the municipality should play an important role by funding some of these initiatives and dedicate their personnel as well to these projects. Moreover, Inkwanca Local
Municipality should as well in the near future consider having an indaba or summit where different stakeholders could input on further developments in the area”[sic]. Municipal Official Three said that people must view LED initiatives as business initiatives that will grow and provide income for its members. He said: ‘In a business you must be paid out of profit’. It follows that community project members should be capacitated in order to create an enabling environment for business. Workshops could even be considered.

4.5 Public, Private or Integrated Intervention

The municipality has made efforts to create jobs and sustain those that already exist through the EPWP. It has been trying to convince private companies to participate, but this has been difficult. Municipal officials confirmed that the local municipality works very well in establishing and maintaining public partnerships, but the same cannot be said about private partnerships. The participants from the government department and the municipality stated that projects that are being implemented in this area are IDP compliant. There is minimal cooperation from the private sector. Municipal Official Three stated that this also creates some form of challenge since many businesses – especially in the agricultural sector – are run by private farmers who do not want to deal with the municipality. This makes it difficult to determine or monitor the level of impact those businesses have on job creation or on local economic growth. It is also difficult to get relevant information regarding the three main industries of the municipal LED strategy. For example, Municipal Official Three, when asked about the impact of tourism on LED, said that it is a very important industry for the area but is dominated by the previously advantaged group (white race) and it is difficult to obtain a tangible record on the impact of Bed and Breakfast businesses.

4.6 Data Analysis

At this point it is imperative to try and link what has been said in the literature review chapter with what has actually transpired in the research findings. It has been noted in the literature that many of the challenges faced by local and district municipalities
in running LED involve how best to lead, facilitate and support LED at these levels. MEC Mlibo Qoboshiyane for the DLGTA added that different levels of State management are also caught in the same trap of not being able to consolidate and sustain efficient systems to support local development (Thina Sinako, 2011). The reason for this is lack of capacity, insufficient funds or lack of funds altogether.

It has been mentioned that municipalities do not accumulate enough funds from rates and services to cover the needs of LED, because in some communities there is still a need to focus on roads and basic needs services (Emdon, 1997:24). Indeed, it has transpired that infrastructure is very important in the support of effective LED strategy. It was mentioned that most contractors who are given tenders to do roads do not finish their work, and mostly do poor quality work. The findings have revealed that the Inkwanca Local Municipality is facing the challenges of insufficient finances and low capacity for LED implementation, which is similar to the challenges which were faced by the local municipality that took part in the Gijima Programme, as outlined in the literature review. The LED of the Inkwanca Municipality depends on donors or external funders, as was the case in the Gijima Programme.

Another challenge that was mentioned in the literature and the findings is the commitment of community members in the implementation of LED programmes. For the Inkwanca local municipality, commitment to the beneficiaries has been said to have been deteriorating due to lack of stipends or salaries and the rise of conflicts due to personal interests. Lack of human resource capacity also remains an issue for this municipality. There is a dire need to equip the existing staff with more training and also to appoint more LED staff, especially a coordinator for the LED unit. Furthermore, provision of the working resources needs to be given serious consideration for the Inkwanca LED, especially vehicles for the LED staff – as it was mentioned by the participants.

Community members should be taught financial management, to enable them to raise profits in a manner that will ensure that they receive stipends, and also so that they are able to create jobs for other community members who did not necessarily partake in the beginning of the project. Agriculture and tourism have been identified as the main drivers of LED in the area, but the researcher does not believe that
tourism has contributed much to the GDP of the area, as there are no activities attracting tourists in the area.

For the agricultural sector, the optimism for this opportunity is informed by the availability of land and existing farms. The local farmers should come on board and work with the municipality in order to overcome unemployment. This will reduce poverty, which is a national problem. The nature of the challenges makes it clear why the municipality has not been committed to the activities organised by the DST. There has been a lot of migration of staff members and vacant posts have not been filled, placing pressure on this local municipality to participate in district activities, especially as it has been one the triggers of this study.

These findings have achieved the aims and objectives of the research. The challenges and their causes have been identified. Available opportunities have also been identified for the implementation of the LED in the Inkwanca local municipal area. Interventions by the participants have been outlined, and the findings resemble the challenges that were outlined in the literature review chapter. Lack of financial and human resource capacity are highlights and include minimal cooperation and commitment from the community. This municipality has not accumulated enough revenue to budget for LED strategy. Having an approved LED strategy is one step, but completion remains an important need for everyone. Efforts and intervention have to outnumber the challenges outlined in this municipality.

In conclusion, this chapter has presented findings in various categories and has referred back to the research aims. It has been concluded that the aims and objectives have been achieved.
CHAPTER 5: CONCLUSION

5.1 Introduction

This chapter consists of a summary of the background of the research study; it re-outlines the aims of the study and its focus. The researcher includes the data analysis of the study where literature and the findings were put together and discussed. Finally, the chapter also highlights challenges and the recommendations of the researcher on how the research problem can be solved.

5.2 Recap on the research focus

The focus of this research study is in the LED of the Inkwanca Local Municipality, and specifically aims to identify the challenges, successes and opportunities of this municipality in its implementation of LED strategy. The study was triggered by a high rate of unemployment and the poverty faced by the municipality. The researcher wished to acquire knowledge about the municipal LED framework; whether they have an approved strategy and how they are using the strategy to address the current problems faced by this municipal area. In summary, the research problem is based on the fact that the Inkwanca Local Municipality’s problems resulted in a dysfunctional LED environment. The literature and the research findings revealed that the Inkwanca Local Municipality failed to prioritise LED in terms of budgeting, providing sufficient personnel and supporting existing projects. There has been a lack of a visible impact made by the government initiatives in the area. It was mentioned that even the existing LED initiatives in the area do not all flourish, due to lack of financial support, integrated development of the surrounding sector departments, commitment by the communities and the necessary political support for some initiatives. In addition there is poor participation of this local municipality in the activities of the District Support Team for LED. Identifying opportunities would give insight as to how the situation could be improved, and who should intervene. The planned intervention will require the support of both the municipality and the community if the implementation of LED programmes is to succeed.
This kind of study had to go beyond assumptions while attempting to find out the situation. To this end, a qualitative research design and semi-structured interviews were used as data collection tools. Participants of various relevant institutions were consulted and took part in the study voluntarily. These participants were officials of the municipality, members of the community and the sector departments involved in the LED of the area. Based on the findings of the research, it seems that the literature and the research findings are mainly in harmony. At a glance, the research problem question asked: 'How can the LED of the Inkwanca municipal area be made effective?' In order to answer this question the researcher looked at the available opportunities and made recommendations to participants; the opinion of the researcher is included in the conclusion. Opportunities in this local municipality are outweighed by the challenges. The MEC of the DEDEAT – in his speech to various stakeholders during the EXCO outreach – mentioned that the Inkwanca Municipality needs to have an income-based commercial agricultural programme that will create many job opportunities and provide business skills for the locals. This should be a permanent programme, and not consist of small projects that normally last for a short space of time.

5.3 Recommendations

- The Inkwanca Local Municipality should engage more donors and identify areas of development;
- There should be sessions with the municipality where development plans of the area are discussed and monitored in order to establish the community members’ mind-set on LED;
- Furthermore, the municipality should be sure to fill the vacant post of leadership for the LED and should also grant funds for transport for the LED unit;
- Continuous capacity-building programmes should be held to monitor the progress of the LED;
- Building partnerships with the private sector is essential, as the private sector also plays an important role in creating income for the area;
• Existing community development initiatives should not be there just for statistics, but should be supported in a manner that will grow marketable businesses;

• Cooperation with the community is essential and workshops on how to make their development initiatives successful should continue. Skills development should be encouraged, as this will also create sustainable income which is urgently needed by the inhabitants of Inkwanca;

• In the area of skills, it would even be advantageous to source contractors from outside the district, to get professionals to train the evolving businessmen in Inkwanca area, so that they can produce quality work. This will assist the municipality and prevent repetition of work;

• The revitalisation of a small town programme, together with other developments, should be prioritised for the area so that there can be a good cash flow within the area. Building of malls or shopping centres can create jobs and also bring more income for the Inkwanca communities;

• Planning has been mastered for a long-time, but what is now needed is the implementation of those plans with very strong financial support and mentorship for a highly-improved LED.

5.4 Conclusion

In summary, the challenges and opportunities of the Local Economic Development of Inkwanca Local Municipality have been studied in this research. The study took a qualitative research approach and the in-depth interviews were conducted with participants of the local municipality and the government department. The five chapters of the study have covered the aims of the research by identifying the challenges, successes, opportunities and recommendations for the development problems faced by this locality. The Inkwanca area has the potential to grow if the challenges can be addressed and if cooperation can be more active between the municipality, community, and the public and private sectors. Funding of the LED strategy should be vigorously implemented. Monitoring of LED initiatives needs to be tightened to avoid unnecessary expenditure. In addition, the development of infrastructure has also been identified as a step that will assist in the success of
LED. The Agriculture and Tourism sectors have been identified as keys to the LED of this municipality.
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ETHICS CLEARANCE FOR TREATISES/DISSERTATIONS/THESSES

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FACULTY: Economic Sciences and Development

SCHOOL/DEPARTMENT: Development Studies

I, (surname and initials of supervisor) Basardien F.

the supervisor for (surname and initials of candidate) Potsio V.

212419676 (student number)

a candidate for the degree of MA in Development Studies


An assessment of the Local Economic Development of the Inkwanza Local Municipality: Challenges and Opportunities

considered the following ethics criteria (please tick the appropriate box):

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<td>1.</td>
<td></td>
<td>X</td>
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<td>2.</td>
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<td>2.1</td>
<td>X</td>
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</tr>
<tr>
<td>3.</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

(An institutional authority refers to an organisation that is established by government to protect vulnerable...
<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Are you intending to access participant data from an existing, stored repository (e.g. school, institutional or university records)?</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>4. Will the participant's privacy, anonymity or confidentiality be compromised?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>4.1 Are you administering a questionnaire/survey that:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Collects sensitive/identifiable data from participants?</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>(b) Does not guarantee the anonymity of the participant?</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>(c) Does not guarantee the confidentiality of the participant and the data?</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>(d) Will offer an incentive to respondents to participate, i.e. a lucky draw or any other prize?</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>(e) Will create doubt whether sample control measures are in place?</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>(f) Will be distributed electronically via email (and requesting an email response)?</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Note:
- If your questionnaire DOES NOT request respondents' identification, is distributed electronically and you request respondents to return it manually (print out and deliver/mall), AND respondent anonymity can be guaranteed, your answer will be NO.
- If your questionnaire DOES NOT request respondents' identification, is distributed via an email link and works through a web response system (e.g. the university survey system); AND respondent anonymity can be guaranteed, your answer will be NO.

Please note that if ANY of the questions above have been answered in the affirmative (YES) the student will need to complete the full ethics clearance form (REC-H application) and submit it with the relevant documentation to the Faculty RECH (Ethics) representative.

and hereby certify that the student has given his/her research ethical consideration and full ethics approval is not required.

SUPERVISOR(S)

HEAD OF DEPARTMENT

STUDENT(S)

Please ensure that the research methodology section from the proposal is attached to this form.

DATE

01/Dec/13

04/10/2013
APPENDIX B

Pauline Visser
Freelance Editor and Proofreader
Member of PEG (Professional Editors’ Group)
P.O. Box 37 Lanseria
Gauteng 1748
Office: 087 6300 753
Cell: 072 555 6102
paulinevisser@yahoo.com

Date: 26th November 2013

To: Professor Richard Haines
The Head of Department
Department of Development Studies
NMMU

Dear Mr. Haines,

DECLARATION BY LANGUAGE PRACTITIONER

I, Pauline Visser, declare that by nature of my qualifications and experience I am competent to check the language usage in a research report.

I certify that I have checked the research report prepared by Vuyokazi Potso and that the language usage and structure of the document comply with accepted sound English language usage and scholarly writing norms.

Kind Regards,

Pauline-Visser
APPENDIX C

PERMISSION TO SUBMIT FINAL COPIES
OF TREATISE/DISSERTATION/THESIS TO THE EXAMINATION OFFICE

Please type or complete in black ink

FACULTY: ____________________________

SCHOOL/DEPARTMENT: DEVELOPMENT STUDIES

I, (surname and initials of supervisor/promoter) Dr. Fanwy Bazarwane

and (surname and initials of co-supervisor/co-promoter) __________________________

the supervisor/promoter and co-supervisor/co-promoter respectively for (surname and initials of candidate) V. Potsa

(student number) 212411976 a candidate for the (full description of qualification) MASCBS IN DEVELOPMENT STUDIES


It is hereby certified that the proposed amendments to the treatise/dissertation/thesis have been effected and that permission is granted to the candidate to submit the final bound copies of his/her treatise/dissertation/thesis to the examination office.

__________________________
SUPERVISOR / PROMOTER

DATE: 25/10/2014

And/ Or

__________________________
CO-SUPERVISOR / CO-PROMOTER

DATE: ________________________
To whom it may concern

**Re: Research project:** Ms Vuyokazi POTSO

Dear Sir/Madam

This letter serves to confirm that Ms Potso is a registered student in the Masters programme in Development Studies at the Nelson Mandela Metropolitan University, with student no. 212419676. She is conducting her research treatise on the topic:

"An assessment of Local Economic Development in the Inkwanca Local Municipality: Challenges and Opportunities."

Please offer Ms Potso assistance in the conduct of her research, which I trust will be of benefit to your organisation. Please do not hesitate to contact me if there is any further information you require in this regard.

Yours sincerely

Dr JM Cherry

Dr Janet Cherry
Department of Development Studies
School of Economics and Development Studies
Nelson Mandela Metropolitan University
Summerstrand Campus
Port Elizabeth 6031
South Africa
Tel: +27(0)41 504 2483
Fax: +27(0)41 504 2826
E-mail: Janet.Cherry@nmmu.ac.za
APPENDIX E: Questionnaire

The types of questions that will be asked are as follows:

For the municipal officials:
- Does the municipality own an approved LED strategy document?
- If yes when was it approved?
- Which process was involved in the development of the strategy?
- What are the available resources for driving LED in your jurisdiction?
- In your opinion can please outline the status core of LED in your municipality?
- What are the challenges and successes experienced? (specify explain)
- Is LED accommodated in your IDP document?
- How is it implemented?
- Are there any provisions for SMME development in your jurisdiction?
- Are there any Tourism related activities to boost your economy?
- What are available opportunities for LED enhancement?
- What is being done to utilise such available resources?
- How can risks be mitigated?
- Does the municipality have sufficient human and financial resource capacity?
- Are there any partnerships with external stakeholders to support LED in your municipality?
- In terms of job creation in your municipality, how would you rate?
- What evidence would you refer to?
- Planning ahead what is the municipality doing about the status core?

For the Project Members:
- What is the name of your project?
- When was it formulated?
- Who was the initiator? (Community or state)?
- What was the purpose of its development?
- Who and how many beneficiaries?
- Did you receive any funding from external funder? If yes who and how much?
- What kind of impact did it have?
- Tell me challenges and successes of the project?
Another interview will be held with one participant from the department of Social Development in order to acquire more knowledge about the dynamics regarding LED in the municipality. Questions that will be asked are?

1. In what way does your department drive Local Economic Development in the Nkwanca municipality area?
2. Are those developments in line with the priorities of the (IDP) Integrated Development Plan of the municipality?
3. When did you start working with Inkwanca LM projects?
4. Which development programmes have you been involved in for the area?
5. Any remarkable impact in terms of job creation (Please exemplify)
6. Who initiated the developments that your department has supported?
7. What are the resources that the department has provided to support LED projects in the area?
8. How are the projects monitored?
9. Level of compliance, commitment of the community and sustainability of the development initiatives post funding period?
10. Did you encounter any conflict situation? If Yes what was the cause? Was it resolved? Did it have an impact on the operation of the project?
11. Is there any cooperation between your department and the Municipal office in any of the developments you are involved in?
12. Any impact brought by the municipality or political figure in your current development initiatives in the concerned area? (Negative or positive)
13. Please share with me your successes and your challenges in the development of the Inkwanca Local Municipality? (Specify examples).
14. Are there any partnerships with other government departments and private sector? If yes how are they working for the development of Inkwanca?
15. What do you think the municipality should do to improve local Economic Development of Nkwanca.
16. What recommendations would you make as a development practitioner for the area?